

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021**

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

JUNE 30, 2021

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BASIC FINANCIAL STATEMENTS

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**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 146,229	\$ 187,974	\$ 334,203
Accounts receivable	330	14,672	15,002
Interest receivable	154	197	351
Due from other governments	-	7,235	7,235
Capital assets, not being depreciated			
Land	26,470	4,000	30,470
Land under roads	1,079,613	-	1,079,613
Capital assets being depreciated, net			
Water systems	-	398,515	398,515
Equipment	-	1,757	1,757
	1,252,796	614,350	1,867,146
Total Assets			
LIABILITIES			
Accounts payable	-	565	565
Deposits from others	-	3,838	3,838
Due to County of Madera	1,154	19,720	20,874
Unearned revenue	-	1,159	1,159
	1,154	25,282	26,436
Total Liabilities			
NET POSITION			
Net investment in capital assets	1,106,083	404,272	1,510,355
Restricted for road maintenance	145,559	-	145,559
Unrestricted	-	184,796	184,796
	1,251,642	589,068	1,840,710
Total Net Position			

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

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Road maintenance	\$ 8,917	\$ 11,721	\$ -	\$ 2,804	\$ -	\$ 2,804
Total governmental activities	<u>8,917</u>	<u>11,721</u>	<u>-</u>	<u>2,804</u>	<u>-</u>	<u>2,804</u>
Business-Type Activities:						
Water	<u>177,887</u>	<u>133,763</u>	<u>7,235</u>	<u>-</u>	<u>(36,889)</u>	<u>(36,889)</u>
Total business-type activities	<u>177,887</u>	<u>133,763</u>	<u>7,235</u>	<u>-</u>	<u>(36,889)</u>	<u>(36,889)</u>
Total primary government	<u>\$ 186,804</u>	<u>\$ 145,484</u>	<u>\$ 7,235</u>	<u>2,804</u>	<u>(36,889)</u>	<u>(34,085)</u>
General Revenues:						
Investment earnings				<u>565</u>	<u>770</u>	<u>1,335</u>
Total general revenues				<u>565</u>	<u>770</u>	<u>1,335</u>
Changes in net position				3,369	(36,119)	(32,750)
Net position - beginning				<u>1,248,273</u>	<u>625,187</u>	<u>1,873,460</u>
Net position - ending				<u>\$ 1,251,642</u>	<u>\$ 589,068</u>	<u>\$ 1,840,710</u>

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

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2021**

	<u>Road Maintenance</u>
ASSETS	
Cash and investments	\$ 146,229
Accounts receivable	330
Interest receivable	<u>154</u>
 Total Assets	 \$ <u>146,713</u>
LIABILITIES	
Due to County of Madera	\$ <u>1,154</u>
 Total Liabilities	 <u>1,154</u>
FUND BALANCE	
Restricted for road maintenance	<u>145,559</u>
 Total Fund Balance	 <u>145,559</u>
 Total Liabilities and Fund Balance	 \$ <u>146,713</u>

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

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

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

Fund balance - governmental fund	\$ 145,559
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>1,106,083</u>
Net position of governmental activities	<u>\$ 1,251,642</u>

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

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Road Maintenance</u>
REVENUES	
Assessments	\$ 11,721
Investment earnings	<u>565</u>
Total revenues	<u>12,286</u>
EXPENDITURES	
Road maintenance:	
General and administrative	1,913
Maintenance - roads	4,154
Insurance	<u>2,850</u>
Total Expenditures	<u>8,917</u>
Net change in fund balances	3,369
Fund balance - beginning	<u>142,190</u>
Fund balance - ending	<u><u>\$ 145,559</u></u>

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

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(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 STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balance - governmental fund	\$ 3,369
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>\$ 3,369</u>

