

**MAINTENANCE DISTRICT 37 – LA VINA
(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 37 – LA VINA
(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 the governmental activities, business-type activities and each major fund of Maintenance District 37 – La Vina (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 opinions 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, and each major fund of Maintenance District 37 – La Vina as of June 30, 2019 and 2018, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 23 – 26 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 that collectively comprise the District's basic financial statements. The supplementary information on pages 27 – 32 is presented for purposes of additional analysis and is 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California

March 31, 2020

BASIC FINANCIAL STATEMENTS

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**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 187,345	\$ 749,516	\$ 936,861
Accounts receivable	63	10,223	10,286
Interest receivable	630	2,497	3,127
Due from County of Madera	--	8	8
Capital assets, not being depreciated:			
Land	164,690	1,693	166,383
Capital assets being depreciated, net:			
Water and sewer systems	--	215,169	215,169
	<u>352,728</u>	<u>979,106</u>	<u>1,331,834</u>
Total assets			
Liabilities			
Accounts payable	83	3,124	3,207
Deposits from others	--	770	770
Due to County of Madera	234	19,526	19,760
Unearned revenue	--	970	970
	<u>317</u>	<u>24,390</u>	<u>24,707</u>
Total liabilities			
Net Position			
Net investment in capital assets	164,690	216,862	381,552
Restricted for:			
Drainage maintenance	10,391	--	10,391
Road maintenance	177,330	--	177,330
Unrestricted	--	737,854	737,854
	<u>352,411</u>	<u>954,716</u>	<u>1,307,127</u>
Total net position			

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Governmental Activities	Business-type Activities	Total
Governmental Activities					
Drainage maintenance	\$ 6,283	\$ 1,701	\$ (4,582)	\$ --	\$ (4,582)
Road maintenance	333	6,800	6,467	--	6,467
Total governmental activities	<u>6,616</u>	<u>8,501</u>	<u>1,885</u>	<u>--</u>	<u>1,885</u>
Business-type Activities					
Water	75,354	36,113	--	(39,241)	(39,241)
Sewer	62,752	56,807	--	(5,945)	(5,945)
Lighting	681	--	--	(681)	(681)
Total business-type activities	<u>138,787</u>	<u>92,920</u>	<u>--</u>	<u>(45,867)</u>	<u>(45,867)</u>
Total primary government	<u>\$ 145,403</u>	<u>\$ 101,421</u>	<u>1,885</u>	<u>(45,867)</u>	<u>(43,982)</u>
General revenue:					
Investment earnings			3,070	12,575	15,645
Total general revenues			<u>3,070</u>	<u>12,575</u>	<u>15,645</u>
Changes in net position			4,955	(33,292)	(28,337)
Net position - beginning			<u>347,456</u>	<u>988,008</u>	<u>1,335,464</u>
Net position - ending			<u>\$ 352,411</u>	<u>\$ 954,716</u>	<u>\$ 1,307,127</u>

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Drainage Maintenance	Road Maintenance	Total
Assets			
Cash	\$ 10,422	\$ 176,923	\$ 187,345
Accounts receivable	13	50	63
Interest receivable	36	594	630
Total assets	\$ 10,471	\$ 177,567	\$ 188,038
Liabilities			
Accounts payable	\$ --	\$ 83	\$ 83
Due to County of Madera	80	154	234
Total liabilities	80	237	317
Fund Balances			
Restricted for:			
Drainage maintenance	10,391	--	10,391
Road maintenance	--	177,330	177,330
Total fund balances	10,391	177,330	187,721
Total liabilities and fund balances	\$ 10,471	\$ 177,567	\$ 188,038

Amounts reported for governmental activities in the statement of Net Position are different because:

Fund balances - governmental funds	\$ 187,721
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the funds.	164,690
Net position of governmental activities	\$ 352,411

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Drainage Maintenance	Road Maintenance	Total
Revenues			
Assessments	\$ 1,701	\$ 6,800	\$ 8,501
Investment earnings	202	2,868	3,070
Total revenues	1,903	9,668	11,571
Expenditures			
Current:			
Drainage:			
General and administrative	73	--	73
Maintenance - roads	2,988	--	2,988
Insurance	3,222	--	3,222
Road maintenance:			
General and administrative	--	333	333
Total expenditures	6,283	333	6,616
Net change in fund balances	(4,380)	9,335	4,955
Fund balances - beginning	14,771	167,995	182,766
Fund balances - ending	\$ 10,391	\$ 177,330	\$ 187,721

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 4,955
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Governmental funds reports capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Change in net position of governmental activities	\$ 4,955
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The notes to the basic financial statements are an integral part of this statement.

