

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

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018**



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

JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Madera County

Report on the Financial Statements

We have audited the accompanying financial statements of Maintenance District 08 – North Fork (District), a component unit of the County of Madera, California as of and for the years ended June 30, 2019 and 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maintenance District 08 – North Fork as of June 30, 2019 and 2018, and the changes in financial position and 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 an opinion on the financial statements as a whole. The supplementary information on pages 16-21 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 prepared 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.



CliftonLarsonAllen LLP

Roseville, California
March 24, 2020

BASIC FINANCIAL STATEMENTS

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

**STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018**

	2019	2018
Assets		
Current assets		
Cash	\$ 913,413	\$ 929,035
Cash and investments - restricted	36,355	34,989
Accounts receivable	59,021	63,840
Interest receivable	3,489	4,252
Due from other governments	121,278	7,852
Due from County of Madera	5,971	--
Total current assets	1,139,527	1,039,968
Noncurrent assets		
Land	807,059	807,059
Construction in progress	86,227	--
Infrastructure	2,713,054	2,713,054
Accumulated Depreciation	(1,897,074)	(1,860,327)
Total noncurrent assets	1,709,266	1,659,786
Total assets	2,848,793	2,699,754
Liabilities		
Current liabilities		
Accounts payable	72,374	7,913
Interest payable	1,582	1,761
Deposits from others	2,250	1,650
Due to County of Madera	39,320	46,878
Unearned revenue	2,588	2,950
Long-term debt, current portion	11,973	11,486
Total current liabilities	130,087	72,638
Non-Current liabilities		
Long-term debt, non-current portion	55,800	67,775
Total non-current liabilities	55,800	67,775
Total liabilities	185,887	140,413
Net Position		
Net investment in capital assets	1,641,493	1,580,525
Restricted for debt service	36,355	34,989
Unrestricted	985,058	943,827
Total net position	\$ 2,662,906	\$ 2,559,341

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)**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Operating Revenues:		
Charges for services	\$ 262,163	\$ 254,790
Total operating revenues	262,163	254,790
Operating Expenses:		
Services and supplies	149,857	104,030
Repairs and maintenance	99,811	108,052
Insurance	9,290	5,959
Utilities	36,322	33,600
Depreciation	36,747	36,748
Total operating expenses	332,027	288,389
 Operating income (loss)	 (69,864)	 (33,599)
Nonoperating Revenue:		
Taxes	16,497	16,706
Investment income	16,011	13,628
Intergovernmental	58,045	47,036
Interest and fiscal charges	(3,351)	(3,803)
Total nonoperating revenue	87,202	73,567
 Income Before Contributions	 17,338	 39,968
 Capital Contributions	 86,227	 --
 Change in net position	 103,565	 39,968
 Net position - beginning of year	 2,559,341	 2,519,373
 Net position - end of year	 \$ 2,662,906	 \$ 2,559,341

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)**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2019**

	2019	2018
Cash flows from operating activities:		
Receipts from customers	\$ 261,249	\$ 281,885
Payments to suppliers	(238,377)	(284,089)
Net cash provided (used) by operating activities	22,872	(2,204)
Cash flows from noncapital financing activities		
Taxes	16,497	16,706
Operating grants	30,846	47,036
Net cash provided (used) by noncapital financing activities	47,343	63,742
Cash flows from capital & related financing activities		
Acquisition and construction of capital assets	(86,227)	--
Interest paid on capital debt	(3,530)	(3,963)
Principal paid on capital debt	(11,488)	(11,114)
Net cash provided (used) by capital & related financing activities	(101,245)	(15,077)
Cash flows from investing activities		
Interest received	16,774	12,069
Net cash provided (used) by investing activities	16,774	12,069
Net increase (decrease) in cash and cash equivalents	(14,256)	58,530
Cash and cash equivalents, beginning of year	964,024	905,494
Cash and cash equivalents, end of year	\$ 949,768	\$ 964,024
Reconciliation of cash and cash equivalents to the statement of net position		
Cash	\$ 913,413	\$ 929,035
Cash and investments - restricted	36,355	34,989
Total cash and cash equivalents	\$ 949,768	\$ 964,024
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (69,864)	\$ (33,599)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	36,747	36,748
Changes in assets and liabilities:		
Decrease/(increase) in accounts receivable	4,819	(6,545)
Decrease/(increase) in due from other governments	--	32,604
Decrease/(increase) in due from County of Madera	(5,971)	--
Increase/(decrease) in accounts payable	64,461	(13,224)
Increase/(decrease) in due to County of Madera	(7,558)	(19,224)
Increase/(decrease) in deposits from others	600	600
Increase/(decrease) in unearned revenues	(362)	436
Net Cash Provided (Used) by Operating Activities	\$ 22,872	\$ (2,204)

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

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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, 2019 AND 2018**

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 129.46 improved units and 33.70 standby units. The wastewater plant provides sewer service to 163.56 improved units and 35.02 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 water and 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, 2019 AND 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers the cash held in the County Treasury, its only investments, to be cash and cash equivalents.

