

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2019 AND 2018**



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**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**JUNE 30, 2019 AND 2018**

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## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
Madera County

### Report on the Financial Statements

We have audited the accompanying financial statements of Service Area 01 – Indian Lakes (District), a component unit of the County of Madera, California as of and for the years ended June 30, 2019 and 2018, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 auditors consider 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 financial position of Service Area 01 – Indian Lakes as of June 30, 2019 and 2018, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Management has omitted 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.



**CliftonLarsonAllen LLP**

Roseville, California  
May 21, 2020

## BASIC FINANCIAL STATEMENTS

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**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENTS OF NET POSITION  
JUNE 30, 2019 AND 2018**

	2019	2018
<b>Assets</b>		
Current assets		
Cash	\$ 141,060	\$ 95,349
Cash and investments - restricted	139,425	261,775
Accounts receivable	48,117	40,579
Interest receivable	-	1,693
Due from County of Madera	40	--
Total current assets	328,642	399,396
Noncurrent assets		
Long term receivables	497,496	509,317
Land	66,324	66,324
Infrastructure	2,481,073	2,481,073
Accumulated Depreciation	(1,347,347)	(1,276,960)
Total noncurrent assets	1,697,546	1,779,754
Total assets	2,026,188	2,179,150
<b>Liabilities</b>		
Current liabilities		
Accounts payable	6,144	14,424
Interest payable	16,704	14,420
Deposits from others	14,100	10,950
Due to County of Madera	44,172	66,233
Unearned revenue	7,918	4,027
Bonds payable, current portion	7,740	10,730
Certificate of participation, current portion	3,610	3,460
Total current liabilities	100,388	124,244
Non-Current liabilities		
Bonds payable	304,850	451,590
Certificate of participation	141,980	145,590
Advances from County of Madera	209,958	209,958
Total non-current liabilities	656,788	807,138
Total liabilities	757,176	931,382
<b>Net Position</b>		
Net investment in capital assets	741,870	659,067
Restricted for debt service	139,425	261,775
Unrestricted	387,717	326,926
Total net position	\$ 1,269,012	\$ 1,247,768

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

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>Operating Revenues:</b>		
Charges for services	\$ 327,474	\$ 249,454
Total operating revenues	327,474	249,454
<b>Operating Expenses:</b>		
Services and supplies	80,390	88,724
Repairs and maintenance	127,862	88,512
Insurance	15,255	5,352
Utilities	79,774	79,229
Depreciation	70,387	70,756
Total operating expenses	373,668	332,573
Operating income (loss)	(46,194)	(83,119)
<b>Nonoperating Revenue (Expenses):</b>		
Taxes	61,059	56,778
Assessments	28,262	29,185
Investment income	3,347	4,592
Interest and fiscal charges	(25,230)	(29,946)
Total nonoperating revenue	67,438	60,609
Change in Net Position	21,244	(22,510)
Net position - beginning of year	1,247,768	1,270,278
Net position - end of year	\$ 1,269,012	\$ 1,247,768

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

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 326,937	\$ 225,869
Payments to suppliers	(333,622)	(246,956)
Net Cash Provided (Used) by Operating Activities	(6,685)	(21,087)
<b>Cash Flows From Noncapital Financing Activities:</b>		
Taxes	61,059	56,778
Net Cash Provided by Noncapital Financing Activities	61,059	56,778
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Assessments	40,083	40,476
Principal paid on capital debt	(153,190)	(13,610)
Interest paid on capital debt	(22,946)	(26,273)
Net Cash Provided (Used) by Capital and Related Financing Activities	(136,053)	593
<b>Cash Flows From Investing Activities:</b>		
Interest on investments	5,040	3,836
Net Cash Provided by Investing Activities	5,040	3,836
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(76,639)	40,120
<b>Cash and Cash Equivalents, Beginning of Year</b>	357,124	317,004
<b>Cash and Cash Equivalents, End of Year</b>	\$ 280,485	\$ 357,124
<b>Reconciliation of cash and cash equivalents to the statement of net position</b>		
Cash	\$ 141,060	\$ 95,349
Cash and investments - restricted	139,425	261,775
Total cash and cash equivalents	\$ 280,485	\$ 357,124
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (46,194)	\$ (83,119)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	70,387	70,756
Changes in assets and liabilities:		
Decrease/(increase) in accounts receivable	(7,538)	(24,669)
Decrease/(increase) in due from County of Madera	(40)	--
Increase/(decrease) in accounts payable	(8,280)	5,012
Increase/(decrease) in due to County of Madera	(22,061)	9,849
Increase/(decrease) in deposits from others	3,150	2,100
Increase/(decrease) in unearned revenues	3,891	(1,016)
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ (6,685)	\$ (21,087)

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

The basic financial statements of the **SA 01 – Indian Lakes** (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 3 miles south of Coarsegold and east of Highway 41 on County Road 417 in Madera County Supervisorial District 5. The District was formed on June 19, 1996 by Resolution No. 66-168

The District provides water service to 473.5 improved units and 44 standby units. The system consists of three wells with a combined production of approximately 550 gallons per minute, an iron and manganese removal plant, a 750,000 gallon storage tank, boost pumps, a hydro pneumatic distribution, and distribution mains and fire hydrants. The funding for the water system operations is derived from charges for water services. On October 10, 2017, water rates were increased by Resolution No. 2017-134 based on the result of the rate study. In addition to the charges for water services, the District also receives property taxes to cover operating expenses of the District.

