

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**FINANCIAL STATEMENTS**

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



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CONSULTING**



**SERVICE AREA 03 – PARKSDALE  
(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 the governmental activities, business-type activities and each major fund of Service Area 03 – Parksdale (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 opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities and each major fund of Service Area 03 – Parksdale as of June 30, 2019 and 2018, and the changes in financial position and cash flows, where applicable, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 27-28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information on pages 29-40 is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Roseville, California  
March 31, 2020

## BASIC FINANCIAL STATEMENTS

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**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash	\$ 325,001	\$ 804,416	\$ 1,129,417
Cash and investments- restricted	--	59,143	59,143
Accounts receivable	1,580	186,746	188,326
Interest receivable	1,098	3,157	4,255
Due from County of Madera	--	47	47
Capital assets, not being depreciated:			
Land	373,758	8,750	382,508
Capital assets being depreciated, net:			
Water and sewer systems	--	1,685,195	1,685,195
Equipment	--	10,177	10,177
Total assets	<u>701,437</u>	<u>2,757,631</u>	<u>3,459,068</u>
<b>Liabilities</b>			
Accounts payable	80	3,107	3,187
Interest payable	--	47,187	47,187
Deposits from others	--	15,221	15,221
Due to County of Madera	624	60,819	61,443
Advances from County of Madera	--	100,000	100,000
Unearned revenue	--	4,765	4,765
Noncurrent liabilities:			
Due in more than one year		359,803	359,803
Total liabilities	<u>704</u>	<u>590,902</u>	<u>591,606</u>
<b>Net Position</b>			
Net investment in capital assets	373,758	1,704,122	2,077,880
Restricted for:			
Road maintenance	326,975	--	326,975
Debt service	--	59,143	59,143
Unrestricted	<u>--</u>	<u>403,464</u>	<u>403,464</u>
Total net position	<u>\$ 700,733</u>	<u>\$ 2,166,729</u>	<u>\$ 2,867,462</u>

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

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>					
Road maintenance	\$ 6,137	\$ 19,062	\$ 12,925	\$ --	\$ 12,925
Total governmental activities	<u>6,137</u>	<u>19,062</u>	<u>12,925</u>	<u>--</u>	<u>12,925</u>
<b>Business-type Activities</b>					
Water	225,649	299,620	--	73,971	73,971
Sewer	352,657	392,160	--	39,503	39,503
Street lights	12,303	--	--	(12,303)	(12,303)
Other	152,050	239,204	--	87,154	87,154
Total business-type activities	<u>742,659</u>	<u>930,984</u>	<u>--</u>	<u>188,325</u>	<u>188,325</u>
Total primary government	<u>\$ 748,796</u>	<u>\$ 950,046</u>	12,925	188,325	201,250
<b>General revenues:</b>					
Property taxes			--	337	337
Investment earnings			5,261	13,547	18,808
Total general revenues			<u>5,261</u>	<u>13,884</u>	<u>19,145</u>
Changes in net position			18,186	202,209	220,395
Net position - beginning			<u>682,547</u>	<u>1,964,520</u>	<u>2,647,067</u>
Net position - ending			<u>\$ 700,733</u>	<u>\$ 2,166,729</u>	<u>\$ 2,867,462</u>

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

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2019**

**Assets**

Cash	\$ 325,001
Accounts receivable	1,580
Interest receivable	1,098
Total assets	<u>\$ 327,679</u>

**Liabilities**

Accounts payable	\$ 80
Due to County of Madera	624
Total liabilities	<u>704</u>

**Fund Balances**

Restricted for:	
Road maintenance	<u>326,975</u>
Total fund balances	<u>326,975</u>
 Total liabilities and fund balances	 <u>\$ 327,679</u>

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

Fund balances - governmental funds	\$ 326,975
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Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the funds.	<u>373,758</u>
--	----------------

Net position of governmental activities	<u>\$ 700,733</u>
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The notes to the basic financial statements are an integral part of this statement.

