

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2016**





**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**JUNE 30, 2016**

TABLE OF CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT AUDITORS .....	1
BASIC FINANCIAL STATEMENTS	
Statement of Net Position .....	3
Statement of Revenues, Expenses, and Changes in Net Position .....	4
Statement of Cash Flows .....	5
Notes to the Basic Financial Statements .....	6
SUPPLEMENTARY INFORMATION	
Combining Statement of Net Position .....	12
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	13
Combining Statement of Cash Flows .....	14

## 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 36 – Eastin Arcola (District), a component unit of the County of Madera, California as of and for the year then ended June 30, 2016, 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 36 – Eastin Arcola as of June 30, 2016, 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.

***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 12-14 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  
December 4, 2017

## BASIC FINANCIAL STATEMENTS

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*



**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION  
JUNE 30, 2016**

**ASSETS**

Current Assets:

Cash and investments	\$	5,642
Accounts receivable		8,639
Interest receivable		13
		13
Total Current Assets		14,294

Non-Current Assets:

Capital assets:

Land		1,000
Depreciable assets		193,454
Accumulated depreciation		(147,716)
		(147,716)
Total Non-Current Assets		46,738

Total Assets		61,032
--------------	--	--------

**LIABILITIES**

Current Liabilities:

Accounts payable		755
Deposits from others		150
Due to County of Madera		21,830
		21,830
Total Current Liabilities		22,735

Non-Current Liabilities:

Advance from County of Madera		3,000
		3,000

Total Non-Current Liabilities		3,000
-------------------------------	--	-------

Total Liabilities		25,735
-------------------	--	--------

**NET POSITION**

Net Investment in capital assets		46,738
Unrestricted		(11,441)
		(11,441)

Total Net Position	\$	35,297
--------------------	----	--------

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

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

Operating Revenues:	
Charges for services	\$ 20,469
	<u>20,469</u>
Total Operating Revenues	<u>20,469</u>
Operating Expenses:	
Services and supplies	3,934
Maintenance	10,642
Insurance	300
Utilities	2,437
Depreciation	1,755
	<u>19,068</u>
Total Operating Expenses	<u>19,068</u>
Operating Income (Loss)	<u>1,401</u>
Non-Operating Revenue (Expenses):	
Investment income	<u>39</u>
Total Non-Operating Revenue (Expenses)	<u>39</u>
Change in Net Position	1,440
Net Position, Beginning of Year	<u>33,857</u>
Net Position, End of Year	<u>\$ 35,297</u>

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

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016**

Cash flows from operating activities:	
Cash receipts from customers and users	\$ 14,868
Cash paid to suppliers	<u>(15,808)</u>
Net cash provided (used) by operating activities	<u>(940)</u>
Cash flows from noncapital financing activities:	
Advances from County of Madera	<u>3,000</u>
Net cash provided (used) by noncapital financing activities	<u>3,000</u>
Cash flows from investing activities:	
Interest on investments	<u>26</u>
Net cash provided (used) by investing activities	<u>26</u>
Net increase (decrease) in cash and cash equivalents	2,086
Cash and cash equivalents, beginning of the year	<u>3,556</u>
Cash and cash equivalents, end of the year	<u>\$ 5,642</u>

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

Operating income (loss)	\$ 1,401
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,755
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	(5,492)
Increase/(Decrease) in accounts payable	624
Increase/(Decrease) in due to County of Madera	881
Increase/(Decrease) in deposits from others	150
Increase/(Decrease) in unearned revenues	<u>(259)</u>
Net cash provided (used) by operating activities	<u>\$ (940)</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the **MD 36 - Eastin Arcola** (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 provides water service and septic maintenance for residential lots and commercial property. The District is located about eight miles south of the City of Madera at Avenue 8 ½ and Road 29 ½. The District was formed on July 13, 1982 by Resolution No. 82-370. The Eastin Arcola Water System provides water service to 26.50 improved units and 2 standby units. The District also provides septic maintenance to 16 improved units and 2 standby units. The water rates and septic maintenance rates were last set on March 24, 2009 by Resolution No. 2009-087 and are based on a flat rate structure with an Annual Consumer Price Index adjustment.