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.

**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.

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

**D. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers the cash held in the County Treasury, its only investments, to be cash and cash equivalents.

**E. Receivables**

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

**F. 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.

**G. 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
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.

**H. 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.”

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

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

**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, 2019 and 2018 are classified in the financial statements as follows:

	2019	2018
Cash and investments - unrestricted	\$ 141,060	\$ 95,349
Cash and investments - restricted	139,425	261,775
Total cash and investments	\$ 280,485	\$ 357,124
Deposits held with County of Madera Investment Pool	\$ 280,485	\$ 357,124

**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, 2019 and 2018 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.



**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

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, 2019, was as follows:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 66,324	\$ --	\$ --	\$ 66,324
Total capital assets, not being depreciated	66,324	--	--	66,324
Capital assets, being depreciated:				
Water systems	2,387,475	--	--	2,387,475
Equipment	93,598	--	--	93,598
Total capital assets, being depreciated	2,481,073	--	--	2,481,073
Less accumulated depreciation for:				
Water systems	(1,236,757)	(61,027)	--	(1,297,784)
Equipment	(40,203)	(9,360)	--	(49,563)
Total accumulated depreciation	(1,276,960)	(70,387)	--	(1,347,347)
Total capital assets, being depreciated, net	1,204,113	(70,387)	--	1,133,726
Total capital assets, net	<u>\$ 1,270,437</u>	<u>\$ (70,387)</u>	<u>\$ --</u>	<u>\$ 1,200,050</u>

Depreciation expense of \$70,387 was charged to the District.

Capital assets activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 66,324	\$ --	\$ --	\$ 66,324
Total capital assets, not being depreciated	66,324	--	--	66,324
Capital assets, being depreciated:				
Water systems	2,387,475			2,387,475
Equipment	93,598	--	--	93,598
Total capital assets, being depreciated	2,481,073	--	--	2,481,073
Less accumulated depreciation for:				
Water systems	(1,175,361)	(61,396)		(1,236,757)
Equipment	(30,843)	(9,360)	--	(40,203)
Total accumulated depreciation	(1,206,204)	(70,756)	--	(1,276,960)
Total capital assets, being depreciated, net	1,274,869	(70,756)	--	1,204,113
Total capital assets, net	<u>\$ 1,341,193</u>	<u>\$ (70,756)</u>	<u>\$ --</u>	<u>\$ 1,270,437</u>

Depreciation expense of \$70,756 was charged to the District.

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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 amounts due to the County of Madera as of June 30, 2019 and 2018 were as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Amounts due to County of Madera	\$ 66,233	\$ 44,172	\$ (66,233)	\$ 44,172
	<u>\$ 66,233</u>	<u>\$ 44,172</u>	<u>\$ (66,233)</u>	<u>\$ 44,172</u>

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Amounts due to County of Madera	\$ 56,384	\$ 66,233	\$ (56,384)	\$ 66,233
	<u>\$ 56,384</u>	<u>\$ 66,233</u>	<u>\$ (56,384)</u>	<u>\$ 66,233</u>

**NOTE 5: LONG-TERM LIABILITIES**

The following is a summary of the long-term liabilities for the year-ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance July 1, 2019	Due within One Year
Improvement Bonds, Series 2003	\$ 462,320	\$ -	\$ (149,730)	\$ 312,590	\$ 7,740
Certificates of Participation, Series 2003-A	149,050	-	(3,460)	145,590	3,610
Advance from County of Madera	43,000	-	-	43,000	-
Advance from County of Madera	17,440	-	-	17,440	-
Advance from County of Madera	92,518	-	-	92,518	-
Advance from County of Madera	57,000	-	-	57,000	-
Total	<u>\$ 821,328</u>	<u>\$ -</u>	<u>\$ (153,190)</u>	<u>\$ 668,138</u>	<u>\$ 11,350</u>