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

**Revenues**

Assessments	\$ 19,062
Investment earnings	5,261
Total revenues	24,323

**Expenditures**

Road maintenance:	
General and administrative	530
Maintenance - roads	5,365
Utilities	242
Total expenditures	6,137

Net change in fund balances	18,186
-----------------------------	--------

Fund balances - beginning	308,789
---------------------------	---------

Fund balances - ending	\$ 326,975
------------------------	------------

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

Net change in fund balance - governmental fund	\$ 18,186
--	-----------

Governmental funds reports 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.

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Change in net position of governmental activities	\$ 18,186
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The notes to the basic financial statements are an integral part of this statement.

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF NET POSITION  
JUNE 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash	\$ 306,559	\$ 722,067	\$ 1,028,626
Cash and investments - restricted	--	55,161	55,161
Accounts receivable	935	172,556	173,491
Interest receivable	1,364	3,647	5,011
Capital assets, not being depreciated:			
Land	373,758	8,750	382,508
Capital assets being depreciated, net:			
Water and sewer systems	--	1,737,511	1,737,511
Equipment	--	13,190	13,190
Total assets	<u>682,616</u>	<u>2,712,882</u>	<u>3,395,498</u>
<b>Liabilities</b>			
Accounts payable	23	126,114	126,137
Interest payable	--	37,627	37,627
Deposits from others	--	13,120	13,120
Due to County of Madera	46	107,859	107,905
Unearned revenue	--	3,839	3,839
Noncurrent liabilities:			
Due in more than one year		459,803	459,803
Total liabilities	<u>69</u>	<u>748,362</u>	<u>748,431</u>
<b>Net Position</b>			
Net investment in capital assets	373,758	1,759,451	2,133,209
Restricted for:			
Road maintenance	308,789	--	308,789
Debt service	--	55,161	55,161
Unrestricted	--	149,908	149,908
Total net position	<u>\$ 682,547</u>	<u>\$ 1,964,520</u>	<u>\$ 2,647,067</u>

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

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>					
Road maintenance	\$ 1,158	\$ 19,536	\$ 18,378	\$ --	\$ 18,378
Total governmental activities	<u>1,158</u>	<u>19,536</u>	<u>18,378</u>	<u>--</u>	<u>18,378</u>
<b>Business-type Activities</b>					
Water	176,303	246,716	--	70,413	70,413
Sewer	329,674	316,315	--	(13,359)	(13,359)
Street lights	16,344	--	--	(16,344)	(16,344)
Other	281,058	214,202	--	(66,856)	(66,856)
Total business-type activities	<u>803,379</u>	<u>777,233</u>	<u>--</u>	<u>(26,146)</u>	<u>(26,146)</u>
Total primary government	<u>\$ 804,537</u>	<u>\$ 796,769</u>	18,378	(26,146)	(7,768)
General revenues:					
Property taxes			--	383	383
Investment earnings			4,277	11,401	15,678
Total general revenues			<u>4,277</u>	<u>11,784</u>	<u>16,061</u>
Changes in net position			22,655	(14,362)	8,293
Net position - beginning			<u>659,892</u>	<u>1,978,882</u>	<u>2,638,774</u>
Net position - ending			<u>\$ 682,547</u>	<u>\$1,964,520</u>	<u>\$2,647,067</u>

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

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2018**

**Assets**

Cash	\$	306,559
Accounts receivable		935
Interest receivable		1,364
Total assets	\$	<u><u>308,858</u></u>

**Liabilities**

Accounts payable	\$	23
Due to County of Madera		46
Total liabilities		<u>69</u>

**Fund Balances**

Restricted for:		
Road maintenance		308,789
Total fund balances		<u>308,789</u>
 Total liabilities and fund balances	 \$	 <u><u>308,858</u></u>

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

Fund balances - governmental funds	\$	308,789
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Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the funds.		<u>373,758</u>
--	--	----------------

Net position of governmental activities	\$	<u><u>682,547</u></u>
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**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

**Revenues**

Assessments	\$ 19,536
Investment earnings	4,277
Total revenues	23,813

**Expenditures**

Road maintenance:	
General and administrative	48
Maintenance - roads	871
Utilities	239
Total expenditures	1,158

Net change in fund balances	22,655
Fund balances - beginning	286,134
Fund balances - ending	\$ 308,789

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

Net change in fund balance - governmental fund	\$ 22,655
--	-----------

Governmental funds reports 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.

