

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

**FINANCIAL STATEMENTS**

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

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

**JUNE 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors  
County of Madera, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Maintenance District 37-La Vina (the District), a component unit of the County of Madera, California as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of June 30, 2020, and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 21-22 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 our 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 the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

The financial statements of the District as of and for the year ended June 30, 2019, were audited by predecessor auditors, and they expressed an unmodified opinion in their report dated March 31, 2020, but they have not performed any auditing procedures since that date.

HUDSON HENDERSON & COMPANY, INC.

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Fresno, California  
August 4, 2021

## 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, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 158,736	\$ 717,061	\$ 875,797
Accounts receivable	63	11,310	11,373
Interest receivable	255	1,109	1,364
Capital assets, not being depreciated			
Land	164,690	1,693	166,383
Capital assets being depreciated, net			
Water and sewer systems	<u>-</u>	<u>203,811</u>	<u>203,811</u>
 Total Assets	 <u>323,744</u>	 <u>934,984</u>	 <u>1,258,728</u>
<b>LIABILITIES</b>			
Accounts payable	-	7,370	7,370
Deposits from others	-	770	770
Due to County of Madera	2,640	57,577	60,217
Unearned revenue	<u>-</u>	<u>966</u>	<u>966</u>
 Total Liabilities	 <u>2,640</u>	 <u>66,683</u>	 <u>69,323</u>
<b>NET POSITION</b>			
Net investment in capital assets	164,690	205,504	370,194
Restricted for:			
Drainage maintenance	5,266	-	5,266
Road maintenance	151,148	-	151,148
Unrestricted	<u>-</u>	<u>662,797</u>	<u>662,797</u>
 Total Net Position	 <u>\$ 321,104</u>	 <u>\$ 868,301</u>	 <u>\$ 1,189,405</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)**

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

	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>					
Drainage maintenance	\$ 6,963	\$ 1,701	\$ (5,262)	\$ -	\$ (5,262)
Road maintenance	35,509	6,806	(28,703)	-	(28,703)
Total governmental activities	42,472	8,507	(33,965)	-	(33,965)
<b>Business-Type Activities:</b>					
Water	88,984	35,019	-	(53,965)	(53,965)
Sewer	99,440	55,860	-	(43,580)	(43,580)
Lighting	556	-	-	(556)	(556)
Total business-type activities	188,980	90,879	-	(98,101)	(98,101)
Total primary government	\$ 231,452	\$ 99,386	(33,965)	(98,101)	(132,066)
<b>General revenues:</b>					
Investment earnings			2,658	11,686	14,344
Total general revenues			2,658	11,686	14,344
Changes in net position			(31,307)	(86,415)	(117,722)
Net position - beginning			352,411	954,716	1,307,127
Net position - ending			\$ 321,104	\$ 868,301	\$ 1,189,405

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, 2020**

	<b>MD 37A</b>	<b>MD 37B</b>	
	<b>Drainage</b>	<b>Road</b>	
	<b>Maintenance</b>	<b>Maintenance</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 7,613	\$ 151,123	\$ 158,736
Accounts receivable	13	50	63
Interest receivable	14	241	255
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 7,640	\$ 151,414	\$ 159,054
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Due to County of Madera	\$ 2,374	\$ 266	\$ 2,640
	<hr/>	<hr/>	<hr/>
Total Liabilities	2,374	266	2,640
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Restricted for:			
Drainage maintenance	5,266	-	5,266
Road maintenance	-	151,148	151,148
	<hr/>	<hr/>	<hr/>
Total Fund Balances	5,266	151,148	156,414
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 7,640	\$ 151,414	\$ 159,054
	<hr/>	<hr/>	<hr/>

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)**

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS  
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 balances - governmental funds	\$ 156,414
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>164,690</u>
Net position of governmental activities	<u>\$ 321,104</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)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>MD 37A Drainage Maintenance</b>	<b>MD 37B Road Maintenance</b>	<b>Total</b>
<b>REVENUES</b>			
Assessments	\$ 1,701	\$ 6,806	\$ 8,507
Investment earnings	137	2,521	2,658
	<u>1,838</u>	<u>9,327</u>	<u>11,165</u>
<b>EXPENDITURES</b>			
Drainage maintenance:			
General and administrative	304	-	304
Maintenance - drainage	3,359	-	3,359
Insurance	3,300	-	3,300
Road maintenance:			
General and administrative	-	11	11
Maintenance - roads	-	35,498	35,498
	<u>6,963</u>	<u>35,509</u>	<u>42,472</u>
Net change in fund balances	(5,125)	(26,182)	(31,307)
Fund balances - beginning	<u>10,391</u>	<u>177,330</u>	<u>187,721</u>
Fund balances - ending	<u>\$ 5,266</u>	<u>\$ 151,148</u>	<u>\$ 156,414</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)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE OF THE GOVERNMENTAL FUNDS 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 balances - governmental funds	\$ (31,307)
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.	<u>-</u>
Change in net position of governmental activities	<u>\$ (31,307)</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)**