E. 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.

F. 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.

G. 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 acquisition 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.

H. 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, 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.”

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Net Position (Continued)

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

I. 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, 2019 and 2018 are classified in the financial statements as follows:

	2019	2018
Cash and investments - unrestricted	\$ 913,413	\$ 929,035
Cash and investments - restricted	36,355	34,989
Deposits held with County of Madera Investment Pool	\$ 949,768	\$ 964,024

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, 2019 and 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2: CASH AND INVESTMENTS (Continued)

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.

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

	Total			
	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 807,059	\$ --	\$ --	\$ 807,059
Construction in progress	--	86,227	--	86,227
Total capital assets, not being depreciated	807,059	86,227	--	893,286
Capital assets, being depreciated:				
Infrastructure	25,567	--	--	25,567
Water & sewer systems	2,687,487	--	--	2,687,487
Total capital assets, being depreciated	2,713,054	--	--	2,713,054
Less accumulated depreciation for:				
Infrastructure	(25,567)	--	--	(25,567)
Water & sewer systems	(1,834,760)	(36,747)	--	(1,871,507)
Total accumulated depreciation	(1,860,327)	(36,747)	--	(1,897,074)
Total capital assets, being depreciated, net	852,727	(36,747)	--	815,980
Total capital assets, net	<u>\$ 1,659,786</u>	<u>\$ 49,480</u>	<u>\$ --</u>	<u>\$ 1,709,266</u>

Depreciation expense of \$36,747 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, 2019 AND 2018**

NOTE 3: CAPITAL ASSETS (Continued)

	Water			
	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 40,985	\$ --	\$ --	\$ 40,985
Construction in progress	--	86,227	--	86,227
Total capital assets, not being depreciated	40,985	86,227	--	127,212
Capital assets, being depreciated:				
Water systems	434,232	--	--	434,232
Total capital assets, being depreciated	434,232	--	--	434,232
Less accumulated depreciation for:				
Water systems	(289,583)	(8,977)	--	(298,560)
Total accumulated depreciation	(289,583)	(8,977)	--	(298,560)
Total capital assets, being depreciated, net	144,649	(8,977)	--	135,672
Total capital assets, net	\$ 185,634	\$ 77,250	\$ --	\$ 262,884

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

	Sewer			
	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 662,726	\$ --	\$ --	\$ 662,726
Total capital assets, not being depreciated	662,726	--	--	662,726
Capital assets, being depreciated:				
Sewer systems	2,253,255	--	--	2,253,255
Total capital assets, being depreciated	2,253,255	--	--	2,253,255
Less accumulated depreciation for:				
Sewer systems	(1,545,177)	(27,770)	--	(1,572,947)
Total accumulated depreciation	(1,545,177)	(27,770)	--	(1,572,947)
Total capital assets, being depreciated, net	708,078	(27,770)	--	680,308
Total capital assets, net	\$ 1,370,804	\$ (27,770)	\$ --	\$ 1,343,034

Depreciation expense of \$27,770 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, 2019 AND 2018**

NOTE 3: CAPITAL ASSETS (Continued)

	Roads			
	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 103,348	\$ --	\$ --	\$ 103,348
Total capital assets, not being depreciated	103,348	--	--	103,348
Capital assets, being depreciated:				
Infrastructure	25,567	--	--	25,567
Total capital assets, being depreciated	25,567	--	--	25,567
Less accumulated depreciation for:				
Infrastructure	(25,567)	--	--	(25,567)
Total accumulated depreciation	(25,567)	--	--	(25,567)
Total capital assets, being depreciated, net	--	--	--	--
Total capital assets, net	<u>\$ 103,348</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 103,348</u>