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

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021**

	Enterprise Fund Water
ASSETS	
Current Assets:	
Cash and investments	\$ 187,974
Accounts receivable	14,672
Interest receivable	197
Due from other governments	7,235
Total Current Assets	210,078
Non-Current Assets:	
Capital assets:	
Land	4,000
Depreciable assets	1,176,271
Accumulated depreciation	(775,999)
Total Non-Current Assets	404,272
Total Assets	614,350
LIABILITIES	
Current Liabilities:	
Accounts payable	565
Deposits from others	3,838
Due to County of Madera	19,720
Unearned revenue	1,159
Total Current Liabilities	25,282
Total Liabilities	25,282
NET POSITION	
Net investment in capital assets	404,272
Unrestricted	184,796
Total Net Position	\$ 589,068

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

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(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, 2021**

	Enterprise Fund
	Water
Operating Revenues:	
Charges for services	\$ 133,763
Total Operating Revenues	133,763
Operating Expenses:	
Services and supplies	40,088
Maintenance	61,605
Insurance	6,572
Utilities	55,723
Depreciation	13,899
Total Operating Expenses	177,887
Net Operating Income (Loss)	(44,124)
Non-Operating Revenue (Expenses):	
Investment Income	770
Intergovernmental	7,235
Total Non-Operating Revenue (Expenses)	8,005
Change in Net Position	(36,119)
Net Position, Beginning of Year	625,187
Net Position, End of Year	\$ 589,068

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

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Enterprise Fund
	Water
Cash flows from operating activities:	
Cash receipts from customers and users	\$ 135,616
Cash paid to suppliers	(172,591)
Net cash provided by (used for) operating activities	(36,975)
Cash flows from noncapital financing activities:	
Aid from other governmental agencies	11,389
Net cash provided by (used for) noncapital financing activities	11,389
Cash flows from investing activities:	
Investment income received	924
Net cash provided by (used for) investing activities	924
Net increase (decrease) in cash and investments	(24,662)
Cash and investments, beginning of the year	212,636
Cash and investments, end of the year	\$ 187,974

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

Operating income (loss)	\$ (44,124)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	13,899
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	1,618
Increase/(Decrease) in accounts payable	(5,184)
Increase/(Decrease) in due to County of Madera	(3,419)
Increase/(Decrease) in unearned revenue	235
Net cash provided by (used for) operating activities	\$ (36,975)

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 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, JUNE 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the **MD 46 – Ahwahnee Country Club** (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 is located between the communities of Ahwahnee and Oakhurst, north of Highway 49 at Harmony Lane in Madera County Supervisorial District 5. The District was formed on November 27, 1990 by Resolution No. 90-310 and provides water service to a residential development. The District also provides road maintenance to approximately 117 parcels with 6.81 miles of paved roads and 2.23 miles of unpaved roads. The funding for water system operations is derived from charges for water services. The funding for road maintenance comes from direct assessment of \$100 per parcel, per year.

The Ahwahnee Water System serves 90 improved units and 20 standby units. The water is furnished by three hard rock wells and three boost pump stations to supply two storage tanks with a capacity of 185,000 gallons. There are also consumer water meters. The current tiered rate for improved lot is \$100.73 per month for base annual water use up to 24,064 cubic feet, with an additional charge of \$5.95 per 400 cubic foot up to 60,000 cubic feet. For water in excess of 60,000 cubic feet per year, an additional charge of \$7.45 per 400 cubic foot is applied. The standby rate is \$29.33 per month. Water meters are required and have a \$100 fee. The District also has a \$3,000 connection fee.

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 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 the charges for services category.

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, JUNE 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 46 – Road Maintenance* fund is used to account for all financial resources of the District relating to the maintenance of the paved and unpaved roads within the District.

The District reports the following major proprietary funds:

- The *MD 46 – Water Operations & Maintenance* fund is used to account for all financial resources of the District relating to water services provided to the residential development of the District.

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 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.

Unavailable revenues arise when potential revenues do not meet both the “measurable” 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.

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, JUNE 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position and 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 services. Management believes its receivables to be fully collectible, and accordingly, no allowance for doubtful accounts is required.