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

	<b>Proprietary Fund</b>
	<b>MD 37</b>
<b>ASSETS</b>	
Current Assets:	
Cash and investments	\$ 717,061
Accounts receivable	11,310
Interest receivable	1,109
Total Current Assets	729,480
Non-Current Assets:	
Capital assets:	
Land	1,693
Depreciable assets	730,104
Accumulated depreciation	(526,293)
Total Non-Current Assets	205,504
Total Assets	934,984
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	7,370
Deposits from others	770
Due to County of Madera	57,577
Unearned revenue	966
Total Current Liabilities	66,683
Total Liabilities	66,683
<b>NET POSITION</b>	
Net investment in capital assets	205,504
Unrestricted	662,797
Total Net Position	\$ 868,301

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, EXPENSES, AND CHANGE IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Proprietary Fund</b>
	<b>MD 37</b>
Operating Revenues:	
Charges for services	\$ 90,879
Total Operating Revenues	90,879
Operating Expenses:	
Services and supplies	52,884
Maintenance	93,003
Insurance	8,198
Utilities	23,537
Depreciation	11,358
Total Operating Expenses	188,980
Operating Income (Loss)	(98,101)
Non-Operating Revenue (Expenses):	
Investment income	11,686
Total Non-Operating Revenue (Expenses)	11,686
Change in Net Position	(86,415)
Net Position, Beginning of Year	954,716
Net Position, End of Year	\$ 868,301

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 CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Proprietary Fund</b>
	<b>MD 37</b>
Cash flows from operating activities:	
Cash receipts from customers and users	\$ 89,797
Cash paid to suppliers	(135,323)
Net cash provided by (used for) operating activities	(45,526)
Cash flows from investing activities:	
Investment income received	13,071
Net cash provided by (used for) investing activities	13,071
Net increase (decrease) in cash and investments	(32,455)
Cash and investments, beginning of the year	749,516
Cash and investments, end of the year	\$ 717,061

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

Operating income (loss)	\$ (98,101)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	11,358
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	(1,086)
Decrease/(Increase) in due from County of Madera	8
Increase/(Decrease) in accounts payable	4,247
Increase/(Decrease) in due to County of Madera	38,052
Increase/(Decrease) in unearned revenues	(4)
Net cash provided by (used for) operating activities	\$ (45,526)

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



NOTES TO THE BASIC FINANCIAL STATEMENTS

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**MAINTENANCE DISTRICT 37 – LA VINA  
(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 **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 176.6 improved units and 2 standby units. The Sewer System provides sewer service to 176.6 improved units and 2 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, 2020**

**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. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

The District reports the following major 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 measurable 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, 2020**

**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 and drainage 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 Change in Net Position, and a Statement of Cash Flows.

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

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

**C. Cash and Investments**

Cash and investments shown in the Statement of Net Position 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 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, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. 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.

**F. Capital Assets**

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

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

<u>Depreciable Asset</u>	<u>Estimated Life</u>
Infrastructure	20-50 years
Water and Sewer Systems	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. Interest accrued during capital assets construction, if any, is capitalized as part of the asset cost.

**G. 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, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. 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, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, 2020 are classified in the financial statements as follows:

Cash and investments – unrestricted	\$875,797
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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	\$875,797
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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.



**MAINTENANCE DISTRICT 37 – LA VINA  
(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:

**Governmental Activities**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 164,690	\$ -	\$ -	\$ 164,690
Total capital assets, not being depreciated	<u>164,690</u>	<u>-</u>	<u>-</u>	<u>164,690</u>
Capital assets, being depreciated:				
Infrastructure (depreciable)	38,701	-	-	38,701
Total capital assets, being depreciated	<u>38,701</u>	<u>-</u>	<u>-</u>	<u>38,701</u>
Less accumulated depreciation for:				
Infrastructure (depreciable)	(38,701)	-	-	(38,701)
Total accumulated depreciation	<u>(38,701)</u>	<u>-</u>	<u>-</u>	<u>(38,701)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, net	<u>\$ 164,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,690</u>