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

	Total			
	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 807,059	\$ --	\$ --	\$ 807,059
Total capital assets, not being depreciated	807,059	--	--	807,059
Capital assets, being depreciated:				
Infrastructure	25,567	--	--	25,567
Water & sewer systems	2,681,282	--	6,205	2,687,487
Equipment	6,205	--	(6,205)	--
Total capital assets, being depreciated	2,713,054	--	--	2,713,054
Less accumulated depreciation for:				
Infrastructure	(25,567)	--	--	(25,567)
Water & sewer systems	(1,796,719)	(36,748)	(1,293)	(1,834,760)
Equipment	(1,293)	--	1,293	--
Total accumulated depreciation	(1,823,579)	(36,748)	--	(1,860,327)
Total capital assets, being depreciated, net	889,475	(36,748)	--	852,727
Total capital assets, net	<u>\$ 1,696,534</u>	<u>\$ (36,748)</u>	<u>\$ --</u>	<u>\$ 1,659,786</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, 2019 AND 2018**

NOTE 3: CAPITAL ASSETS (Continued)

	Water			
	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	40,985	\$ --	\$ --	\$ 40,985
Total capital assets, not being depreciated	40,985	--	--	40,985
Capital assets, being depreciated:				
Water systems	434,232	--	--	434,232
Total capital assets, being depreciated	434,232	--	--	434,232
Less accumulated depreciation for:				
Water systems	(280,606)	(8,977)	--	(289,583)
Total accumulated depreciation	(280,606)	(8,977)	--	(289,583)
Total capital assets, being depreciated, net	153,626	(8,977)	--	144,649
Total capital assets, net	\$ 194,611	\$ (8,977)	\$ --	\$ 185,634

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

	Sewer			
	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	662,726	\$ --	\$ --	\$ 662,726
Total capital assets, not being depreciated	662,726	--	--	662,726
Capital assets, being depreciated:				
Sewer systems	2,247,050	--	6,205	2,253,255
Equipment	6,205	--	(6,205)	--
Total capital assets, being depreciated	2,253,255	--	--	2,253,255
Less accumulated depreciation for:				
Sewer systems	(1,516,113)	(27,771)	\$ (1,293)	(1,545,177)
Equipment	(1,293)	--	\$ 1,293	--
Total accumulated depreciation	(1,517,406)	(27,771)	--	(1,545,177)
Total capital assets, being depreciated, net	735,849	(27,771)	--	708,078
Total capital assets, net	\$ 1,398,575	\$ (27,771)	\$ --	\$ 1,370,804

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, 2019 AND 2018**

NOTE 3: CAPITAL ASSETS (Continued)

	Roads			
	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 103,348	\$ --	\$ --	\$ 103,348
Total capital assets, not being depreciated	103,348	--	--	103,348
Capital assets, being depreciated:				
Infrastructure	25,567	--	--	25,567
Total capital assets, being depreciated	25,567	--	--	25,567
Less accumulated depreciation for:				
Infrastructure	(25,567)	--	--	(25,567)
Total accumulated depreciation	(25,567)	--	--	(25,567)
Total capital assets, being depreciated, net	--	--	--	--
Total capital assets, net	\$ 103,348	\$ --	\$ --	\$ 103,348

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 amounts due to the County of Madera as of June 30, 2019 and 2018 are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Amounts due to County of Madera	\$ 46,878	\$ 39,320	\$ (46,878)	\$ 39,320
	\$ 46,878	\$ 39,320	\$ (46,878)	\$ 39,320

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Amounts due to County of Madera	\$ 66,102	\$ 46,878	\$ (66,102)	\$ 46,878
	\$ 66,102	\$ 46,878	\$ (66,102)	\$ 46,878

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 5: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Revenue bonds	\$ 66,700	\$ -	\$ (5,300)	\$ 61,400	\$ 5,600
State clean water loan payable	12,561		(6,188)	6,373	6,373
Total	<u>\$ 79,261</u>	<u>\$ -</u>	<u>\$ (11,488)</u>	<u>\$ 67,773</u>	<u>\$ 11,973</u>

The following is a summary of long-term liabilities transactions for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Revenue bonds	\$ 71,800	\$ -	\$ (5,100)	\$ 66,700	\$ 5,300
State clean water loan payable	18,575	-	(6,014)	12,561	6,186
Total	<u>\$ 90,375</u>	<u>\$ -</u>	<u>\$ (11,114)</u>	<u>\$ 79,261</u>	<u>\$ 11,486</u>

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, 2019 is \$61,400.

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, 2019 the outstanding balance on this loan is \$6,373.

