

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2020**

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

JUNE 30, 2020

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BASIC FINANCIAL STATEMENTS

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**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities
ASSETS	
Cash and investments	\$ 824,617
Interest receivable	1,667
Due from other governments	553,150
Capital assets, not being depreciated	6,500
Capital assets, net of accumulated depreciation	<u>536,644</u>
 Total Assets	 <u>1,922,578</u>
LIABILITIES	
Accounts payable	39,362
Interest payable	19,758
Due to County of Madera	374,294
Noncurrent liabilities:	
Due within one year	200,000
Due in more than one year	<u>247,400</u>
 Total Liabilities	 <u>880,814</u>
NET POSITION	
Net investment in capital assets	543,144
Unrestricted	<u>498,620</u>
 Total Net Position	 <u>\$ 1,041,764</u>

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

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
Flood control	\$ 738,779	\$ 1,311,867	\$ 85,842	\$ 658,930
Interest and fiscal charges	<u>4,117</u>	<u>-</u>	<u>-</u>	<u>(4,117)</u>
Total governmental activities	<u>\$ 742,896</u>	<u>\$ 1,311,867</u>	<u>\$ 85,842</u>	<u>654,813</u>
Total primary government	<u>\$ 742,896</u>	<u>\$ 1,311,867</u>	<u>\$ 85,842</u>	<u>654,813</u>
General Revenues:				
Property taxes				253,912
Investment earnings				<u>12,184</u>
Total general revenues				<u>266,096</u>
Changes in net position				920,909
Net position - beginning				<u>120,855</u>
Net position - ending				<u>\$ 1,041,764</u>

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

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2020**

ASSETS

Cash and investments	\$ 824,617
Interest receivable	1,667
Due from other governments	<u>553,150</u>

Total Assets \$ 1,379,434

LIABILITIES

Accounts payable	\$ 39,362
Due to County of Madera	<u>374,294</u>

Total Liabilities 413,656

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - grant revenue	<u>205,204</u>
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Total Deferred Inflows of Resources 205,204

FUND BALANCE

Restricted for flood control	<u>760,574</u>
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Total Fund Balance 760,574

Total Liabilities, Deferred inflows of Resources, and Fund Balance \$ 1,379,434

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

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020**

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

Fund balance - governmental fund	\$ 760,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	543,144
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the fund.	205,204
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(447,400)
Accrued interest on long-term debt.	<u>(19,758)</u>
Net position of governmental activities	<u>\$ 1,041,764</u>

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

**MADERA COUNTY FLOOD CONTROL DISTRICT
(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, 2020**

REVENUES

Property taxes	\$ 253,912
Intergovernmental	1,178,933
Investment earnings	<u>12,184</u>
 Total revenues	 <u>1,445,029</u>

EXPENDITURES

Current:	
Flood control:	
General and administrative	210,523
Maintenance - flood control	514,998
Capital outlay	<u>435,186</u>
 Total Expenditures	 <u>1,160,707</u>

Net change in fund balances	284,322
 Fund balance - beginning	 <u>476,252</u>
 Fund balance - ending	 <u>\$ 760,574</u>

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

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE OF GOVERNMENTAL FUND TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

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

Net change in fund balance - governmental fund	\$	284,322
<p>Government funds report 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. This amount is depreciation expense in the current period.</p>		
Expenditures for general capital assets	435,185	
Less: Current Year Depreciation	<u>(13,257)</u>	421,928
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position.</p>		
		85,842
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>		
		132,934
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
		<u>(4,117)</u>
Change in net position of governmental activities	\$	<u>920,909</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District was created in fiscal year 1984-1985 to reflect the County's participation in flood control work for the Flood Control and Water Conservation Agency and provides funding for flood control work completed either by contract or by county staff. The funding for the District's operations is derived from property taxes.