**Business-Type Activities**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 1,693	\$ -	\$ -	\$ 1,693
Total capital assets, not being depreciated	<u>1,693</u>	<u>-</u>	<u>-</u>	<u>1,693</u>
Capital assets, being depreciated:				
Water and sewer systems	703,104	-	-	703,104
Equipment	27,000	-	-	27,000
Total capital assets, being depreciated	<u>730,104</u>	<u>-</u>	<u>-</u>	<u>730,104</u>
Less accumulated depreciation for:				
Water and sewer systems	(487,935)	(11,358)	-	(499,293)
Equipment	(27,000)	-	-	(27,000)
Total accumulated depreciation	<u>(514,935)</u>	<u>(11,358)</u>	<u>-</u>	<u>(526,293)</u>
Total capital assets being depreciated, net	<u>215,169</u>	<u>(11,358)</u>	<u>-</u>	<u>203,811</u>
Total capital assets, net	<u>\$ 216,862</u>	<u>\$ (11,358)</u>	<u>\$ -</u>	<u>\$ 205,504</u>

Depreciation expense of \$3,861 and \$7,497 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, 2020**

**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. Total expenses to the County of Madera for the year ended June 30, 2020 were \$169,390.

The amount due to the County of Madera as of June 30, 2020 is \$60,217.

**NOTE 5: INSURANCE AND RISK OF LOSS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. Because the District does not have employees, it is not exposed to injuries to employees. The District's officers are officials of the County, and therefore coverage for general liability and errors and omissions is provided under the County's program. This program is self-insured to a level of \$100,000, after which excess coverage is obtained through participation in the CSAC Excess Insurance Authority (EIA). Disclosure of complete information on risk management can be found in the County of Madera Comprehensive Annual Financial Report.

**NOTE 6: RESTATEMENT OF BEGINNING NET POSITION**

The beginning net positions were overstated by \$314,698 in the water division, overstated by \$347,958 in the sewer division, and understated by \$662,656 in the Accumulated Capital Outlay (ACO) fund. The net effect of these overstatements and understatements is zero. The amounts of these overstatements/understatements were due to ACO activities allocated and reported under water and sewer divisions. The ACO fund was established to accumulate funds for future non-routine water and sewer operating expenses. These might be for emergencies or planned expenses. Management believes that it is more appropriate to report ACO activities separately from activities in water and sewer divisions.

The restatement of beginning net positions of enterprise funds in the combining statements are summarized as follows:

**Water Division:**

	<u>Net investment in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>
Net position at June 30, 2019, as previously stated	\$ 82,638	\$ 261,728	\$ 344,366
Reclassification of ACO activities	-	(314,698)	(314,698)
Net position (deficit) at June 30, 2019, as restated	<u>\$ 82,638</u>	<u>\$ (52,970)</u>	<u>\$ 29,668</u>

**Sewer Division:**

	<u>Net investment in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>
Net position at June 30, 2019, as previously stated	\$ 134,224	\$ 476,213	\$ 610,437
Reclassification of ACO activities	-	(347,958)	(347,958)
Net position at June 30, 2019, as restated	<u>\$ 134,224</u>	<u>\$ 128,255</u>	<u>\$ 262,479</u>

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

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

**NOTE 6: RESTATEMENT OF BEGINNING NET POSITION (Continued)**

**ACO Fund:**

	<u>Net investment in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>
Net position at June 30, 2019, as previously stated	\$ -	\$ -	\$ -
Reclassification of ACO activities	-	662,656	662,656
Net position at June 30, 2019, as restated	<u>\$ -</u>	<u>\$ 662,656</u>	<u>\$ 662,656</u>

The effect on the prior year change in net position of enterprise funds in the combining statements are summarized as follows:

	<u>Water Division</u>	<u>Sewer Division</u>	<u>ACO Fund</u>	<u>Total</u>
Change in net position for the year ended June 30, 2019, as previously stated	\$ (33,378)	\$ 139	\$ -	\$ (33,239)
Investment income in ACO Fund	(5,419)	(5,420)	10,839	-
Change in net position for the year ended June 30, 2019, as restated	<u>\$ (38,797)</u>	<u>\$ (5,281)</u>	<u>\$ 10,839</u>	<u>\$ (33,239)</u>

**NOTE 7: EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2020:

MD37A Drainage Maintenance Fund:	
General and administrative	\$ 104

**NOTE 8: CONTINGENCY**

Coronavirus Disease (COVID-19)

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

Specific to Maintenance District 37, COVID-19 may impact the timing of receipts for utility and assessment billings. Management believes MD 37 is taking appropriate actions to mitigate the potential negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**NOTE 9: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 4, 2021, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

