

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2018**

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
County of Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Maintenance District 07-Marina View Heights (the District), a component unit of the County of Madera, California as of and for the year ended June 30, 2018 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 respective financial position of the business-type activities of the District as of June 30, 2018, and the respective 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 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.

Supplementary 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 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The financial statements of the District as of and for the year ended June 30, 2017, were audited by predecessor auditors, and they expressed an unmodified opinion in their report dated September 25, 2019, but they have not performed any auditing procedures since that date.

HUDSON HENDERSON & COMPANY, INC.

Hudson Henderson & Company, Inc.

Fresno, California
February 22, 2021

BASIC FINANCIAL STATEMENTS

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**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION
JUNE 30, 2018**

ASSETS

Current Assets:

Cash and investments	\$ 728,534
Accounts receivable	9,302
Interest receivable	3,306
Total Current Assets	<u>741,142</u>

Non-Current Assets:

Capital assets:

Land	86,155
Depreciable assets	355,264
Accumulated depreciation	<u>(169,934)</u>
Total Non-Current Assets	<u>271,485</u>

Total Assets	<u>1,012,627</u>
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LIABILITIES

Current Liabilities:

Accounts payable	3,765
Deposits from others	1,050
Due to County of Madera	23,854
Unearned revenue	<u>1,611</u>
Total Current Liabilities	<u>30,280</u>

Total Liabilities	<u>30,280</u>
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NET POSITION

Net investment in capital assets	271,485
Unrestricted	<u>710,862</u>

Total Net Position	<u>\$ 982,347</u>
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The notes to the basic financial statements are an integral part of this statement.

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

Operating Revenues:	
Charges for services	\$ 119,049
Total Operating Revenues	<u>119,049</u>
Operating Expenses:	
Services and supplies	48,650
Maintenance	52,379
Insurance	1,054
Utilities	19,168
Depreciation	<u>10,823</u>
Total Operating Expenses	<u>132,074</u>
Operating Income (Loss)	<u>(13,025)</u>
Non-Operating Revenue (Expenses):	
Taxes	60,938
Investment income	10,185
Intergovernmental	<u>6,091</u>
Total Non-Operating Revenue (Expenses)	<u>77,214</u>
Change in Net Position	64,189
Net Position, Beginning of Year	<u>918,158</u>
Net Position, End of Year	<u>\$ 982,347</u>

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

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

Cash flows from operating activities:	
Cash receipts from customers and users	\$ 119,995
Cash paid to suppliers	<u>(128,460)</u>
Net cash provided by (used for) operating activities	<u>(8,465)</u>
Cash flows from noncapital financing activities:	
Taxes	60,938
Operating grants	<u>8,373</u>
Net cash provided by (used for) noncapital financing activities	<u>69,311</u>
Cash flows from investing activities:	
Investment income received	<u>8,736</u>
Net cash provided by (used for) investing activities	<u>8,736</u>
Net increase (decrease) in cash and investments	69,582
Cash and investments, beginning of the year	<u>658,952</u>
Cash and investments, end of the year	<u>\$ 728,534</u>

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

Operating income (loss)	\$ (13,025)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	10,823
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	23
Increase/(Decrease) in accounts payable	(2,009)
Increase/(Decrease) in due to County of Madera	(5,200)
Increase/(Decrease) in deposits from others	150
Increase/(Decrease) in unearned revenues	<u>773</u>
Net cash provided by (used for) operating activities	<u>\$ (8,465)</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 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the **MD 07 - Marina View Heights** (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 83 improved units and 9 standby units. The District provides sewer service to 83 improved and 9 standby units. The District provides road maintenance for approximately 94 parcels with 0.68 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 District was formed on June 25, 1963 by Resolution No. 63-286. The funding for the water and sewer system operations comes from charges for water and sewer services, while the funding for road maintenance comes only from a portion of property tax.

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, a Statement of Revenues, Expenses, and Change 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 Change 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 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

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>
Water and Sewer Systems	15-65 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 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

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, 2018 are classified in the financial statements as follows:

Cash and investments – unrestricted	\$728,534
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The District's cash and investments consisted of the following as of June 30, 2018:

Deposits held with County of Madera Investment Pool	\$728,534
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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, 2018, 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 and 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 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018, was as follows:

	Total			Balance June 30, 2018
	Balance July 1, 2017	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 86,155	\$ -	\$ -	\$ 86,155
Total capital assets, not being depreciated	<u>86,155</u>	<u>-</u>	<u>-</u>	<u>86,155</u>
Capital assets, being depreciated:				
Water and sewer systems	355,264	-	-	355,264
Total capital assets, being depreciated	<u>355,264</u>	<u>-</u>	<u>-</u>	<u>355,264</u>
Less accumulated depreciation for:				
Water and sewer systems	(159,111)	(10,823)	-	(169,934)
Total accumulated depreciation	<u>(159,111)</u>	<u>(10,823)</u>	<u>-</u>	<u>(169,934)</u>
Total capital assets being depreciated, net	<u>196,153</u>	<u>(10,823)</u>	<u>-</u>	<u>185,330</u>
Total capital assets, net	<u>\$ 282,308</u>	<u>\$ (10,823)</u>	<u>\$ -</u>	<u>\$ 271,485</u>

Depreciation expense of \$10,823 was charged to the District.

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3: CAPITAL ASSETS (Continued)

	Water			Balance June 30, 2018
	Balance July 1, 2017	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 86,155	\$ -	\$ -	\$ 86,155
Total capital assets, not being depreciated	86,155	-	-	86,155
Capital assets, being depreciated:				
Water systems	265,324	-	-	265,324
Total capital assets, being depreciated	265,324	-	-	265,324
Less accumulated depreciation for:				
Water systems	(84,412)	(9,912)	-	(94,324)
Total accumulated depreciation	(84,412)	(9,912)	-	(94,324)
Total capital assets being depreciated, net	180,912	(9,912)	-	171,000
Total capital assets, net	\$ 267,067	\$ (9,912)	\$ -	\$ 257,155

Depreciation expense of \$9,912 was charged to the water service function of the District.

	Sewer			Balance June 30, 2018
	Balance July 1, 2017	Additions	Deletions	
Capital assets, being depreciated:				
Sewer systems	\$ 89,940	\$ -	\$ -	\$ 89,940
Total capital assets, being depreciated	89,940	-	-	89,940
Less accumulated depreciation for:				
Sewer systems	(74,699)	(911)	-	(75,610)
Total accumulated depreciation	(74,699)	(911)	-	(75,610)
Total capital assets being depreciated, net	15,241	(911)	-	14,330
Total capital assets, net	\$ 15,241	\$ (911)	\$ -	\$ 14,330

Depreciation expense of \$911 was charged to the sewer service function of the District.

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

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. Total expenses to the County of Madera for the year ended June 30, 2018 were \$ 79,239.

The amount due to the County of Madera as of June 30, 2018 is \$23,854.

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 Comprehensive Annual Financial Report.

NOTE 6: COMMITMENTS AND CONTINGENCIES

Grants

The District participates in a State grant program subject to financial and compliance audits by the grantor or their representatives. The amount, if any, of expenses which may be disallowed by the granting agency cannot be determined at this time. However, management does not believe that audit disallowances, if any, would have a significant effect on the financial position of the District.

NOTE 7: SUBSEQUENT EVENTS

New Water Rates

The State of California allows the District to install Point of Use treatment at every residence to temporarily satisfy the Compliance Order for a year term ending December 2022. The Board of Directors of the District adopted Resolution 2019-174 on November 19, 2019 to increase the water service rate within the District. The increase in rate is necessary because the current rate of \$39 is insufficient to cover costs of operating the Point of Use Treatment. The new water rate is effective December 1, 2019. The residential and commercial water rate will be increased to \$97.60 each month, consisting of the existing water rate (\$39) and the Point of Use Treatment charge (\$58.60).

Coronavirus Disease (COVID-19)

On March 11, 2020 the World Health Organization declared the outbreak of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities.

Specific to Maintenance District 07, COVID-19 may impact the timing of receipts for utility and assessment billings. Management believes MD 07 is taking appropriate actions to mitigate the potential negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

SUPPLEMENTARY INFORMATION

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018**

	Water	Sewer	Roads	Total
ASSETS				
Current Assets:				
Cash and investments	\$ 194,230	\$ 531,950	\$ 2,354	\$ 728,534
Accounts receivable	3,123	6,179	-	9,302
Interest receivable	1,131	2,175	-	3,306
Total Current Assets	198,484	540,304	2,354	741,142
Non-Current Assets:				
Capital assets:				
Land	86,155	-	-	86,155
Depreciable assets	265,324	89,940	-	355,264
Accumulated depreciation	(94,324)	(75,610)	-	(169,934)
Total Non-Current Assets	257,155	14,330	-	271,485
Total Assets	455,639	554,634	2,354	1,012,627
LIABILITIES				
Current Liabilities:				
Accounts payable	1,492	2,238	35	3,765
Deposits from others	359	691	-	1,050
Due to County of Madera	10,547	10,988	2,319	23,854
Unearned revenue	551	1,060	-	1,611
Total Current Liabilities	12,949	14,977	2,354	30,280
Total Liabilities	12,949	14,977	2,354	30,280
NET POSITION				
Net investment in capital assets	257,155	14,330	-	271,485
Unrestricted	185,535	525,327	-	710,862
Total Net Position	\$ 442,690	\$ 539,657	\$ -	\$ 982,347

