

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2017**

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

JUNE 30, 2017

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Report of Independent Auditors

To the Board of Supervisors
Madera County

Report on the Financial Statements

We have audited the accompanying financial statements of the Maintenance District 33 – Fairmead (District), a component unit of the County of Madera, California as of and for the year then ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's 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.

Auditor's 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maintenance District 33 – Fairmead as of June 30, 2017, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, a prior period adjustment was recorded for understating due from other governments and overstating capital assets. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13-15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fresno, California
June 29, 2018

BASIC FINANCIAL STATEMENTS

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**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION
JUNE 30, 2017**

ASSETS

Current Assets:

Cash and investments	\$	73,382
Accounts receivable		44,032
Interest receivable		322
		322

Total Current Assets		117,736
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Non-Current Assets:

Capital assets:

Land		3,800
Construction in progress		440,903
Depreciable assets		1,329,987
Accumulated depreciation		(433,386)
		(433,386)

Total Non-Current Assets		1,341,304
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Total Assets		1,459,040
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LIABILITIES

Current Liabilities:

Accounts payable		20,650
Deposits from others		1,800
Due to County of Madera		141,162
Unearned revenue		1,867
		1,867

Total Current Liabilities		165,479
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Total Liabilities		165,479
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NET POSITION

Net investment in capital assets		1,341,304
Unrestricted		(47,743)
		(47,743)

Total Net Position	\$	1,293,561
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The notes to the basic financial statements are an integral part of this statement.

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

Operating Revenues:	
Charges for services	\$ 100,688
Other revenues	<u>37</u>
Total Operating Revenues	<u>100,725</u>
Operating Expenses:	
Services and supplies	61,250
Maintenance	60,346
Insurance	1,766
Utilities	36,336
Depreciation	<u>38,011</u>
Total Operating Expenses	<u>197,709</u>
Operating Income (Loss)	<u>(96,984)</u>
Non-Operating Revenue (Expenses):	
Taxes	11,286
Investment income	3,616
Interest and fiscal charges	<u>(158)</u>
Total Non-Operating Revenue (Expenses)	<u>14,744</u>
Change in Net Position	(82,240)
Net Position, Beginning of Year	<u>1,375,801</u>
Net Position, End of Year	<u>\$ 1,293,561</u>

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

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash flows from operating activities:	
Cash receipts from customers and users	\$ 106,227
Cash paid to suppliers	<u>(152,716)</u>
Net cash provided (used) by operating activities	<u>(46,489)</u>
Cash flows from noncapital financing activities:	
Taxes	11,286
Repayment of Advances from County of Madera	(40,000)
Interest paid on noncapital debt	<u>(1,297)</u>
Net cash provided (used) by noncapital financing activities	<u>(30,011)</u>
Cash flows from capital and related financing activities:	
Capital grants	31,261
Repayment of Advances from County of Madera	(450,000)
Acquisition and construction of capital assets	<u>(11,988)</u>
Net cash provided (used) by capital and related financing activities	<u>(430,727)</u>
Cash flows from investing activities:	
Interest on investments	<u>4,705</u>
Net cash provided (used) by investing activities	<u>4,705</u>
Net increase (decrease) in cash and cash equivalents	(502,522)
Cash and cash equivalents, beginning of the year	<u>575,904</u>
Cash and cash equivalents, end of the year	<u>\$ 73,382</u>

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

Operating income (loss)	\$ (96,984)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	38,011
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	6,602
Increase/(Decrease) in accounts payable	(29,780)
Increase/(Decrease) in due to County of Madera	36,762
Increase/(Decrease) in deposits from others	600
Increase/(Decrease) in unearned revenues	<u>(1,700)</u>
Net cash provided (used) by operating activities	<u>\$ (46,489)</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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**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the **MD 33 - Fairmead** (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 33 provides water and street light services for a residential community. The District is located in Madera County Supervisorial District 2 midway between the cities of Madera and Chowchilla at Avenue 19 ½ and State Route 99. The district was formed on July 12, 1977 by Resolution No. 77-438. The Fairmead Water System provides water service to 178.15 improved units and 63 standby units. The water rates were last set on August 31, 2010 by Resolution No. 2010-211 and are based on a flat rate structure with an annual Consumer Price Index adjustment.