As of June 30, 2019, 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
2020	\$ 5,600	\$ 2,930	\$ 6,373	\$ 140
2021	5,900	2,643	--	--
2022	6,100	2,343	--	--
2023	6,400	2,030	--	--
2024	6,800	1,700		
2025-2028	30,600	3,150	--	--
	<u>\$ 61,400</u>	<u>\$ 14,796</u>	<u>\$ 6,373</u>	<u>\$ 140</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 5: LONG-TERM LIABILITIES (Continued)

As of June 30, 2018, 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
2019	\$ 5,300	\$ 3,202	\$ 6,186	\$ 327
2020	5,600	2,930	6,375	143
2021	5,900	2,642	--	--
2022	6,400	2,335	--	--
2023	6,400	2,015	--	--
2024-2028	37,100	4,887	--	--
	<u>\$ 66,700</u>	<u>\$ 18,011</u>	<u>\$ 12,561</u>	<u>\$ 470</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.

NOTE 7: 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.

Construction Commitments

District had commitments for a new well and consolidation project. The amount committed for the project was \$11,986 and \$116,635 as of June 30, 2019 and 2018, respectively.

SUPPLEMENTARY INFORMATION

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

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019**

	Water	Sewer	Roads	Total
Assets				
Current assets				
Cash	\$ 450,965	\$ 448,272	\$ 14,176	\$ 913,413
Cash and investments - restricted	15,202	21,153	--	36,355
Accounts receivable	18,013	41,008	--	59,021
Interest receivable	1,729	1,713	47	3,489
Due from other governments	121,278	--	--	121,278
Due from County of Madera	5,967	4	--	5,971
Total current assets	<u>613,154</u>	<u>512,150</u>	<u>14,223</u>	<u>1,139,527</u>
Noncurrent assets				
Land	40,985	662,726	103,348	807,059
Construction in progress	86,227	--	--	86,227
Depreciable Assets	434,232	2,253,255	25,567	2,713,054
Accumulated Depreciation	(298,560)	(1,572,947)	(25,567)	(1,897,074)
Total noncurrent assets	<u>262,884</u>	<u>1,343,034</u>	<u>103,348</u>	<u>1,709,266</u>
Total assets	<u>876,038</u>	<u>1,855,184</u>	<u>117,571</u>	<u>2,848,793</u>
Liabilities				
Current liabilities				
Accounts payable	70,567	1,707	100	72,374
Interest payable	47	1,535	--	1,582
Deposits from others	687	1,563	--	2,250
Due to County of Madera	12,470	26,658	192	39,320
Unearned revenue	790	1,798	--	2,588
Long-term debt, current portion	6,373	5,600	--	11,973
Total current liabilities	<u>90,934</u>	<u>38,861</u>	<u>292</u>	<u>130,087</u>
Non-Current liabilities				
Long-term debt, long term portion	--	55,800	--	55,800
Total non-current liabilities	<u>--</u>	<u>55,800</u>	<u>--</u>	<u>55,800</u>
Total liabilities	<u>90,934</u>	<u>94,661</u>	<u>292</u>	<u>185,887</u>
Net Position				
Net investment in capital assets	256,511	1,281,634	103,348	1,641,493
Restricted for debt service	15,202	21,153	--	36,355
Unrestricted	513,391	457,736	13,931	985,058
Total net position	<u>\$ 785,104</u>	<u>\$ 1,760,523</u>	<u>\$ 117,279</u>	<u>\$ 2,662,906</u>

**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, 2019**

	Water	Sewer	Roads	Total
Operating Revenues:				
Charges for services	\$ 82,896	\$ 178,967	\$ 300	\$ 262,163
Total operating revenues	<u>82,896</u>	<u>178,967</u>	<u>300</u>	<u>262,163</u>
Operating Expenses:				
Services and supplies	116,647	32,745	465	149,857
Repairs and maintenance	14,239	85,572	--	99,811
Insurance	3,855	5,408	27	9,290
Utilities	6,372	29,950	--	36,322
Depreciation	8,977	27,770	--	36,747
Total operating expenses	<u>150,090</u>	<u>181,445</u>	<u>492</u>	<u>332,027</u>
Operating income (loss)	(67,194)	(2,478)	(192)	(69,864)
Nonoperating Revenue:				
Taxes	5,035	11,462	--	16,497
Investment income	8,776	7,001	234	16,011
Intergovernmental	58,045	--	--	58,045
Interest and fiscal charges	(281)	(3,070)	--	(3,351)
Total nonoperating revenue	<u>71,575</u>	<u>15,393</u>	<u>234</u>	<u>87,202</u>
Income Before Contributions	4,381	12,915	42	17,338
Capital Contributions	<u>86,227</u>	<u>--</u>	<u>--</u>	<u>86,227</u>
Change in net position	90,608	12,915	42	103,565
Net position - beginning of year	<u>694,496</u>	<u>1,747,608</u>	<u>117,237</u>	<u>2,559,341</u>
Net position - end of year	<u>\$ 785,104</u>	<u>\$ 1,760,523</u>	<u>\$ 117,279</u>	<u>\$ 2,662,906</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, 2019**