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Drainage Maintenance	Road Maintenance	Total
Assets			
Cash	\$ 14,731	\$ 167,265	\$ 181,996
Interest receivable	64	736	800
Total assets	\$ 14,795	\$ 168,001	\$ 182,796
Liabilities			
Accounts payable	\$ --	\$ 6	\$ 6
Due to County of Madera	24	--	24
Total liabilities	24	6	30
Fund Balances			
Restricted for:			
Drainage maintenance	14,771	--	14,771
Road maintenance	--	167,995	167,995
Total fund balances	14,771	167,995	182,766
Total liabilities and fund balances	\$ 14,795	\$ 168,001	\$ 182,796

Amounts reported for governmental activities in the statement of Net Position are different because:

Fund balances - governmental funds	\$ 182,766
Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the funds	164,690
Net position of governmental activities	\$ 347,456

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Drainage Maintenance	Road Maintenance	Total
Revenues			
Assessments	\$ --	\$ 6,800	\$ 6,800
Investment earnings	235	2,344	2,579
Total revenues	235	9,144	9,379
Expenditures			
Current:			
Drainage:			
General and administrative	24	--	24
Maintenance - roads	7,897	--	7,897
Road maintenance:			
General and administrative	--	6	6
Total expenditures	7,921	6	7,927
Net change in fund balances	(7,686)	9,138	1,452
Fund balances - beginning	22,457	158,857	181,314
Fund balances - ending	\$ 14,771	\$ 167,995	182,766

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 1,452
Governmental funds reports capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	--
Change in net position of governmental activities	\$ 1,452

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 181,996	\$ 794,671	\$ 976,667
Accounts receivable	--	9,315	9,315
Interest receivable	800	3,470	4,270
Capital assets, not being depreciated:			
Land	164,690	1,693	166,383
Capital assets being depreciated, net:			
Water and sewer systems	--	226,634	226,634
	<u>347,486</u>	<u>1,035,783</u>	<u>1,383,269</u>
Total assets			
Liabilities			
Accounts payable	6	16,856	16,862
Deposits from others	--	620	620
Due to County of Madera	24	29,091	29,115
Unearned revenue	--	1,208	1,208
	<u>30</u>	<u>47,775</u>	<u>47,805</u>
Total liabilities			
Net Position			
Net investment in capital assets	164,690	228,327	393,017
Restricted for:			
Drainage maintenance	14,771	--	14,771
Road maintenance	167,995	--	167,995
Unrestricted	--	759,681	759,681
	<u>\$ 347,456</u>	<u>\$ 988,008</u>	<u>\$ 1,335,464</u>
Total net position			

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Governmental Activities	Business-type Activities	Total
Governmental Activities					
Drainage maintenance	\$ 7,921	\$ --	\$ (7,921)	\$ --	\$ (7,921)
Road maintenance	6	6,800	6,794	--	6,794
Total governmental activities	<u>7,927</u>	<u>6,800</u>	<u>(1,127)</u>	<u>--</u>	<u>(1,127)</u>
Business-type Activities					
Water	77,714	37,001	--	(40,713)	(40,713)
Sewer	59,693	59,103	--	(590)	(590)
Lighting	450	--	--	(450)	(450)
Total business-type activities	<u>137,857</u>	<u>96,104</u>	<u>--</u>	<u>(41,753)</u>	<u>(41,753)</u>
Total primary government	<u>\$ 145,784</u>	<u>\$ 102,904</u>	<u>(1,127)</u>	<u>(41,753)</u>	<u>(42,880)</u>
General revenue:					
Investment earnings			2,579	11,429	14,008
Total general revenues			<u>2,579</u>	<u>11,429</u>	<u>14,008</u>
Changes in net position			1,452	(30,324)	(28,872)
Net position - beginning			346,004	1,018,332	1,364,336
Net position - ending			<u>\$ 347,456</u>	<u>\$ 988,008</u>	<u>\$ 1,335,464</u>