There are 25 street lights within the District; however, there is not a current assessment for street lights. The District allocates water charges to cover the costs of operating the 25 street lights.

MD 33A provides road maintenance to approximately 32 parcels served by 0.13 miles of paved road including curb and gutter, and 0.22 miles of unpaved road. MD 33A is located in the community of Fairmead and is accessed northeast from Fairmead Boulevard. The District was formed on November 10, 1992 by Resolution 92-356 and is approximately 9 acres in size. When MD 33A was formed, there was a direct assessment of \$100 per parcel, per year, for road maintenance 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 an enterprise fund in the County of Madera financial statements. The financial statements included in this report are intended to present the financial position and results of operations of only the District. They are not intended to present the financial position or results of operations of the County of Madera taken as a whole.

B. Basis of Presentation and Method of Accounting

Proprietary fund financial statements include a Statement of Net Position and a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

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

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

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments

Cash and investments shown in the Statement of Net Position represent the District's share of the County of Madera's cash and investment pool. Interest earnings from this pool are transferred to the District on a quarterly basis based on the District's average daily balance. The County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134.

D. Receivables

Receivables consist of fees charged for water services, property taxes, and interest from the County of Madera. Management believes its receivables to be fully collectible, and accordingly, no allowance for doubtful accounts is required.

E. Property Taxes/Assessments

Secured and unsecured property taxes and assessments are levied in July each year. Property taxes and assessments become a lien against the property as of January 1 of each year. Secured property taxes and assessments are payable in two installments which are due November 1 and February 1. Unsecured property taxes and assessments are due on August 31. All property taxes and 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 Systems	15-65 years
Structures and Improvements	30-50 years
Equipment	3-20 years

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

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Net Position

Net position is classified in the following three components:

- Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted – This category presents external restrictions imposed by creditors, grantors, contributors 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.”

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

H. 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, 2017 are classified in the financial statements as follows:

Cash and investments – unrestricted	\$73,382
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The District’s cash and investments consisted of the following as of June 30, 2017:

Deposits held with County of Madera Investment Pool	\$73,382
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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, 2017, were as follows:

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

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

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2: CASH AND INVESTMENTS (Continued)

Fair Value Measurements

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

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

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

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017, was as follows:

	Balance			Balance
	July 1, 2016	Additions	Deletions	June 30, 2017
Capital assets, not being depreciated:				
Land	\$ 4,430	\$ -	\$ (630)	\$ 3,800
Land under roads	2,087	-	(2,087)	-
Construction in progress	432,716	11,988	(3,801)	440,903
	<u>439,233</u>	<u>11,988</u>	<u>(6,518)</u>	<u>444,703</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Water systems	1,329,987	-	-	1,329,987
	<u>1,329,987</u>	<u>-</u>	<u>-</u>	<u>1,329,987</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Water systems	(395,375)	(38,011)	-	(433,386)
	<u>(395,375)</u>	<u>(38,011)</u>	<u>-</u>	<u>(433,386)</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	934,612	(38,011)	-	896,601
	<u>934,612</u>	<u>(38,011)</u>	<u>-</u>	<u>896,601</u>
Total capital assets, net	\$ 1,373,845	\$ (26,023)	\$ (6,518)	\$ 1,341,304
	<u>\$ 1,373,845</u>	<u>\$ (26,023)</u>	<u>\$ (6,518)</u>	<u>\$ 1,341,304</u>

Depreciation expense of \$38,011 was charged to the water service function of the District.

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4: RELATED PARTY TRANSACTIONS

The District's property taxes and 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. The County of Madera charges the District for administrative costs incurred.

The amount due to the County of Madera as of June 30, 2017 was \$141,162. The District intends to pay back this amount through future cash flow at the current established rate; however, future rate increases may be necessary in order to fulfill the obligation.