	Water	Sewer	Roads	Total
Cash flows from operating activities:				
Receipts from customers	\$ 78,644	\$ 182,305	\$ 300	\$ 261,249
Payments to suppliers	(86,349)	(151,703)	(325)	(238,377)
Net cash provided (used) by operating activities	(7,705)	30,602	(25)	22,872
Cash flows from noncapital financing activities				
Taxes	5,035	11,462	--	16,497
Operating grants	30,846	--	--	30,846
Net cash provided (used) by noncapital financing activities	35,881	11,462	--	47,343
Cash flows from capital & related financing activities				
Acquisition and construction of capital assets	(86,227)	--	--	(86,227)
Interest paid on capital debt	(327)	(3,203)	--	(3,530)
Principal paid on capital debt	(6,188)	(5,300)	--	(11,488)
Net cash provided (used) by capital & related financing activities	(92,742)	(8,503)	--	(101,245)
Cash flows from investing activities				
Interest received	9,524	7,002	248	16,774
Net cash provided (used) by investing activities	9,524	7,002	248	16,774
Net increase (decrease) in cash and cash equivalents	(55,042)	40,563	223	(14,256)
Cash and cash equivalents, beginning of year	521,209	428,862	13,953	964,024
Cash and cash equivalents, end of year	<u>\$ 466,167</u>	<u>\$ 469,425</u>	<u>\$ 14,176</u>	<u>\$ 949,768</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash	\$ 450,965	\$ 448,272	\$ 14,176	\$ 913,413
Cash and investments - restricted	15,202	21,153	--	36,355
	<u>\$ 466,167</u>	<u>\$ 469,425</u>	<u>\$ 14,176</u>	<u>\$ 949,768</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (67,194)	\$ (2,478)	\$ (192)	\$ (69,864)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	8,977	27,770	--	36,747
Changes in assets and liabilities:				
Decrease/(increase) in accounts receivable	1,638	3,181	--	4,819
Decrease/(increase) in due from County of Madera	(5,967)	(4)	--	(5,971)
Increase/(decrease) in accounts payable	64,310	58	93	64,461
Increase/(decrease) in due to County of Madera	(9,546)	1,914	74	(7,558)
Increase/(decrease) in deposits from others	185	415	--	600
Increase/(decrease) in unearned revenues	(108)	(254)	--	(362)
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,705)</u>	<u>\$ 30,602</u>	<u>\$ (25)</u>	<u>\$ 22,872</u>

**MAINTENANCE DISTRICT 08 – NORTH FORK
(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	\$ 506,530	\$ 408,552	\$ 13,953	\$ 929,035
Cash and investments - restricted	14,679	20,310	--	34,989
Accounts receivable	19,651	44,189	--	63,840
Interest receivable	2,477	1,714	61	4,252
Due from other governments	7,852	--	--	7,852
Total current assets	<u>551,189</u>	<u>474,765</u>	<u>14,014</u>	<u>1,039,968</u>
Noncurrent assets				
Land	40,985	662,726	103,348	807,059
Infrastructure	434,232	2,253,255	25,567	2,713,054
Accumulated Depreciation	(289,583)	(1,545,177)	(25,567)	(1,860,327)
Total noncurrent assets	<u>185,634</u>	<u>1,370,804</u>	<u>103,348</u>	<u>1,659,786</u>
Total assets	<u>736,823</u>	<u>1,845,569</u>	<u>117,362</u>	<u>2,699,754</u>
Liabilities				
Current liabilities				
Accounts payable	6,257	1,649	7	7,913
Interest payable	93	1,668	--	1,761
Deposits from others	502	1,148	--	1,650
Due to County of Madera	22,016	24,744	118	46,878
Unearned revenue	898	2,052	--	2,950
Long-term debt, current portion	6,186	5,300	--	11,486
Total current liabilities	<u>35,952</u>	<u>36,561</u>	<u>125</u>	<u>72,638</u>
Non-Current liabilities				
Long-term debt, long term portion	6,375	61,400	--	67,775
Total non-current liabilities	<u>6,375</u>	<u>61,400</u>	<u>--</u>	<u>67,775</u>
Total liabilities	<u>42,327</u>	<u>97,961</u>	<u>125</u>	<u>140,413</u>
Net Position				
Net investment in capital assets	173,073	1,304,104	103,348	1,580,525
Restricted for debt service	14,679	20,310	--	34,989
Unrestricted	506,744	423,194	13,889	943,827
Total net position	<u>\$ 694,496</u>	<u>\$ 1,747,608</u>	<u>\$ 117,237</u>	<u>\$ 2,559,341</u>