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	2019	2018
Assets		
Current assets		
Cash	\$ 749,516	\$ 794,671
Accounts receivable	10,223	9,315
Interest receivable	2,497	3,470
Due from County of Madera	8	--
Total current assets	762,244	807,456
Noncurrent assets		
Land	1,693	1,693
Depreciable assets	730,104	730,104
Accumulated Depreciation	(514,935)	(503,470)
Total noncurrent assets	216,862	228,327
Total assets	979,106	1,035,783
Liabilities		
Current liabilities		
Accounts payable	3,124	16,856
Deposits from others	770	620
Due to County of Madera	19,526	29,091
Unearned revenue	970	1,208
Total current liabilities	24,390	47,775
Total liabilities	24,390	47,775
Net Position		
Net investment in capital assets	216,862	228,327
Unrestricted	737,854	759,681
Total net position	\$ 954,716	\$ 988,008

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	2019	2018
Operating Revenues		
Charges for services	\$ 92,888	\$ 96,104
Other revenues	32	--
Total operating revenues	92,920	96,104
Operating Expenses		
Services and supplies	28,191	45,238
Maintenance	73,588	56,165
Insurance	4,460	2,500
Utilities	21,083	22,381
Depreciation	11,465	11,573
Total operating expenses	138,787	137,857
Operating Income (Loss)	(45,867)	(41,753)
Non-Operating Revenues (Expenses)		
Investment income	12,575	11,429
Total non-operating revenue(expenses)	12,575	11,429
Change in net position	(33,292)	(30,324)
Net position - beginning	988,008	1,018,332
Net position - ending	\$ 954,716	\$ 988,008

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

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Cash Flows From Operating Activities:		
Receipts from customers	\$ 91,916	\$ 94,817
Payments to suppliers	(150,619)	(127,643)
Net Cash Provided (Used) by Operating Activities	(58,703)	(32,826)
Cash Flows From Investing Activities:		
Interest received	13,548	10,228
Net Cash Provided (Used) by Investing Activities	13,548	10,228
Net Increase in Cash and Cash Equivalents	(45,155)	(22,598)
Cash and Cash Equivalents, Beginning of Year	794,671	817,269
Cash and Cash Equivalents, End of Year	\$ 749,516	\$ 794,671
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (45,867)	\$ (41,753)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	11,465	11,573
Changes in assets and liabilities:		
Decrease/(increase) in accounts receivable	(908)	(1,530)
Decrease/(increase) in due from County of Madera	(8)	--
Increase/(decrease) in accounts payable	(13,732)	13,223
Increase/(decrease) in deposits from others	150	--
Increase/(decrease) in due to County of Madera	(9,565)	(14,582)
Increase/(decrease) in unearned revenues	(238)	243
Net Cash Provided (Used) by Operating Activities	\$ (58,703)	\$ (32,826)

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAINTENANCE DISTRICT 37 – LA VINA
(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 37 – La Vina** (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

MD 37 La Vina is located seven miles southwest of the City of Madera at Avenue 9 and Road 23½. The District provides water, sewer and street light service for a small residential development and a commercial property. The District was formed on July 13, 1982 by Resolution No. 82-371.

The La Vina Water System serves 174.6 improved units and 4 standby units. The Sewer System provides sewer service to 175.6 improved units and 3 standby units. The water and sewer rates are billed monthly and were last set in 1995.

MD 37A La Vina Drainage Maintenance and **MD 37B La Vina Zone B** are located seven miles southwest of Madera and accessed south from Avenue 9 and west from Road 24. Both MD 37A and MD 37B were formed on September 27, 1994 by Resolution 94-325 and Resolution 94-331, respectively.

MD 37A is comprised of the drainage pond facility for MD 37B. The facility is 6 acres in size. A direct assessment of \$25 per living unit, per year, for drainage pond maintenance was approved. Assessment charges were billed for the first time in Fiscal year 18-19.

MD 37B provides road maintenance to approximately 68 parcels served by 0.57 miles of paved roads (including curb and gutter) that delivers water run off to a drainage pond facility (MD 37A). MD 37B is approximately 13 acres in size. When the District was formed, a direct assessment of \$100 per parcel, per year, for road maintenance was approved.

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 a special revenue fund in the County of Madera financial statements. The financial statements included in this report are intended to present the financial position and results of operations of only the District. They are not intended to present the financial position or results of operations of the County of Madera taken as a whole.

B. Basis of Presentation and Method of Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. An economic resource focus concentrates on an entity's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting.

**MAINTENANCE DISTRICT 37 – LA VINA
(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)

B. Basis of Presentation and Method of Accounting (Continued)

Government-Wide Financial Statements (Continued)

Under the full accrual basis of accounting, revenues are recognized in the period which they are earned, while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenue for the District in the charges for services category.