NOTE 5: ADVANCES FROM COUNTY OF MADERA

The following is a summary of the advances from the County of Madera for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
County of Madera Loan - 2014	\$ 40,000	\$ -	\$ (40,000)	\$ -	\$ -
County of Madera Loan - 2015	450,000	-	(450,000)	-	-
Total	\$ 490,000	\$ -	\$ (490,000)	\$ -	\$ -

On July 1, 2013, the County of Madera approved an advance to the District not to exceed \$150,000, of which the District drew \$40,000, to assist with cash flow needs related to the payment of a feasibility study on well water drinking standards, well production, and well storage. The loan bears interest at the rate earned by funds invested by the Madera County Treasurer in the "pooled investment account" on the last quarter calculated, plus 50 basis points, (0.50%) of 1 percent and was to be repaid on January 31, 2015. The District repaid the loan advance of \$40,000 to the County on October 18, 2016.

On July 15, 2015, the County approved an additional \$450,000 advance to be repaid over 18 months with no interest. The loan was to assist cash flow needs related to multiple capital projects within the District. The District received the approved advance of \$450,000 from the County of Madera on August 31, 2015, and was due on January 31, 2017. The District repaid the loan advance of \$450,000 to the County on May 30, 2017.

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.

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7: COMMITMENTS AND CONTINGENCIES

Grants

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

Construction Commitments

At June 30, 2017, the District had one commitment for the hydrological services associated with the design and construction of a production well. As of June 30, 2017 the remaining construction committed amount is \$88,689.

NOTE 8: SUBSEQUENT EVENTS

The District obtained a \$30,000 loan from the County of Madera on June 26, 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 the loan is paid in full.

SUPPLEMENTARY INFORMATION

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017**

	Water	Lighting	Roads	Total
ASSETS				
Current Assets:				
Cash and investments	\$ 31,836	\$ -	\$ 41,546	\$ 73,382
Accounts receivable	43,502	-	530	44,032
Interest receivable	205	-	117	322
Total Current Assets	75,543	-	42,193	117,736
Non-Current Assets:				
Capital assets:				
Land	3,800	-	-	3,800
Construction in progress	440,903	-	-	440,903
Depreciable assets	1,329,987	-	-	1,329,987
Accumulated depreciation	(433,386)	-	-	(433,386)
Total Non-Current Assets	1,341,304	-	-	1,341,304
Total Assets	1,416,847	-	42,193	1,459,040
LIABILITIES				
Current Liabilities:				
Accounts payable	20,620	-	30	20,650
Deposits from others	1,800	-	-	1,800
Due to County of Madera	141,162	-	-	141,162
Unearned revenue	1,867	-	-	1,867
Total Current Liabilities	165,449	-	30	165,479
Total Liabilities	165,449	-	30	165,479
NET POSITION				
Net investment in capital assets	1,341,304	-	-	1,341,304
Unrestricted	(89,906)	-	42,163	(47,743)
Total Net Position	\$ 1,251,398	\$ -	\$ 42,163	\$ 1,293,561

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Water</u>	<u>Lighting</u>	<u>Roads</u>	<u>Eliminations</u>	<u>Total</u>
Operating Revenues:					
Charges for services	\$ 97,046	\$ -	\$ 3,642	\$ -	\$ 100,688
Other revenues	<u>37</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>
Total Operating Revenues	<u>97,083</u>	<u>-</u>	<u>3,642</u>	<u>-</u>	<u>100,725</u>
Operating Expenses:					
Services and supplies	58,503	-	2,747	-	61,250
Maintenance	60,346	-	-	-	60,346
Insurance	1,766	-	-	-	1,766
Utilities	32,199	4,137	-	-	36,336
Depreciation	<u>38,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,011</u>
Total Operating Expenses	<u>190,825</u>	<u>4,137</u>	<u>2,747</u>	<u>-</u>	<u>197,709</u>
Operating Income (Loss)	<u>(93,742)</u>	<u>(4,137)</u>	<u>895</u>	<u>-</u>	<u>(96,984)</u>
Non-Operating Revenue (Expenses):					
Taxes	11,286	-	-	-	11,286
Investment income	3,204	-	412	-	3,616
Interest and fiscal charges	<u>(158)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(158)</u>
Total Non-Operating Revenue (Expenses)	<u>14,332</u>	<u>-</u>	<u>412</u>	<u>-</u>	<u>14,744</u>
Income (Loss) Before Transfers	(79,410)	(4,137)	1,307	-	(82,240)
Transfers in	-	4,137	-	(4,137)	-
Transfers out	<u>(4,137)</u>	<u>-</u>	<u>-</u>	<u>4,137</u>	<u>-</u>
Change in Net Position	(83,547)	-	1,307	-	(82,240)
Net Position, Beginning of Year	<u>1,334,945</u>	<u>-</u>	<u>40,856</u>	<u>-</u>	<u>1,375,801</u>
Net Positions, End of Year	<u>\$ 1,251,398</u>	<u>\$ -</u>	<u>\$ 42,163</u>	<u>\$ -</u>	<u>\$ 1,293,561</u>