The District also provides road maintenance to 50 parcels served by 0.63 miles of paved roads. There is no direct assessment for road maintenance. The District is pre Proposition 13 funded by a percentage of the property taxes and included in the MD 05 Water budget.

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.

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

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

**C. Cash and Investments**

Cash and investments shown in the Statement of Net Position 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.

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**D. Receivables**

Receivables consist of fees charged for water services and septic maintenance 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. 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	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.

**F. 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.

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

**G. 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, 2016 are classified in the financial statements as follows:

Cash and investments – unrestricted	\$5,642
-------------------------------------	---------

The District's cash and investments consisted of the following as of June 30, 2016:

Deposits held with County of Madera Investment Pool	\$5,642
---	---------

**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, 2016, were as follows:

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

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

**Fair Value Measurements**

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

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

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



**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2016, was as follows:

	<b>Total</b>			Balance June 30, 2016
	Balance July 1, 2015	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Total capital assets, not being depreciated	1,000	-	-	1,000
Capital assets, being depreciated:				
Water and sewer systems	193,454	-	-	193,454
Total capital assets, being depreciated	193,454	-	-	193,454
Less accumulated depreciation for:				
Water and sewer systems	(145,961)	(1,755)	-	(147,716)
Total accumulated depreciation	(145,961)	(1,755)	-	(147,716)
Total capital assets being depreciated, net	47,493	(1,755)	-	45,738
Total capital assets, net	<u>\$ 48,493</u>	<u>\$ (1,755)</u>	<u>\$ -</u>	<u>\$ 46,738</u>

Depreciation expense of \$1,755 was charged to the District.

	<b>Water</b>			Balance June 30, 2016
	Balance July 1, 2015	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Total capital assets, not being depreciated	1,000	-	-	1,000
Capital assets, being depreciated:				
Water systems	117,744	-	-	117,744
Total capital assets, being depreciated	117,744	-	-	117,744
Less accumulated depreciation for:				
Water systems	(70,251)	(1,755)	-	(72,006)
Total accumulated depreciation	(70,251)	(1,755)	-	(72,006)
Total capital assets being depreciated, net	47,493	(1,755)	-	45,738
Total capital assets, net	<u>\$ 48,493</u>	<u>\$ (1,755)</u>	<u>\$ -</u>	<u>\$ 46,738</u>

Depreciation expense of \$1,755 was charged to the water service function of the District.

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3: CAPITAL ASSETS (Continued)**

	<b>Sewer</b>			Balance June 30, 2016
	Balance July 1, 2015	Additions	Deletions	
Capital assets, being depreciated:				
Sewer systems	\$ 75,710	\$ -	\$ -	\$ 75,710
Total capital assets, being depreciated	75,710	-	-	75,710
Less accumulated depreciation for:				
Sewer systems	(75,710)	-	-	(75,710)
Total accumulated depreciation	(75,710)	-	-	(75,710)
Total capital assets being depreciated, net	-	-	-	-
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 4: RELATED PARTY TRANSACTIONS**

The District's property taxes are levied and collected through County of Madera Assessor and Treasurer-Tax Collector departments. The District contracts with the County of Madera to provide certain maintenance services. The District's accounting and clerical functions are performed by County personnel. The County of Madera charges the District for administrative costs incurred.

The amount due to the County of Madera as of June 30, 2016 is \$21,830. 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: ADVANCE FROM COUNTY OF MADERA**

The District obtained a \$3,000 loan from the County of Madera on June 26, 2016 to help fund the District's water operation. The loan is to be repaid with interest at the County of Madera treasury pool rate plus 50 basis points as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until loan is paid in full. The District intends to pay back this advance through future cash flow at the current established rate, however, future rate increases may be necessary in order to fulfill the obligation.