Fund Financial Statements

The fund financial statements provide information about the District's funds, separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The District reports the following major special revenue governmental funds:

- The *MD 37A – Drainage Maintenance* fund is used to account for all financial resources of the District relating to the maintenance of the drainage pond within the District.
- The *MD 37B – Road Maintenance* fund is used to account for all financial resources of the District relating to the maintenance of the paved roads that delivers water run off to the drainage pond facility within the District.

The District reports the following major proprietary fund:

- The *MD 37 – Water and Sewer Operations & Maintenance* fund is used to account for all financial resources of the District relating to water and sewer services provided to the residential development and commercial property of the District.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements.

Governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual of accounting, revenues are recognized in the accounting period in which they become both measureable and available to finance expenditures of the current period.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded in the accounting period in which the liability is incurred.

**MAINTENANCE DISTRICT 37 – LA VINA
(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)

B. Basis of Presentation and Method of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

Unavailable revenues arise when potential revenues do not meet both the “measureable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue is removed from the Balance Sheet and revenue is recognized.

The District’s revenues consist of assessments and revenue from use of money and property. Program expenses are defined as those expenses directly related to providing road maintenance services.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliation is necessary to explain the adjustments needed to transform the fund-based financial statements into the government-wide presentation.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, 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 and in the Balance Sheet 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.

D. Cash and Cash Equivalents

For purposes of the statement 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 interest and assessments from the County of Madera and fees charged for water and sewer services. Management believes its receivables to be fully collectible, and accordingly, no allowance for doubtful accounts is required.

**MAINTENANCE DISTRICT 37 – LA VINA
(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)

F. Assessments

Secured and unsecured assessments are levied in July each year. Assessments become a lien against the property as of January 1 of each year. Secured assessments are payable in two installments which are due November 1 and February 1. Unsecured assessments are due on August 31. All assessments 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	16-65 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. Budget

The District's budget is prepared on the modified accrual basis of accounting consistent with GAAP. The proposed budget is the spending authority from July until budget hearings are held at the end of August and the County of Madera Board of Supervisors formally adopts the budget in early September. Once approved, the Board of Supervisors may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Unencumbered appropriation for annual budgeted funds lapses at fiscal year-end.

Revenues are budgeted by source. Expenditures are budgeted by objects as follows: services and supplies, other charges, and capital outlay. This constitutes the legal level of control. Expenditures may not exceed appropriations for travel, transportation and education. Budget revisions between object levels, for travel, transportation, and education, or specific capital outlays are subject to final approval by the Board of Supervisors. Revisions of less than \$5,000 within the object levels (excluding transportation, travel, and education, and specific capital outlays) can be approved by the County Administrative Officer. There were no revisions to the budget made throughout the year.

**MAINTENANCE DISTRICT 37 – LA VINA
(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)

I. Net Position and Fund Balances

Government-Wide Financial Statements

In the government-wide financial statements, net position is classified in the following:

- 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.”

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in governmental fund financial statements are as follows:

- Nonspendable Fund Balance – includes amounts that are not in a spendable form (such as inventories or prepaid amounts, and long-term loans and notes receivable) or are legally or contractually required to be maintained intact (such as principal of a permanent fund).
- Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditor, grant providers, or contributors) or by law.
- Committed Fund Balance – includes amounts that can be used only for the specific purpose determined by the County of Madera Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.
- Assigned Fund Balance – is comprised of amounts intended to be used by the governmental entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year’s budget.
- Unassigned Fund Balance – is the residual classification for the District and includes all amounts not contained in the other classification. Unassigned amounts are technically available for any purposes.

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution or an ordinance. This can be done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, followed by committed, assigned, and unassigned resources as they are needed.

**MAINTENANCE DISTRICT 37 – LA VINA
(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)

J. 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 held in County Treasury	\$ 936,861	\$ 976,667
	\$ 936,861	\$ 976,667

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.

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 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

NOTE 3: CAPITAL ASSETS

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

	Governmental Activities			Balance June 30, 2019
	Balance July 1, 2018	Additions	Retirements	
Capital assets, not being depreciated:				
Land	\$ 164,690	\$ --	\$ --	\$ 164,690
Total capital assets, not being depreciated	164,690	--	--	164,690
Capital assets, being depreciated:				
Infrastructure	38,701	--	--	38,701
Total capital assets, being depreciated	38,701	--	--	38,701
Less accumulated depreciation for:				
Infrastructure	(38,701)	--	--	(38,701)
Total accumulated depreciation	(38,701)	--	--	(38,701)
Total capital assets, being depreciated, net	--	--	--	--
Total capital assets, net	<u>\$ 164,690</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 164,690</u>