**MAINTENANCE DISTRICT 33 – FAIRMEAD
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Water</u>	<u>Lighting</u>	<u>Roads</u>	<u>Total</u>
Cash flows from operating activities:				
Cash receipts from customers and users	\$ 103,102	\$ -	\$ 3,125	\$ 106,227
Cash paid to suppliers	<u>(148,579)</u>	<u>(4,137)</u>	<u>-</u>	<u>(152,716)</u>
Net cash provided (used) by operating activities	<u>(45,477)</u>	<u>(4,137)</u>	<u>3,125</u>	<u>(46,489)</u>
Cash flows from noncapital financing activities:				
Taxes	11,286	-	-	11,286
Transfers from (to) other divisions	(4,137)	4,137	-	-
Repayment of Advances from County of Madera	(40,000)	-	-	(40,000)
Interest paid on noncapital debt	<u>(1,297)</u>	<u>-</u>	<u>-</u>	<u>(1,297)</u>
Net cash provided (used) by noncapital financing activities	<u>(34,148)</u>	<u>4,137</u>	<u>-</u>	<u>(30,011)</u>
Cash flows from capital and related financing activities:				
Capital grants	31,261	-	-	31,261
Repayment of Advances from County of Madera	(450,000)	-	-	(450,000)
Acquisition and construction of capital assets	<u>(11,988)</u>	<u>-</u>	<u>-</u>	<u>(11,988)</u>
Net cash provided (used) by capital and related financing activities	<u>(430,727)</u>	<u>-</u>	<u>-</u>	<u>(430,727)</u>
Cash flows from investing activities:				
Interest on investments	<u>4,321</u>	<u>-</u>	<u>384</u>	<u>4,705</u>
Net cash provided (used) by investing activities	<u>4,321</u>	<u>-</u>	<u>384</u>	<u>4,705</u>
Net increase (decrease) in cash and cash equivalents	(506,031)	-	3,509	(502,522)
Cash and cash equivalents, beginning of the year	<u>537,867</u>	<u>-</u>	<u>38,037</u>	<u>575,904</u>
Cash and cash equivalents, end of the year	<u>\$ 31,836</u>	<u>\$ -</u>	<u>\$ 41,546</u>	<u>\$ 73,382</u>

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

Operating income (loss)	\$ (93,742)	\$ (4,137)	\$ 895	\$ (96,984)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	38,011	-	-	38,011
Changes in operating assets and liabilities:				
Decrease/(Increase) in accounts receivable	7,119	-	(517)	6,602
Increase/(Decrease) in accounts payable	(32,527)	-	2,747	(29,780)
Increase/(Decrease) in due to County of Madera	36,762	-	-	36,762
Increase/(Decrease) in deposits from others	600	-	-	600
Increase/(Decrease) in unearned revenues	<u>(1,700)</u>	<u>-</u>	<u>-</u>	<u>(1,700)</u>
Net cash provided (used) by operating activities	<u>\$ (45,477)</u>	<u>\$ (4,137)</u>	<u>\$ 3,125</u>	<u>\$ (46,489)</u>