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.

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, JUNE 30, 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 Systems	15-65 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.

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 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.

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, JUNE 30, 2021**

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 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, JUNE 30, 2021**

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, 2021 are classified in the financial statements as follows:

Cash and investments – unrestricted	\$334,203
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The District's cash and investments consisted of the following as of June 30, 2021:

Deposits held with County of Madera Investment Pool	\$334,203
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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, 2021, 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 Annual Comprehensive 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 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, JUNE 30, 2021**

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021, was as follows:

Governmental Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 26,470	\$ -	\$ -	\$ 26,470
Land under roads	1,079,613	-	-	1,079,613
Total capital assets, not being depreciated	<u>1,106,083</u>	<u>-</u>	<u>-</u>	<u>1,106,083</u>
Capital assets, being depreciated:				
Infrastructure	598,825	-	-	598,825
Total capital assets, being depreciated	<u>598,825</u>	<u>-</u>	<u>-</u>	<u>598,825</u>
Less accumulated depreciation for:				
Infrastructure	(598,825)	-	-	(598,825)
Total accumulated depreciation	<u>(598,825)</u>	<u>-</u>	<u>-</u>	<u>(598,825)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, net	<u>\$ 1,106,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,106,083</u>

Business-type Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 4,000	\$ -	\$ -	\$ 4,000
Total capital assets, not being depreciated	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Capital assets, being depreciated:				
Water systems	1,167,372	-	-	1,167,372
Equipment	8,899	-	-	8,899
Total capital assets, being depreciated	<u>1,176,271</u>	<u>-</u>	<u>-</u>	<u>1,176,271</u>
Less accumulated depreciation for:				
Water systems	(755,753)	(13,103)	-	(768,856)
Equipment	(6,347)	(796)	-	(7,143)
Total accumulated depreciation	<u>(762,100)</u>	<u>(13,899)</u>	<u>-</u>	<u>(775,999)</u>
Total capital assets being depreciated, net	<u>414,171</u>	<u>(13,899)</u>	<u>-</u>	<u>400,272</u>
Total capital assets, net	<u>\$ 418,171</u>	<u>\$ (13,899)</u>	<u>\$ -</u>	<u>\$ 404,272</u>

Depreciation expense of \$13,899 was charged to the water function of the business-type activities.

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, JUNE 30, 2021**

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 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. Total expenses to the County of Madera for the year ended June 30, 2021 is \$94,274.

The amount due to the County of Madera as of June 30, 2021 is \$20,874.

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 Public Risk Innovation, Solutions, and Management (PRISM). Disclosure of complete information on risk management can be found in the County of Madera Annual Comprehensive Financial Report.

NOTE 6: COMMITMENTS AND CONTINGENCIES

Grants

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

Construction Commitments

The District reported commitment of \$246,761 in the water operations and maintenance fund at June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

**MAINTENANCE DISTRICT 46 – AHWAHNEE COUNTRY CLUB
(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, 2021**

	Road Maintenance			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Assessments	\$ 11,500	\$ 11,500	\$ 11,721	\$ 221
Investment earnings	2,150	2,150	565	(1,585)
Total revenues	<u>13,650</u>	<u>13,650</u>	<u>12,286</u>	<u>(1,364)</u>
Expenditures:				
Road maintenance:				
General and administrative	500	500	1,913	(1,413)
Maintenance - roads	135,000	135,000	4,154	130,846
Insurance	2,850	2,850	2,850	-
Appropriation for contingency	9,928	9,928	-	9,928
Total expenditures	<u>148,278</u>	<u>148,278</u>	<u>8,917</u>	<u>139,361</u>
Net change in fund balance	(134,628)	(134,628)	3,369	137,997
Fund balance - beginning of year	<u>142,190</u>	<u>142,190</u>	<u>142,190</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,562</u>	<u>\$ 7,562</u>	<u>\$ 145,559</u>	<u>\$ 137,997</u>