The following is a summary of the long-term liabilities for the year-ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance July 1, 2018	Due within One Year
Improvement Bonds, Series 2003	\$ 472,610	\$ -	\$ (10,290)	\$ 462,320	\$ 10,730
Certificates of Participation, Series 2003-A	152,370	-	(3,320)	149,050	3,460
Advance from County of Madera	43,000	-	-	43,000	-
Advance from County of Madera	17,440	-	-	17,440	-
Advance from County of Madera	92,518	-	-	92,518	-
Advance from County of Madera	57,000	-	-	57,000	-
Total	<u>\$ 834,938</u>	<u>\$ -</u>	<u>\$ (13,610)</u>	<u>\$ 821,328</u>	<u>\$ 14,190</u>

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 5: LONG-TERM LIABILITIES (Continued)**

Improvement Bonds, Series 2003

On September 23, 2003, the District issued \$632,140 of improvement bonds with an interest rate of 4.25% payable semi-annually. The proceeds were used to improve the Indian Lakes Estates Water System facilities. The improvement bonds mature on September 2, 2042. Annual principal installments range from \$6,600 to \$29,200. The District pledged a portion of special assessments revenue to repay the bonds. The outstanding principal balance at June 30, 2019 is \$312,590 and \$462,230 as of June 30, 2018.

Certificate of Participation, Series 2003-A (Indian Lakes Estates Water System - Water Project)

On September 23, 2003, the District issued \$185,000 Certificates of Participation with an interest rate of 4.25% payable semi-annually. The proceeds were used to improve the Indian Lakes Estates Water System facilities. The Certificates of Participation mature on September 6, 2042. Annual principal installments range from \$1,930 to \$9,410. The outstanding principal balance at June 30, 2019 is \$145,590 and \$149,050 as of June 30, 2018.

Advances from the County of Madera

The District obtained a \$43,000 loan from the County of Madera on June 26, 2016 to help fund the District's operations. The loan is to be repaid with interest at the County of Madera treasury pool rate plus 50 basis points as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until loan is paid in full.

The District obtained a \$17,440 loan from the County of Madera on May 31, 2016 to help pay for the water rate study. 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 has been advanced funds from the County in the amount of \$92,518. The advance is unsecured, noninterest bearing, and is due on demand. The County does not anticipate demanding repayment in the next fiscal year; therefore, the balances have been shown as a noncurrent liability on the Statement of Net Position.

The District obtained a \$57,000 loan from the County of Madera on June 20, 2017 to help fund the District's operations. The loan is to be repaid with interest at the County of Madera treasury pool rate plus 50 basis points as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until loan is paid in full.

The District intends to pay back these advances through future cash flow at the current established rate, however, future rate increases may be necessary in order to fulfill the obligation.

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 5: LONG-TERM LIABILITIES (Continued)**

Annual debt service requirements of the District to maturity are as follows:

Improvement Bonds, Series 2003					
Fiscal Year ending June 30, 2019			Fiscal Year ending June 30, 2018		
Year ending June 30,	Principal	Interest	Year ending June 30,	Principal	Interest
2020	\$ 7,740	\$ 13,121	2019	\$ 10,730	\$ 19,420
2021	8,070	12,785	2020	11,180	18,955
2022	8,410	12,434	2021	11,660	18,470
2023	8,770	12,069	2022	12,160	17,963
2024	9,150	11,688	2023	12,670	17,436
2025-2029	51,910	52,138	2024-2028	71,930	78,443
2030-2034	63,910	39,875	2029-2033	88,580	61,449
2035-2039	78,700	24,775	2034-2038	109,060	40,522
2040-2043	75,930	6,625	2039-2043	134,350	14,755
	\$ 312,590	\$ 185,510		\$ 462,320	\$ 287,413

Certificates of Participation, Series 2003-A					
Fiscal Year ending June 30, 2019			Fiscal Year ending June 30, 2018		
Year ending June 30,	Principal	Interest	Year ending June 30,	Principal	Interest
2020	\$ 3,610	\$ 6,111	2019	\$ 3,460	\$ 6,261
2021	3,760	5,954	2020	3,610	6,111
2022	3,920	5,791	2021	3,760	5,954
2023	4,090	5,621	2022	3,920	5,791
2024	4,260	5,443	2023	4,090	5,621
2025-2029	24,180	24,281	2024-2028	23,190	25,288
2030-2034	29,770	18,568	2029-2033	28,560	19,808
2035-2039	36,650	11,535	2034-2038	35,160	13,062
2040-2043	35,350	3,086	2039-2043	43,300	4,755
	\$ 145,590	\$ 86,390		\$ 149,050	\$ 92,651

**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.

**SERVICE AREA 01 – INDIAN LAKES  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 7: SUBSEQUENT EVENT**

Subsequent to year-end, the World Health Organization declared the spread 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 SA 01, COVID-19 may impact the timing of receipts for utility billing, assessments billing, and unsecured property taxes. Management believes SA01 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 occurred subsequent to year-end and are still developing.