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Change in net position of governmental activities	\$ 22,655



**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	2019	2018
<b>Assets</b>		
Current assets		
Cash	\$ 804,416	\$ 722,067
Cash and investments - restricted	59,143	55,161
Accounts receivable	186,746	172,556
Interest receivable	3,157	3,647
Due from County of Madera	47	--
Total current assets	1,053,509	953,431
Noncurrent assets		
Land	8,750	8,750
Depreciable assets	3,126,796	3,126,796
Accumulated Depreciation	(1,431,424)	(1,376,095)
Total noncurrent assets	1,704,122	1,759,451
Total assets	2,757,631	2,712,882
<b>Liabilities</b>		
Current liabilities		
Accounts payable	3,107	126,114
Interest payable	47,187	37,627
Deposits from others	15,221	13,120
Due to County of Madera	60,819	107,859
Advance from County of Madera	100,000	--
Unearned revenue	4,765	3,839
Total current liabilities	231,099	288,559
Noncurrent liabilities		
Advances form County of Madera	359,803	459,803
Total Non-current liabilities	359,803	459,803
Total liabilities	590,902	748,362
<b>Net Position</b>		
Net investment in capital assets	1,704,122	1,759,451
Restricted for debt service	59,143	55,161
Unrestricted	403,464	149,908
Total net position	\$ 2,166,729	\$ 1,964,520

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

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	2019	2018
<b>Operating Revenues</b>		
Charges for services	\$ 930,741	\$ 776,934
Other revenues	243	299
Total operating revenues	930,984	777,233
<b>Operating Expenses</b>		
Services and supplies	155,135	236,039
Maintenance	170,323	263,649
Insurance	44,464	10,515
Utilities	307,847	226,569
Depreciation	55,329	58,139
Total operating expenses	733,098	794,911
Operating Income (Loss)	197,886	(17,678)
<b>Non-Operating Revenues (Expenses)</b>		
Taxes	337	383
Investment income	13,547	11,401
Interest and fiscal charges	(9,561)	(8,468)
Total non-operating revenue(expenses)	4,323	3,316
Change in net position	202,209	(14,362)
Net position - beginning	1,964,520	1,978,882
Net position - ending	\$ 2,166,729	\$ 1,964,520

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

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	2019	2018
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 919,773	\$ 742,736
Payments to suppliers	(847,816)	(704,667)
Net cash provided (used) by operating activities	71,957	38,069
<b>Cash flows from noncapital financing activities:</b>		
Taxes	337	383
Advances from County of Madera	--	5,000
Interest paid on non-capital debt	(1)	(21)
Net cash provided (used) by noncapital financing activities	336	5,362
<b>Cash flows from capital &amp; related financing activities:</b>		
Principal paid on capital related debt	--	(1,657)
Net cash provided (used) by capital and related financing activities	--	(1,657)
<b>Cash flows from investing activities:</b>		
Interest received	14,038	10,079
Net cash provided (used) by investing activities	14,038	10,079
<b>Net increase in cash and cash equivalents</b>	86,331	51,853
<b>Cash and cash equivalents, beginning of year</b>	777,228	725,375
<b>Cash and cash equivalents, end of year</b>	\$ 863,559	\$ 777,228
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>		
Cash and investments per statement of net position	\$ 804,416	\$ 722,067
Restricted cash and investments per statement of net position	59,143	55,161
Total cash and investments per statement of net position	\$ 863,559	\$ 777,228
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 197,886	\$ (17,678)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	55,329	58,139
Changes in assets and liabilities:		
Decrease/(increase) in accounts receivable	(14,190)	(37,926)
Decrease/(increase) in due from County of Madera	(47)	--
Increase/(decrease) in accounts payable	(123,007)	106,404
Increase/(decrease) in deposits from others	2,100	4,050
Increase/(decrease) in due to County of Madera	(47,040)	(74,299)
Increase/(decrease) in unearned revenues	926	(621)
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ 71,957	\$ 38,069

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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**SERVICE AREA 03 – PARKSDALE  
(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 03 – Parksdale** (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**

**SA 03 Parksdale** is located southeast of the Madera City limits. It encompasses the area between Road 28 on the west, Road 29 ½ on the east, Avenue 14 on the north, and Avenue 13 on the south. The District provides water, sewer and street light services to residential and commercial connections within the District's boundaries. The District was formed on December 19, 1972 by Resolution No. 72-536.