	Business-Type Activities			Balance June 30, 2019
	Balance July 1, 2018	Additions	Retirements	
Capital assets, not being depreciated:				
Land	\$ 1,693	\$ --	\$ --	\$ 1,693
Total capital assets, not being depreciated	1,693	--	--	1,693
Capital assets, being depreciated:				
Water and sewer systems	703,104	--	--	703,104
Equipment	27,000	--	--	27,000
Total capital assets, being depreciated	730,104	--	--	730,104
Less accumulated depreciation for:				
Water and sewer systems	(476,470)	(11,465)	--	(487,935)
Equipment	(27,000)	--	--	(27,000)
Total accumulated depreciation	(503,470)	(11,465)	--	(514,935)
Total capital assets, being depreciated, net	226,634	(11,465)	--	215,169
Total capital assets, net	<u>\$ 228,327</u>	<u>\$ (11,465)</u>	<u>\$ --</u>	<u>\$ 216,862</u>

Depreciation expense of \$3,861 and \$7,604 was charged to the water and sewer function of the business-type activities, respectively.

**MAINTENANCE DISTRICT 37 – LA VINA
(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)

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

	Governmental Activities			Balance June 30, 2018
	Balance July 1, 2017	Additions	Retirements	
Capital assets, not being depreciated:				
Land	\$ 164,690	\$ -	\$ -	\$ 164,690
Total capital assets, not being depreciated	164,690	--	--	164,690
Capital assets, being depreciated:				
Infrastructure	38,701	--	--	38,701
Total capital assets, being depreciated	38,701	--	--	38,701
Less accumulated depreciation for:				
Infrastructure	(38,701)	--	--	(38,701)
Total accumulated depreciation	(38,701)	--	--	(38,701)
Total capital assets, being depreciated, net	--	--	--	--
Total capital assets, net	<u>\$ 164,690</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 164,690</u>

	Business-Type Activities			Balance June 30, 2018
	Balance July 1, 2017	Additions	Retirements	
Capital assets, not being depreciated:				
Land	\$ 1,693	\$ --	\$ --	\$ 1,693
Total capital assets, not being depreciated	1,693	--	--	1,693
Capital assets, being depreciated:				
Water and sewer systems	703,104	--	--	703,104
Equipment	27,000	--	--	27,000
Total capital assets, being depreciated	730,104	--	--	730,104
Less accumulated depreciation for:				
Water and sewer systems	(464,897)	(11,573)	--	(476,470)
Equipment	(27,000)	--	--	(27,000)
Total accumulated depreciation	(491,897)	(11,573)	--	(503,470)
Total capital assets, being depreciated, net	238,207	(11,573)	--	226,634
Total capital assets, net	<u>\$ 239,900</u>	<u>\$ (11,573)</u>	<u>\$ --</u>	<u>\$ 228,327</u>

Depreciation expense of \$3,861 and \$7,712 was charged to the water and sewer function of the business-type activities, respectively.

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

NOTE 4: RELATED PARTY TRANSACTIONS

The District's assessments 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 services to the District. 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	\$ 29,115	\$ 19,760	\$ (29,115)	\$ 19,760
	\$ 29,115	\$ 19,760	\$ (29,115)	\$ 19,760

	Balance July 1, 2017	Additions	Deletions	Balance July 1, 2018
Amounts due to County of Madera	\$ 44,033	\$ 29,115	\$ (44,033)	\$ 29,115
	\$ 44,033	\$ 29,115	\$ (44,033)	\$ 29,115

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.

REQUIRED SUPPLEMENTARY INFORMATION

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**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**MD 37A DRAINAGE MAINTENANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/ Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Assessments	\$ 2,900	\$ 2,900	\$ 1,701	\$ (1,199)
Investment earnings	150	150	202	52
Total revenues	<u>3,050</u>	<u>3,050</u>	<u>1,903</u>	<u>(1,147)</u>
Expenditures				
Drainage maintenance:				
General and administrative	241	241	73	168
Maintenance - roads	7,000	7,000	2,988	4,012
Maintenance - drainage	7,000	7,000	--	7,000
Insurance	3,223	3,223	3,222	1
Appropriation for contingency	323	323	--	321
Total expenditures	<u>17,787</u>	<u>17,787</u>	<u>6,283</u>	<u>11,502</u>
Net change in fund balances	(14,373)	(14,373)	(4,380)	10,357
Fund balances - beginning	<u>14,771</u>	<u>14,771</u>	<u>14,771</u>	<u>--</u>
Fund balances - ending	<u>\$ 34</u>	<u>\$ 34</u>	<u>\$ 10,391</u>	<u>\$ 10,357</u>