In addition to the property taxes, the District also received grant funding to cover the District's program expenditures/expenses. The District has entered into four grant agreements with the Department of Water Resources. The first one for the period from March 1, 2016 through December 31, 2019 for critical levee repairs along the Ash Slough, Berenda Slough and Fresno River in the County. Due to issues with property acquisition the project has been delayed and the contract has been amended with a new end date of December 31, 2021. The Department of Water Resources will provide up to \$2,213,177 in state funds, which is ninety percent of the total costs for the critical levee repairs project. The second grant is for a deferred maintenance project for the period of June, 1, 2018 through December, 31 2021, with total grant funding of \$46,080. The third grant is a Flood Maintenance Assistance Program for the period of January 1, 2020 through December 31, 2020 in the amount of \$483,000. The fourth is a Statewide Flood Emergency Response grant for the period of June 10, 2019 through June 10, 2022 in the amount of \$540,000. Root Creek Water District (RCWD) received a grant award from the Department of Water Resources and the grant award consists of four individual projects. The District is the recipient of two of these individual projects. The total grant funding was \$9,413,947 for the Ash Slough Arundo Eradication and Sand Removal project with a 37 percent funding match requirement and the Cottonwood Creek, Dry Creek, and Berenda Creek Arundo Eradication and Sand Removal project with a 29 percent funding match requirement. The grant period for both projects was from August 16, 2011 through February 28, 2019. The grant has since been amended and extended until March, 31, 2021.

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 District accounts for its activities as a single governmental fund. The District's accounting records are maintained on the modified accrual basis of accounting but the basic financial statements are presented at both the government-wide and fund financial level, on a full accrual and modified accrual basis, respectively.

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded.

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 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. 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 operating grants and contributions category.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Change 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 Change 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.

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 property taxes revenues, revenue from use of money and property, and grant revenues. Program expenses are defined as those expenses directly related to providing flood control 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.

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Receivables

Receivables consist of interest from the County of Madera and grant revenue from various grantors. Management believes its receivables to be fully collectible, and accordingly, no allowance for doubtful accounts is required.

E. Property Taxes

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

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (such as roads and similar items), are reported in the Statement of Net Position in the government-wide financial statements. Capital assets are defined by the District as assets with a cost of more than \$5,000 for machinery and equipment and \$10,000 for the other categories of capital assets with an estimated useful life of more than one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at their estimated fair market value on the date donated.

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

<u>Depreciable Asset</u>	<u>Estimated Life</u>
Infrastructure	20-50 years
Structures and Improvements	30-50 years
Equipment	3-20 years

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

G. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows or resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items to report in this category.

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Deferred Outflow/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. According, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental fund report unavailable revenues for grant receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

H. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financed obligations are reported as liabilities in the government-wide financial statements.

Fund Financial Statements

The governmental fund financial statements do not present long-term debt. As such, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

I. 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 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 Board of Supervisors. Revisions less than \$5,000 within the object levels (excluding transportation, travel & education and specific capital outlays) can be approved by the County Administrative Officer.

Intergovernmental revenue is \$2,337,067 lower than the budgeted amount is due to the budgeted amount represents the total grant award available at the beginning of the fiscal year and the actual represent the grant revenue earned during the fiscal year.

Maintenance – flood control expense is \$2,937,031 lower than the budgeted amount is due to the budgeted amount represents the total project costs remaining at the beginning of the fiscal year and the actual represent expenditures incurred during the fiscal year. This variance between budget and actual correspond to the variance in intergovernmental revenue above.

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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 or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This category represents all other net position of the District that do not meet the definition of “net investment in capital assets” or “restricted net position.”

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 Supervisor 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.