The Water System serves both SA 03 and SA 03B for a total of 686 improved units and 40 standby water units. The Sewer System provides wastewater collection service to 697.10 improved units and 40 standby units in SA 03 and SA 03B. The water and sewer rates are billed monthly and were last set on October 11, 2005 by Ordinance No. 611. On December 12, 2017, water and sewer rates were increased by Resolution No. 2017-178 based on the result of the rate study. There are also street lights in the system, but no current assessments for them.

**SA 03B Parksdale** is located on the northwest corner of the intersection of Avenue 13 1/3 and Road 29, which lies on the north side of SA 03's service boundary. This zone of benefit provides services for Self Help Enterprises residential subdivision. The assessed services in this zone of benefit include water, sewer, parks and landscaping, street light, storm drain, road maintenance, and fire protection. The rates for these services were set by Resolution No. 2010-063 on March 23, 2010 and include an annual Consumer Price Index adjustment. The monthly rates per improved single family unit are \$25.38 for water, \$12.69 for County sewer collection, \$34.60 for City sewer treatment, \$2.33 for lighting, \$16.66 for parks, \$5.33 for storm drain, \$9 for roads, \$7.67 for fire and \$13 for District administration. The standby rates for unimproved parcels are \$1.86. There are no property tax monies dedicated for this zone of benefit.

**SA 03A Parksdale Estates Road Maintenance** is located three and one half miles east of the City of Madera and accessed north from Avenue 13 by way of Road 28, 28 ½, and 29 ½. SA 03A was formed on July 17, 1990 by Resolution 90-161. SA 03A provides road maintenance to approximately 190 parcels served by 1.11 miles of paved roads (including curb and gutter). When the District was formed, a direct assessment of \$100 per parcel per year for road maintenance was approved.

The Board of Supervisors is the governing body of the District. The District is considered a blended component unit of the County of Madera and is reported as a special revenue fund in the County of Madera financial statements. The financial statements included in this report are intended to present the financial position and results of operations of only the District. They are not intended to present the financial position or results of operations of the County of Madera taken as a whole.

**B. Basis of Presentation and Method of Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**SERVICE AREA 03 – PARKSDALE  
(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)**

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

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.

Charges for services is reported as program revenue for the District.

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.

The District reports the following major governmental funds:

- The SA 03A – *Road Maintenance* fund is used to account for all financial resources of the District relating to the maintenance of the paved roads within the District.

The District reports one proprietary funds that includes two operating divisions as follows:

- The SA 03 – *Water and Sewer Operations & Maintenance* division is used to account for all financial resources of the District relating to water and sewer services provided to the residential development and commercial property of the District.
- The SA 03B – *Water, Sewer, Parks, Lighting, Drainage, Fire, and Road Operations & Maintenance* division is used to account for all financial resources of the District relating to water, sewer, parks, lighting, drainage fire and road services provided to the Self Help Enterprises residential subdivision.

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.



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

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

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

*Governmental Fund Financial Statements (Continued)*

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 measureable 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 “measureable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue is removed from the Balance Sheet and revenue is recognized.

The District’s revenues consist of assessments and revenue from use of money and property. Program expenses are defined as those expenses directly related to providing road maintenance services.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliation is necessary to explain the adjustments needed to transform the fund-based financial statements into the government-wide presentation.

*Proprietary Fund Financial Statements*

Proprietary fund financial statements include a Statement of Net Position 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.

**SERVICE AREA 03 – PARKSDALE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

**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. Cash and Cash Equivalents**

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

**F. Property Taxes/Assessments**

Secured and unsecured property taxes/assessments are levied in July each year. Property taxes/assessments become a lien against the property as of January 1 of each year. Secured property taxes/assessments are payable in two installments which are due November 1 and February 1. Unsecured property taxes/assessments are due on August 31. All property taxes/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 and Sewer Systems	16-65 years
Structures and Improvements	30-50 years
Equipment	3-20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized.