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**MD 37B ROAD MAINTENANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/ Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Assessments	\$ 6,800	\$ 6,800	\$ 6,800	\$ --
Investment earnings	650	650	2,868	2,218
Total revenues	<u>7,450</u>	<u>7,450</u>	<u>9,668</u>	<u>2,218</u>
Expenditures				
Road maintenance:				
General and administrative	3,377	3,586	333	3,253
Maintenance - roads	155,000	155,000	--	155,000
Appropriation for contingency	13,895	13,895	--	13,895
Total expenditures	<u>172,272</u>	<u>172,481</u>	<u>333</u>	<u>172,148</u>
Net change in fund balances	(164,822)	(165,031)	9,335	174,366
Fund balances - beginning	<u>167,995</u>	<u>167,995</u>	<u>167,995</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,173</u>	<u>\$ 2,964</u>	<u>\$ 177,330</u>	<u>\$ 174,366</u>

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**MD 37A DRAINAGE MAINTENANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/ Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Assessments	\$ 1,000	\$ 1,000	\$ --	\$ (1,000)
Investment earnings	150	150	235	85
Total revenues	<u>1,150</u>	<u>1,150</u>	<u>235</u>	<u>(915)</u>
Expenditures				
Drainage maintenance:				
General and administrative	--	--	24	(24)
Maintenance - roads	3,000	3,000	7,897	(4,897)
Maintenance - drainage	16,000	16,000	--	16,000
Appropriation for contingency	5,561	5,561	--	5,561
Total expenditures	<u>24,561</u>	<u>24,561</u>	<u>7,921</u>	<u>16,640</u>
Net change in fund balances	(23,411)	(23,411)	(7,686)	15,725
Fund balances - beginning	<u>22,457</u>	<u>22,457</u>	<u>22,457</u>	<u>--</u>
Fund balances - ending	<u>\$ (954)</u>	<u>\$ (954)</u>	<u>\$ 14,771</u>	<u>\$ 15,725</u>

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**MD 37B ROAD MAINTENANCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/ Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Assessments	\$ 6,800	\$ 6,800	\$ 6,800	\$ --
Investment earnings	650	650	2,344	1,694
Total revenues	<u>7,450</u>	<u>7,450</u>	<u>9,144</u>	<u>1,694</u>
Expenditures				
Road maintenance:				
General and administrative	--	30	6	24
Maintenance - roads	150,000	150,000	--	150,000
Appropriation for contingency	15,356	15,356	--	15,356
Total expenditures	<u>165,356</u>	<u>165,386</u>	<u>6</u>	<u>165,380</u>
Net change in fund balances	(157,906)	(157,936)	9,138	167,074
Fund balances - beginning	<u>158,857</u>	<u>158,857</u>	<u>158,857</u>	<u>--</u>
Fund balances - ending	<u>\$ 951</u>	<u>\$ 921</u>	<u>\$ 167,995</u>	<u>\$ 167,074</u>

SUPPLEMENTARY INFORMATION

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**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	<u>Water</u>	<u>Sewer</u>	<u>Lighting</u>	<u>Total</u>
Assets				
Current assets				
Cash	\$ 269,641	\$ 479,875	\$ --	\$ 749,516
Accounts receivable	4,089	6,134	--	10,223
Interest receivable	1,218	1,279	--	2,497
Due from County of Madera	8	--	--	8
Total current assets	<u>274,956</u>	<u>487,288</u>	<u>--</u>	<u>762,244</u>
Noncurrent assets				
Land	1,693	--	--	1,693
Infrastructure	295,093	435,011	--	730,104
Accumulated Depreciation	<u>(214,148)</u>	<u>(300,787)</u>	<u>--</u>	<u>(514,935)</u>
Total noncurrent assets	<u>82,638</u>	<u>134,224</u>	<u>--</u>	<u>216,862</u>
Total assets	<u>357,594</u>	<u>621,512</u>	<u>--</u>	<u>979,106</u>
Liabilities				
Current liabilities				
Accounts payable	2,436	655	33	3,124
Deposits from others	308	462	--	770
Due to County of Madera	10,096	9,376	54	19,526
Unearned revenue	388	582	--	970
Total current liabilities	<u>13,228</u>	<u>11,075</u>	<u>87</u>	<u>24,390</u>
Total liabilities	<u>13,228</u>	<u>11,075</u>	<u>87</u>	<u>24,390</u>
Net Position				
Net investment in capital assets	82,638	134,224	--	216,862
Unrestricted	<u>261,728</u>	<u>476,213</u>	<u>(87)</u>	<u>737,854</u>
Total net position	<u>\$ 344,366</u>	<u>\$ 610,437</u>	<u>\$ (87)</u>	<u>\$ 954,716</u>