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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, 2020 are classified in the financial statements as follows:

Cash and investments – unrestricted	\$824,617
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The District's cash and investments consisted of the following as of June 30, 2020:

Deposits held with County of Madera Investment Pool	\$824,617
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Risk Disclosure

Required disclosures for the District's deposit and investment risks for the cash held in the County of Madera Treasury at June 30, 2020, were as follows:

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

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

Fair Value Measurements

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

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

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

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 6,500	\$ -	\$ -	\$ 6,500
Total capital assets, not being depreciated	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>6,500</u>
Capital assets, being depreciated:				
Structures and improvements	19,068	-	-	19,068
Equipment	40,184	540,266	-	580,450
Total capital assets, being depreciated	<u>59,252</u>	<u>540,266</u>	<u>-</u>	<u>599,518</u>
Less accumulated depreciation for:				
Structures and improvements	(1,270)	(381)	-	(1,651)
Equipment	(29,108)	(32,115)	-	(61,223)
Total accumulated depreciation	<u>(30,378)</u>	<u>(32,496)</u>	<u>-</u>	<u>(62,874)</u>
Total capital assets being depreciated, net	<u>28,874</u>	<u>507,770</u>	<u>-</u>	<u>536,644</u>
Total capital assets, net	<u>\$ 35,374</u>	<u>\$ 507,770</u>	<u>\$ -</u>	<u>\$ 543,144</u>

Depreciation expense of \$32,496 was charged to the flood control function of the governmental activities.

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 maintenance services. The District's accounting and clerical functions are performed by County personnel. The County of Madera charges the District for administrative costs incurred.

The amount due to the County of Madera as of June 30, 2020 is \$374,294.

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5: LONG-TERM LIABILITIES

The following is summary of long-term liabilities transactions for the year-ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Advance from County of Madera	\$ 447,400	\$ -	\$ -	\$ 447,400	\$ 200,000
Total	<u>\$ 447,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,400</u>	<u>\$ 200,000</u>

The District obtained a \$200,000 loan from the County of Madera on November 7, 2017 to help fund the District's daily operations. The loan is to be repaid with interest at the County of Madera treasury pool rate, plus 50 basis points, as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until loan is paid in full.

The District obtained a \$15,000 loan from the County of Madera on November 27, 2018 to help fund the District's daily operations. The loan is to be repaid with interest at the County of Madera treasury pool rate, plus 50 basis points, as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until loan is paid in full.

The District obtained a \$232,400 loan from the County of Madera on February 11, 2019 to develop an Engineer's Report that will assist as support to the formation of the special benefit assessment to fund levee operations and maintenance activities. The loan is to be repaid with interest at the County of Madera treasury pool rate, plus 50 basis points, as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until loan is paid in full.

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: COMMENTS 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.

Commitments

At June 30, 2020, the District had a commitment with Tetra Tech Bas, Inc. to provide design and emergency repair of the critical levees and levees patrol roads of the flood control system on the Fresno River, Berenda Slough, and Ash Slough. The remaining committed is \$1,307,483.

REQUIRED SUPPLEMENTARY INFORMATION

**MADERA COUNTY FLOOD CONTROL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 262,800	\$ 262,800	\$ 253,912	\$ (8,888)
Intergovernmental	3,516,000	3,516,000	1,178,933	(2,337,067)
Investment earnings	550	550	12,184	11,634
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Total revenues	<u>3,789,350</u>	<u>3,789,350</u>	<u>1,445,029</u>	<u>(2,344,321)</u>
Expenditures:				
Road maintenance:				
General and administrative	176,780	606,597	210,523	396,074
Maintenance - flood control	3,696,245	3,452,029	514,998	2,937,031
Capital Outlay	<u>-</u>	<u>444,368</u>	<u>435,186</u>	<u>9,182</u>
Total expenditures	<u>3,873,025</u>	<u>4,502,994</u>	<u>1,160,707</u>	<u>3,342,287</u>
Net change in fund balance	(83,675)	(713,644)	284,322	997,966
Fund balance - beginning of year	<u>476,252</u>	<u>476,252</u>	<u>476,252</u>	<u>-</u>
Fund balance - end of year	<u>\$ 392,577</u>	<u>\$ (237,392)</u>	<u>\$ 760,574</u>	<u>\$ 997,966</u>