**SERVICE AREA 03 – PARKSDALE  
(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)**

**H. 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. There were no revisions to the budget made throughout the year.

**I. 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.”

**SERVICE AREA 03 – PARKSDALE  
(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)**

**I. Net Position and Fund Balances** (Continued)

**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.

**J. 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.

**SERVICE AREA 03 – PARKSDALE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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	\$ 1,129,417	\$ 1,028,626
Cash and investments - restricted	59,143	55,161
Total deposits with County Treasury	\$ 1,188,560	\$ 1,083,787

**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.

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.

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

**NOTE 3: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2019, was as follows:

	Governmental Activities			
	Balance	Additions	Retirements	Balance
	July 1, 2018			June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 373,758	\$ --	\$ --	\$ 373,758
Total capital assets, not being depreciated	373,758	--	--	373,758
Capital assets, being depreciated:				
Infrastructure	109,399	--	--	109,399
Total capital assets, being depreciated	109,399	--	--	109,399
Less accumulated depreciation for:				
Infrastructure	(109,399)	--	--	(109,399)
Total accumulated depreciation	(109,399)	--	--	(109,399)
Total capital assets, being depreciated, net	--	--	--	--
Total capital assets, net	<u>\$ 373,758</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 373,758</u>
	Business-Type Activities			
	Balance	Additions	Retirements	Balance
	July 1, 2018			June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 8,750	\$ --	\$ --	\$ 8,750
Total capital assets, not being depreciated	8,750	--	--	8,750
Capital assets, being depreciated:				
Water and sewer systems	3,049,616	--	--	3,049,616
Equipment	77,180			77,180
Total capital assets, being depreciated	3,126,796	--	--	3,126,796
Less accumulated depreciation for:				
Water and sewer systems	(1,312,105)	(52,316)	--	(1,364,421)
Equipment	(63,990)	(3,013)		(67,003)
Total accumulated depreciation	(1,376,095)	(55,329)	--	(1,431,424)
Total capital assets, being depreciated, net	1,750,701	(55,329)	--	1,695,372
Total capital assets, net	<u>\$ 1,759,451</u>	<u>\$ (55,329)</u>	<u>\$ --</u>	<u>\$ 1,704,122</u>

Depreciation expense of \$21,833, \$17,700, and \$15,796 was charged to the water function of SA 03, sewer function of SA 03, and SA 03B of the business-type activities, respectively.

**SERVICE AREA 03 – PARKSDALE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

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

	Governmental Activities			Balance June 30, 2018
	Balance July 1, 2017	Additions	Retirements	
Capital assets, not being depreciated:				
Land	\$ 373,758	\$ --	\$ --	\$ 373,758
Total capital assets, not being depreciated	373,758	--	--	373,758
Capital assets, being depreciated:				
Infrastructure	109,399	--	--	109,399
Total capital assets, being depreciated	109,399	--	--	109,399
Less accumulated depreciation for:				
Infrastructure	(109,399)	--	--	(109,399)
Total accumulated depreciation	(109,399)	--	--	(109,399)
Total capital assets, being depreciated, net	--	--	--	--
Total capital assets, net	<u>\$ 373,758</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 373,758</u>
	Business-Type Activities			
	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 8,750	\$ --	\$ --	\$ 8,750
Total capital assets, not being depreciated	8,750	--	--	8,750
Capital assets, being depreciated:				
Water and sewer systems	3,049,616	--	--	3,049,616
Equipment	77,180	--	--	77,180
Total capital assets, being depreciated	3,126,796	--	--	3,126,796
Less accumulated depreciation for:				
Water and sewer systems	(1,256,980)	(55,125)	--	(1,312,105)
Equipment	(60,976)	(3,014)	--	(63,990)
Total accumulated depreciation	(1,317,956)	(58,139)	--	(1,376,095)
Total capital assets, being depreciated, net	1,808,840	(58,139)	--	1,750,701
Total capital assets, net	<u>\$ 1,817,590</u>	<u>\$ (58,139)</u>	<u>\$ --</u>	<u>\$ 1,759,451</u>

Depreciation expense of \$23,496, \$18,847, and \$15,796 was charged to the water function of SA 03, sewer function of SA 03, and SA 03B of the business-type activities, respectively.