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(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, 2018**

	<u>Water</u>	<u>Sewer</u>	<u>Roads</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 40,383	\$ 78,666	\$ -	\$ 119,049
Total Operating Revenues	<u>40,383</u>	<u>78,666</u>	<u>-</u>	<u>119,049</u>
Operating Expenses:				
Services and supplies	32,374	14,492	1,784	48,650
Maintenance	14,272	31,344	6,763	52,379
Insurance	527	527	-	1,054
Utilities	13,468	5,700	-	19,168
Depreciation	<u>9,912</u>	<u>911</u>	<u>-</u>	<u>10,823</u>
Total Operating Expenses	<u>70,553</u>	<u>52,974</u>	<u>8,547</u>	<u>132,074</u>
Operating Income (Loss)	<u>(30,170)</u>	<u>25,692</u>	<u>(8,547)</u>	<u>(13,025)</u>
Non-Operating Revenue (Expenses):				
Taxes	17,923	34,468	8,547	60,938
Investment income	3,484	6,701	-	10,185
Intergovernmental	<u>6,091</u>	<u>-</u>	<u>-</u>	<u>6,091</u>
Total Non-Operating Revenue (Expenses)	<u>27,498</u>	<u>41,169</u>	<u>8,547</u>	<u>77,214</u>
Changes in Net Position	(2,672)	66,861	-	64,189
Net Position, Beginning of Year	<u>445,362</u>	<u>472,796</u>	<u>-</u>	<u>918,158</u>
Net Position, End of Year	<u>\$ 442,690</u>	<u>\$ 539,657</u>	<u>\$ -</u>	<u>\$ 982,347</u>

**MAINTENANCE DISTRICT 07 – MARINA VIEW HEIGHTS
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	Water	Sewer	Roads	Total
Cash flows from operating activities:				
Cash receipts from customers and users	\$ 40,768	\$ 79,227	\$ -	\$ 119,995
Cash paid to suppliers	<u>(66,512)</u>	<u>(55,725)</u>	<u>(6,223)</u>	<u>(128,460)</u>
Net cash provided by (used for) operating activities	<u>(25,744)</u>	<u>23,502</u>	<u>(6,223)</u>	<u>(8,465)</u>
Cash flows from noncapital financing activities:				
Taxes	17,923	34,468	8,547	60,938
Operating grants	<u>8,373</u>	<u>-</u>	<u>-</u>	<u>8,373</u>
Net cash provided by (used for) noncapital financing activities	<u>26,296</u>	<u>34,468</u>	<u>8,547</u>	<u>69,311</u>
Cash flows from investing activities:				
Investment income received	<u>2,989</u>	<u>5,747</u>	<u>-</u>	<u>8,736</u>
Net cash provided by (used for) investing activities	<u>2,989</u>	<u>5,747</u>	<u>-</u>	<u>8,736</u>
Net increase (decrease) in cash and investments	3,541	63,717	2,324	69,582
Cash and investments, beginning of the year	<u>190,689</u>	<u>468,233</u>	<u>30</u>	<u>658,952</u>
Cash and investments, end of the year	<u>\$ 194,230</u>	<u>\$ 531,950</u>	<u>\$ 2,354</u>	<u>\$ 728,534</u>

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

Operating income (loss)	\$ (30,170)	\$ 25,692	\$ (8,547)	\$ (13,025)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	9,912	911	-	10,823
Changes in operating assets and liabilities:				
Decrease/(Increase) in accounts receivable	70	(47)	-	23
Increase/(Decrease) in accounts payable	(2,023)	9	5	(2,009)
Increase/(Decrease) in due to County of Madera	(3,848)	(3,671)	2,319	(5,200)
Increase/(Decrease) in deposits from others	51	99	-	150
Increase/(Decrease) in unearned revenues	<u>264</u>	<u>509</u>	<u>-</u>	<u>773</u>
Net cash provided by (used for) operating activities	<u>\$ (25,744)</u>	<u>\$ 23,502</u>	<u>\$ (6,223)</u>	<u>\$ (8,465)</u>