**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 JUNE 30, 2018**

	Water	Sewer	Roads	Total
Operating Revenues:				
Charges for services	\$ 81,946	\$ 172,544	\$ 300	\$ 254,790
Total operating revenues	<u>81,946</u>	<u>172,544</u>	<u>300</u>	<u>254,790</u>
Operating Expenses:				
Services and supplies	77,487	26,416	127	104,030
Repairs and maintenance	19,445	88,607	--	108,052
Insurance	2,966	2,966	27	5,959
Utilities	6,390	27,210	--	33,600
Depreciation	8,977	27,771	--	36,748
Total operating expenses	<u>115,265</u>	<u>172,970</u>	<u>154</u>	<u>288,389</u>
Operating income (loss)	(33,319)	(426)	146	(33,599)
Nonoperating Revenue:				
Taxes	5,087	11,619	--	16,706
Investment income	7,893	5,538	197	13,628
Intergovernmental	47,036	--	--	47,036
Interest and fiscal charges	(438)	(3,365)	--	(3,803)
Total nonoperating revenue	<u>59,578</u>	<u>13,792</u>	<u>197</u>	<u>73,567</u>
Change in net position	26,259	13,366	343	39,968
Net position - beginning of year	<u>668,237</u>	<u>1,734,242</u>	<u>116,894</u>	<u>2,519,373</u>
Net position - end of year	<u>\$ 694,496</u>	<u>\$ 1,747,608</u>	<u>\$ 117,237</u>	<u>\$ 2,559,341</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, 2018**

	Water	Sewer	Roads	Total
Cash flows from operating activities:				
Receipts from customers	\$ 112,305	\$ 169,280	\$ 300	\$ 281,885
Payments to suppliers	(119,965)	(164,065)	(59)	(284,089)
Net cash provided (used) by operating activities	(7,660)	5,215	241	(2,204)
Cash flows from noncapital financing activities				
Taxes	5,087	11,619	--	16,706
Operating grants	47,036	--	--	47,036
Net cash provided (used) by noncapital financing activities	52,123	11,619	--	63,742
Cash flows from capital & related financing activities:				
Interest paid on capital debt	(501)	(3,462)	--	(3,963)
Principal paid on capital debt	(6,014)	(5,100)	--	(11,114)
Net cash provided (used) by capital & related financing activities	(6,515)	(8,562)	--	(15,077)
Cash flows from investing activities				
Interest received	6,945	4,950	174	12,069
Net cash provided (used) by investing activities	6,945	4,950	174	12,069
Net increase in cash and cash equivalents	44,893	13,222	415	58,530
Cash and cash equivalents, beginning of year	476,316	415,640	13,538	905,494
Cash and cash equivalents, end of year	<u>\$ 521,209</u>	<u>\$ 428,862</u>	<u>\$ 13,953</u>	<u>\$ 964,024</u>
Reconciliation cash and cash equivalents to the statement of net position				
Cash	\$ 506,530	\$ 408,552	\$ 13,953	\$ 929,035
Cash and investments - restricted	14,679	20,310	--	34,989
	<u>\$ 521,209</u>	<u>\$ 428,862</u>	<u>\$ 13,953</u>	<u>\$ 964,024</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (33,319)	\$ (426)	\$ 146	\$ (33,599)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	8,977	27,771	--	36,748
Changes in assets and liabilities:				
Decrease/(increase) in accounts receivable	(2,583)	(3,962)	--	(6,545)
Decrease/(increase) in due from other governments	32,604	--	--	32,604
Increase/(decrease) in accounts payable	(8,760)	(4,441)	(23)	(13,224)
Increase/(decrease) in due to County of Madera	(4,917)	(14,425)	118	(19,224)
Increase/(decrease) in deposits from others	189	411	--	600
Increase/(decrease) in unearned revenues	149	287	--	436
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,660)</u>	<u>\$ 5,215</u>	<u>\$ 241</u>	<u>\$ (2,204)</u>