**SERVICE AREA 03 – PARKSDALE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 4: DUE TO COUNTY OF MADERA**

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Amounts due to County of Madera	\$ 107,905	\$ 61,443	\$(107,905)	\$ 61,443
	\$ 107,905	\$ 61,443	\$(107,905)	\$ 61,443

  

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Amounts due to County of Madera	\$ 182,158	\$107,905	\$(182,158)	\$ 107,905
	\$ 182,158	\$107,905	\$(182,158)	\$ 107,905

**NOTE 5: LONG-TERM LIABILITIES**

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Advance from County of Madera (SA 03 Water)	\$ 100,000	\$ -	\$ -	\$ 100,000
Advance from County of Madera (SA 03 Water)	15,000	--	--	15,000
Advance from County of Madera (SA 03 Water)	86,396	--	--	86,396
Advance from County of Madera (SA 03 Sewer)	100,000	--	--	100,000
Advance from County of Madera (SA 03 Sewer)	38,000	--	--	38,000
Advance from County of Madera (SA 03 Sewer)	13,000	--	--	13,000
Advance from County of Madera (SA 03 Sewer)	97,918	--	--	97,918
Advance from County of Madera (SA 03 Sewer)	5,000	--	--	5,000
Advance from County of Madera (SA 03B Sewer)	2,000	--	--	2,000
Advance from County of Madera (SA 03B Sewer)	2,489	--	--	2,489
Total	\$ 459,803	\$ -	\$ -	\$ 459,803



**SERVICE AREA 03 – PARKSDALE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

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

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Advance from County of Madera (SA 03 Water)	\$ 100,000	\$ -	\$ -	\$ 100,000
Advance from County of Madera (SA 03 Water)	15,000	--	--	15,000
Advance from County of Madera (SA 03 Water)	86,396	--	--	86,396
Advance from County of Madera (SA 03 Sewer)	100,000	--	--	100,000
Advance from County of Madera (SA 03 Sewer)	38,000	--	--	38,000
Advance from County of Madera (SA 03 Sewer)	13,000	--	--	13,000
Advance from County of Madera (SA 03 Sewer)	97,918	--	--	97,918
Advance from County of Madera (SA 03 Sewer)	--	5,000	--	5,000
Advance from County of Madera (SA 03B Sewer)	2,000	--	--	2,000
Advance from County of Madera (SA 03B Sewer)	2,489	--	--	2,489
Drought Emergency Relief Installment Improvement Bond Payable (SA 03 Water)	1,657	--	(1,657)	--
Total	<u>\$ 456,460</u>	<u>\$ 5,000</u>	<u>\$ (1,657)</u>	<u>\$ 459,803</u>

***Advances from the County of Madera (SA 03 Water)***

The District obtained a \$100,000 loan from the County on June 29, 2016 to assist with cash flow needs for its water division. 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 accrue on the unpaid principal balance until the loan is paid in full. The outstanding balance of the loan advance as of June 30, 2019 was \$100,000.

The District obtained a \$15,000 loan from the County on June 20, 2017 to assist with cash flow needs of its water division. The loan 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 accrue on the unpaid principal balance until the loan is paid in full. The outstanding balance of the loan advance as of June 30, 2019 was \$15,000.

The District has been advanced funds from the County in the amount of \$86,396. 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 balance has been shown as a noncurrent liability on the Statement of Net Position.

**SERVICE AREA 03 – PARKSDALE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

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

***Advances from the County of Madera (SA 03 Sewer)***

The District obtained a \$100,000 loan from the County of Madera on November 30, 2009 to assist with cash flow need for the I&I study related to the waste water system. The loan is to be repaid with approximately three percent (3%) interest per annum. This loan is to be repaid in total with interest by November 30, 2019. The outstanding balance of the loan advance as of June 30, 2019 was \$100,000. The balance is reported as a current liability since it is due within one year of the year ended June 30, 2019.

The District obtained a \$38,000 loan from the County of Madera on June 5, 2014 to assist with the payment to the City of Madera for sewer fees for the period from February of 2013 to May 20, 2014. Interest is 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, (.50%) of 1 percent. The loan will be paid through revenue generated by a future rate increase for services. The outstanding balance of the loan advance as of June 30, 2019 was \$38,000.