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Water	Sewer	Lighting	Total
Operating Revenues:				
Charges for services	\$ 36,081	\$ 56,807	\$ --	\$ 92,888
Other revenues	32	--	--	32
Total operating revenues	<u>36,113</u>	<u>56,807</u>	<u>--</u>	<u>92,920</u>
Operating Expenses:				
Services and supplies	11,486	16,483	222	28,191
Repairs and maintenance	38,371	35,166	51	73,588
Insurance	2,230	2,230	--	4,460
Utilities	19,406	1,269	408	21,083
Depreciation	3,861	7,604	--	11,465
Total operating expenses	<u>75,354</u>	<u>62,752</u>	<u>681</u>	<u>138,787</u>
Operating income (loss)	<u>(39,241)</u>	<u>(5,945)</u>	<u>(681)</u>	<u>(45,867)</u>
Nonoperating Revenue:				
Investment income	6,114	6,461	--	12,575
Total nonoperating revenue	<u>6,114</u>	<u>6,461</u>	<u>--</u>	<u>12,575</u>
Income (loss) before transfers	(33,127)	516	(681)	(33,292)
Transfers	<u>(251)</u>	<u>(377)</u>	<u>628</u>	<u>--</u>
Change in net position	(33,378)	139	(53)	(33,292)
Net position - beginning of year	<u>377,744</u>	<u>610,298</u>	<u>(34)</u>	<u>988,008</u>
Net position - end of year	<u>\$ 344,366</u>	<u>\$ 610,437</u>	<u>\$ (87)</u>	<u>\$ 954,716</u>

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Water	Sewer	Lighting	Total
Cash flows from operating activities:				
Receipts from customers	\$ 35,696	\$ 56,220	\$ --	\$ 91,916
Payments to suppliers	(82,895)	(67,096)	(628)	(150,619)
Net cash provided (used) by operating activities	(47,199)	(10,876)	(628)	(58,703)
Cash flows from noncapital financing activities:				
Transfer to other divisions	(251)	(377)	628	--
Net cash provided by noncapital financing activities	(251)	(377)	628	--
Cash flows from investing activities:				
Interest received	6,566	6,982	--	13,548
Net cash provided (used) by investing activities	6,566	6,982	--	13,548
Net increase in cash and cash equivalents	(40,884)	(4,271)	--	(45,155)
Cash and cash equivalents, beginning of year	310,525	484,146	--	794,671
Cash and cash equivalents, end of year	\$ 269,641	\$ 479,875	\$ --	\$ 749,516
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (39,241)	\$ (5,945)	\$ (681)	\$ (45,867)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	3,861	7,604	--	11,465
Changes in assets and liabilities:				
Decrease/(increase) in accounts receivable	(374)	(534)	--	(908)
Decrease/(increase) in due from County of Madera	(8)	--	--	(8)
Increase/(decrease) in accounts payable	(6,334)	(7,397)	(1)	(13,732)
Increase/(decrease) in due to County of Madera	(5,068)	(4,551)	54	(9,565)
Increase/(decrease) in deposits from others	60	90	--	150
Increase/(decrease) in unearned revenues	(95)	(143)	--	(238)
Net Cash Provided (Used) by Operating Activities	\$ (47,199)	\$ (10,876)	\$ (628)	\$ (58,703)