**MD 37A LA VINA DRAINAGE MAINTENANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Assessments	\$ 1,500	\$ 1,500	\$ 1,701	\$ 201
Investment earnings	<u>200</u>	<u>200</u>	<u>137</u>	<u>(63)</u>
 Total revenues	 <u>1,700</u>	 <u>1,700</u>	 <u>1,838</u>	 <u>138</u>
Expenditures:				
Drainage maintenance:				
General and administrative	200	200	304	(104)
Maintenance - roads	500	500	-	500
Maintenance - drainage	7,875	7,875	3,359	4,516
Insurance	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
 Total expenditures	 <u>11,875</u>	 <u>11,875</u>	 <u>6,963</u>	 <u>4,912</u>
 Net change in fund balance	 (10,175)	 (10,175)	 (5,125)	 5,050
 Fund balance - beginning of year	 <u>10,391</u>	 <u>10,391</u>	 <u>10,391</u>	 <u>-</u>
 Fund balance - end of year	 <u>\$ 216</u>	 <u>\$ 216</u>	 <u>\$ 5,266</u>	 <u>\$ 5,050</u>

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

**MD 37B LA VINA ROAD MAINTENANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Assessments	\$ 6,750	\$ 6,750	\$ 6,806	\$ 56
Investment earnings	2,200	2,200	2,521	321
Total revenues	<u>8,950</u>	<u>8,950</u>	<u>9,327</u>	<u>377</u>
Expenditures:				
Road maintenance:				
General and administrative	602	602	11	591
Maintenance - roads	175,000	175,000	35,498	139,502
Appropriation for contingency	<u>6,946</u>	<u>6,946</u>	-	<u>6,946</u>
Total expenditures	<u>182,548</u>	<u>182,548</u>	<u>35,509</u>	<u>147,039</u>
Net change in fund balance	(173,598)	(173,598)	(26,182)	147,416
Fund balance - beginning of year	<u>177,330</u>	<u>177,330</u>	<u>177,330</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,732</u>	<u>\$ 3,732</u>	<u>\$ 151,148</u>	<u>\$ 147,416</u>

SUPPLEMENTARY INFORMATION

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

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020**

	<u>Water</u>	<u>Sewer</u>	<u>ACO</u>	<u>Lighting</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>						
Current Assets:						
Cash and investments	\$ -	\$ 133,993	\$ 583,068	\$ -	\$ -	\$ 717,061
Accounts receivable	4,524	6,786	-	-	-	11,310
Interest receivable	32	48	1,029	-	-	1,109
Due from other divisions	-	-	81,055	-	(81,055)	-
Total Current Assets	<u>4,556</u>	<u>140,827</u>	<u>665,152</u>	<u>-</u>	<u>(81,055)</u>	<u>729,480</u>
Non-Current Assets:						
Capital assets:						
Land	1,693	-	-	-	-	1,693
Depreciable assets	295,093	435,011	-	-	-	730,104
Accumulated depreciation	<u>(218,009)</u>	<u>(308,284)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(526,293)</u>
Total Non-Current Assets	<u>78,777</u>	<u>126,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,504</u>
Total Assets	<u>83,333</u>	<u>267,554</u>	<u>665,152</u>	<u>-</u>	<u>(81,055)</u>	<u>934,984</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable	2,333	5,037	-	-	-	7,370
Deposits from others	308	462	-	-	-	770
Due to County of Madera	19,244	38,185	-	148	-	57,577
Due to other divisions	81,055	-	-	-	(81,055)	-
Unearned revenue	<u>386</u>	<u>580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>966</u>
Total Current Liabilities	<u>103,326</u>	<u>44,264</u>	<u>-</u>	<u>148</u>	<u>(81,055)</u>	<u>66,683</u>
Total Liabilities	<u>103,326</u>	<u>44,264</u>	<u>-</u>	<u>148</u>	<u>(81,055)</u>	<u>66,683</u>
<b>NET POSITION</b>						
Net investment in capital assets	78,777	126,727	-	-	-	205,504
Unrestricted	<u>(98,770)</u>	<u>96,563</u>	<u>665,152</u>	<u>(148)</u>	<u>-</u>	<u>662,797</u>
Total Net Position (Deficit)	<u>\$ (19,993)</u>	<u>\$ 223,290</u>	<u>\$ 665,152</u>	<u>\$ (148)</u>	<u>\$ -</u>	<u>\$ 868,301</u>