The following is a summary of the advance from the County of Madera for the year-ended June 30, 2016:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Advance from County of Madera	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ -
Total	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 6: INSURANCE AND RISK OF LOSS**

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

**NOTE 7: SUBSEQUENT EVENTS**

The District had obtained a \$17,000 loan from the County of Madera on June 20, 2017 to help fund the District's operation. The loan is to be repaid with interest at the County of Madera treasury pool rate plus 50 basis points as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until loan is paid in full.

SUPPLEMENTARY INFORMATION

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016**

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 5,309	\$ 333	\$ 5,642
Accounts receivable	8,012	627	8,639
Interest receivable	11	2	13
Total Current Assets	13,332	962	14,294
Non-Current Assets:			
Capital assets:			
Land	1,000	-	1,000
Depreciable assets	117,744	75,710	193,454
Accumulated depreciation	(72,006)	(75,710)	(147,716)
Total Non-Current Assets	46,738	-	46,738
Total Assets	60,070	962	61,032
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	746	9	755
Deposits from others	122	28	150
Due to County of Madera	17,209	4,621	21,830
Total Current Liabilities	18,077	4,658	22,735
Non-Current Liabilities:			
Advance from County of Madera	3,000	-	3,000
Total Non-Current Liabilities	3,000	-	3,000
Total Liabilities	21,077	4,658	25,735
<b>NET POSITION</b>			
Net Investment in capital assets	46,738	-	46,738
Unrestricted	(7,745)	(3,696)	(11,441)
Total Net Position	\$ 38,993	\$ (3,696)	\$ 35,297

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(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, 2016**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 18,212	\$ 2,257	\$ 20,469
Total Operating Revenues	<u>18,212</u>	<u>2,257</u>	<u>20,469</u>
Operating Expenses:			
Services and supplies	2,710	1,224	3,934
Maintenance	10,642	-	10,642
Insurance	150	150	300
Utilities	2,437	-	2,437
Depreciation	<u>1,755</u>	<u>-</u>	<u>1,755</u>
Total Operating Expenses	<u>17,694</u>	<u>1,374</u>	<u>19,068</u>
Operating Income (Loss)	<u>518</u>	<u>883</u>	<u>1,401</u>
Non-Operating Revenue (Expenses):			
Investment income	<u>37</u>	<u>2</u>	<u>39</u>
Total Non-Operating Revenue (Expenses)	<u>37</u>	<u>2</u>	<u>39</u>
Change in Net Position	555	885	1,440
Net Position, Beginning of Year	<u>38,438</u>	<u>(4,581)</u>	<u>33,857</u>
Net Position, End of Year	<u>\$ 38,993</u>	<u>\$ (3,696)</u>	<u>\$ 35,297</u>

**MAINTENANCE DISTRICT 36 – EASTIN ARCOLA  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
Cash flows from operating activities:			
Cash receipts from customers and users	\$ 12,449	\$ 2,419	\$ 14,868
Cash paid to suppliers	(13,722)	(2,086)	(15,808)
Net cash provided (used) by operating activities	(1,273)	333	(940)
Cash flows from noncapital financing activities:			
Advances from County of Madera	3,000	-	3,000
Net cash provided (used) by noncapital financing activities	3,000	-	3,000
Cash flows from investing activities:			
Interest on investments	26	-	26
Net cash provided (used) by investing activities	26	-	26
Net increase (decrease) in cash and cash equivalents	1,753	333	2,086
Cash and cash equivalents, beginning of the year	3,556	-	3,556
Cash and cash equivalents, end of the year	\$ 5,309	\$ 333	\$ 5,642

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

Operating income (loss)	\$ 518	\$ 883	\$ 1,401
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,755	-	1,755
Changes in operating assets and liabilities:			
Decrease/(Increase) in accounts receivable	(5,694)	202	(5,492)
Increase/(Decrease) in accounts payable	619	5	624
Increase/(Decrease) in due to County of Madera	1,598	(717)	881
Increase/(Decrease) in deposits from others	122	28	150
Increase/(Decrease) in unearned revenues	(191)	(68)	(259)
Net cash provided (used) by operating activities	\$ (1,273)	\$ 333	\$ (940)