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	Water	Sewer	Lighting	Total
Assets				
Current assets				
Cash	\$ 310,525	\$ 484,146	\$ --	\$ 794,671
Accounts receivable	3,715	5,600	--	9,315
Interest receivable	1,671	1,799	--	3,470
Total current assets	<u>315,911</u>	<u>491,545</u>	<u>--</u>	<u>807,456</u>
Noncurrent assets				
Land	1,693	--	--	1,693
Infrastructure	295,093	435,011	--	730,104
Accumulated Depreciation	(210,288)	(293,182)	--	(503,470)
Total noncurrent assets	<u>86,498</u>	<u>141,829</u>	<u>--</u>	<u>228,327</u>
Total assets	<u>402,409</u>	<u>633,374</u>	<u>--</u>	<u>1,035,783</u>
Liabilities				
Current liabilities				
Accounts payable	8,770	8,052	34	16,856
Deposits from others	248	372	--	620
Due to County of Madera	15,164	13,927	--	29,091
Unearned revenue	483	725	--	1,208
Total current liabilities	<u>24,665</u>	<u>23,076</u>	<u>34</u>	<u>47,775</u>
Total liabilities	<u>24,665</u>	<u>23,076</u>	<u>34</u>	<u>47,775</u>
Net Position				
Net investment in capital assets	86,498	141,829	--	228,327
Unrestricted	<u>291,246</u>	<u>468,469</u>	<u>(34)</u>	<u>759,681</u>
Total net position	<u>\$ 377,744</u>	<u>\$ 610,298</u>	<u>\$ (34)</u>	<u>\$ 988,008</u>

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	Water	Sewer	Lighting	Total
Operating Revenues:				
Charges for services	\$ 37,001	\$ 59,103	\$ --	\$ 96,104
Total operating revenues	<u>37,001</u>	<u>59,103</u>	<u>--</u>	<u>96,104</u>
Operating Expenses:				
Services and supplies	20,906	24,332	--	45,238
Repairs and maintenance	31,045	25,095	25	56,165
Insurance	1,250	1,250	--	2,500
Utilities	20,652	1,304	425	22,381
Depreciation	3,861	7,712	--	11,573
Total operating expenses	<u>77,714</u>	<u>59,693</u>	<u>450</u>	<u>137,857</u>
Operating income (loss)	<u>(40,713)</u>	<u>(590)</u>	<u>(450)</u>	<u>(41,753)</u>
Nonoperating Revenue:				
Investment income	5,492	5,937	--	11,429
Total nonoperating revenue	<u>5,492</u>	<u>5,937</u>	<u>--</u>	<u>11,429</u>
Income (loss) before transfers	(35,221)	5,347	(450)	(30,324)
Transfers	<u>(304)</u>	<u>(457)</u>	<u>761</u>	<u>--</u>
Change in net position	(35,525)	4,890	311	(30,324)
Net position - beginning of year	<u>413,269</u>	<u>605,408</u>	<u>(345)</u>	<u>1,018,332</u>
Net position - end of year	<u>\$ 377,744</u>	<u>\$ 610,298</u>	<u>\$ (34)</u>	<u>\$ 988,008</u>

**MAINTENANCE DISTRICT 37 – LA VINA
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	Water	Sewer	Lighting	Total
Cash flows from operating activities:				
Receipts from customers	\$ 36,125	\$ 58,692	\$ --	\$ 94,817
Payments to suppliers	(76,279)	(50,603)	(761)	(127,643)
Net cash provided (used) by operating activities	<u>(40,154)</u>	<u>8,089</u>	<u>(761)</u>	<u>(32,826)</u>
Cash flows from noncapital financing activities:				
Transfer to other divisions	(304)	(457)	761	--
Net cash provided by noncapital financing activities	<u>(304)</u>	<u>(457)</u>	<u>761</u>	<u>--</u>
Cash flows from investing activities:				
Interest received	4,914	5,314	--	10,228
Net cash provided (used) by investing activities	<u>4,914</u>	<u>5,314</u>	<u>--</u>	<u>10,228</u>
Net increase in cash and cash equivalents	(35,544)	12,946	--	(22,598)
Cash and cash equivalents, beginning of year	<u>346,069</u>	<u>471,200</u>	<u>--</u>	<u>817,269</u>
Cash and cash equivalents, end of year	<u>\$ 310,525</u>	<u>\$ 484,146</u>	<u>\$ --</u>	<u>\$ 794,671</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (40,713)	\$ (590)	\$ (450)	\$ (41,753)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	3,861	7,712	--	11,573
Changes in assets and liabilities:				
Decrease/(increase) in accounts receivable	(601)	(929)	--	(1,530)
Increase/(decrease) in accounts payable	5,918	7,306	(1)	13,223
Increase/(decrease) in due to County of Madera	(8,344)	(5,928)	(310)	(14,582)
Increase/(decrease) in deposits from others	(372)	372	--	--
Increase/(decrease) in unearned revenues	97	146	--	243
Net Cash Provided (Used) by Operating Activities	<u>\$ (40,154)</u>	<u>\$ 8,089</u>	<u>\$ (761)</u>	<u>\$ (32,826)</u>