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

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Water</u>	<u>Sewer</u>	<u>ACO</u>	<u>Lighting</u>	<u>Eliminations</u>	<u>Total</u>
Operating Revenues:						
Charges for services	\$ 35,019	\$ 55,860	\$ -	\$ -	\$ -	\$ 90,879
Total Operating Revenues	<u>35,019</u>	<u>55,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,879</u>
Operating Expenses:						
Services and supplies	22,313	30,571	-	-	-	52,884
Maintenance	36,720	56,135	-	148	-	93,003
Insurance	4,099	4,099	-	-	-	8,198
Utilities	21,991	1,138	-	408	-	23,537
Depreciation	<u>3,861</u>	<u>7,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,358</u>
Total Operating Expenses	<u>88,984</u>	<u>99,440</u>	<u>-</u>	<u>556</u>	<u>-</u>	<u>188,980</u>
Operating Income (Loss)	<u>(53,965)</u>	<u>(43,580)</u>	<u>-</u>	<u>(556)</u>	<u>-</u>	<u>(98,101)</u>
Non-Operating Revenue (Expenses):						
Investment income	<u>373</u>	<u>559</u>	<u>10,754</u>	<u>-</u>	<u>-</u>	<u>11,686</u>
Total Non-Operating Revenue (Expenses)	<u>373</u>	<u>559</u>	<u>10,754</u>	<u>-</u>	<u>-</u>	<u>11,686</u>
Income (Loss) Before Transfers	(53,592)	(43,021)	10,754	(556)	-	(86,415)
Transfers in	4,129	4,129	-	495	(8,753)	-
Transfers out	<u>(198)</u>	<u>(297)</u>	<u>(8,258)</u>	<u>-</u>	<u>8,753</u>	<u>-</u>
Change in Net Position	(49,661)	(39,189)	2,496	(61)	-	(86,415)
Net Position (Deficit), Beginning of Year (Restated)	<u>29,668</u>	<u>262,479</u>	<u>662,656</u>	<u>(87)</u>	<u>-</u>	<u>954,716</u>
Net Position (Deficit), End of Year	<u>\$ (19,993)</u>	<u>\$ 223,290</u>	<u>\$ 665,152</u>	<u>\$ (148)</u>	<u>\$ -</u>	<u>\$ 868,301</u>

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

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Water</u>	<u>Sewer</u>	<u>ACO</u>	<u>Lighting</u>	<u>Total</u>
Cash flows from operating activities:					
Cash receipts from customers and users	\$ 34,590	\$ 55,207	\$ -	\$ -	\$ 89,797
Cash paid to suppliers	<u>(76,078)</u>	<u>(58,750)</u>	<u>-</u>	<u>(495)</u>	<u>(135,323)</u>
Net cash provided by (used for) operating activities	<u>(41,488)</u>	<u>(3,543)</u>	<u>-</u>	<u>(495)</u>	<u>(45,526)</u>
Cash flows from noncapital financing activities:					
Transfer from (to) other divisions	<u>41,027</u>	<u>3,832</u>	<u>(45,354)</u>	<u>495</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>41,027</u>	<u>3,832</u>	<u>(45,354)</u>	<u>495</u>	<u>-</u>
Cash flows from investing activities:					
Investment income received	<u>461</u>	<u>689</u>	<u>11,921</u>	<u>-</u>	<u>13,071</u>
Net cash provided by (used for) investing activities	<u>461</u>	<u>689</u>	<u>11,921</u>	<u>-</u>	<u>13,071</u>
Net increase (decrease) in cash and investments	-	978	(33,433)	-	(32,455)
Cash and investments, beginning of the year	<u>-</u>	<u>133,015</u>	<u>616,501</u>	<u>-</u>	<u>749,516</u>
Cash and investments, end of the year	<u>\$ -</u>	<u>\$ 133,993</u>	<u>\$ 583,068</u>	<u>\$ -</u>	<u>\$ 717,061</u>

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

Operating income (loss)	\$ (53,965)	\$ (43,580)	\$ -	\$ (556)	\$ (98,101)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	3,861	7,497	-	-	11,358
Changes in operating assets and liabilities:					
Decrease/(Increase) in accounts receivable	(435)	(651)	-	-	(1,086)
Decrease/(Increase) in due from County of Madera	8	-	-	-	8
Increase/(Decrease) in accounts payable	(103)	4,383	-	(33)	4,247
Increase/(Decrease) in due to County of Madera	9,148	28,810	-	94	38,052
Increase/(Decrease) in unearned revenues	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
Net cash provided by (used for) operating activities	<u>\$ (41,488)</u>	<u>\$ (3,543)</u>	<u>\$ -</u>	<u>\$ (495)</u>	<u>\$ (45,526)</u>