The District obtained a \$13,000 loan from the County of Madera on June 20, 2017 to assist with cash flow need in operation for sewer. The loan 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 accrue on the unpaid principal balance until loan is paid in full. The outstanding balance of the loan advance as of June 30, 2019 was \$13,000.

The District has been advanced funds from the County in the amount of \$97,918. 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 balance has been shown as a noncurrent liability on the Statement of Net Assets.

The District obtained a \$5,000 loan from the County of Madera on June 29, 2018 to assist with cash flow need in operation for sewer. The loan 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 accrue on the unpaid principal balance until loan is paid in full. The outstanding balance of the loan advance as of June 30, 2019 was \$5,000.

***Advance from County of Madera (SA 03B Sewer)***

The District obtained a \$2,000 loan from the County of Madera on June 5, 2014 to assist with the payment to the City of Madera for sewer fees for the period from February of 2013 to May 20, 2014. Interest is 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, (.50%) of 1 percent. The loan will be paid through revenue generated by a future rate increase for services. The outstanding balance of the loan advance as of June 30, 2019 was \$2,000.

The District has been advanced funds from the County in the amount of \$2,489. 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 balance has been shown as a noncurrent liability on the Statement of Net Position.

The Board of Directors of the District adopted Resolution 2017-178 on December 12, 2017 to increase the water service and sewer service rates within the District. The District intends to pay back these advances through future cash flow at the new established rates.

**SERVICE AREA 03 – PARKSDALE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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.

REQUIRED SUPPLEMENTARY INFORMATION

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**SA 03A PARKSDALE ESTATES ROAD MAINTENANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/ Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Assessments	\$ 18,400	\$ 18,400	\$ 19,062	\$ 662
Investment earnings	1,100	1,100	5,261	4,161
Total revenues	<u>19,500</u>	<u>19,500</u>	<u>24,323</u>	<u>4,823</u>
<b>Expenditures</b>				
Road maintenance:				
General and administrative	2,033	3,120	530	2,590
Maintenance - roads	300,000	300,000	5,365	294,635
Utilities	1,500	1,500	242	1,258
Appropriation for contingency	16,411	16,411	--	16,411
Total expenditures	<u>319,944</u>	<u>321,031</u>	<u>6,137</u>	<u>314,894</u>
Net change in fund balances	(300,444)	(301,531)	18,186	319,717
Fund balances - beginning	<u>308,789</u>	<u>308,789</u>	<u>308,789</u>	<u>--</u>
Fund balances - ending	<u>\$ 8,345</u>	<u>\$ 7,258</u>	<u>\$ 326,975</u>	<u>\$ 319,717</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**SA 03A PARKSDALE ESTATES ROAD MAINTENANCE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/ Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Assessments	\$ 18,400	\$ 18,400	\$ 19,536	\$ 1,136
Investment earnings	1,100	1,100	4,277	3,177
Total revenues	<u>19,500</u>	<u>19,500</u>	<u>23,813</u>	<u>4,313</u>
<b>Expenditures</b>				
Road maintenance:				
General and administrative	--	1,620	48	1,572
Maintenance - roads	275,000	275,000	871	274,129
Utilities	1,500	1,500	239	1,261
Appropriation for contingency	28,715	28,715	--	28,715
Total expenditures	<u>305,215</u>	<u>306,835</u>	<u>1,158</u>	<u>305,677</u>
Net change in fund balances	(285,715)	(287,335)	22,655	309,990
Fund balances - beginning	<u>286,134</u>	<u>286,134</u>	<u>286,134</u>	<u>--</u>
Fund balances - ending	<u>\$ 419</u>	<u>\$ (1,201)</u>	<u>\$ 308,789</u>	<u>\$ 309,990</u>

SUPPLEMENTARY INFORMATION

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2019**

	SA 03A				Subtotal
	Water	Sewer	Street Lights	Eliminations	
<b>Assets</b>					
Current assets					
Cash	\$ 219,492	\$ --	\$ --	\$ --	\$ 219,492
Cash and investments - restricted	59,143	--	--	--	59,143
Accounts receivable	78,213	89,038	--	--	167,251
Interest receivable	1,058	149	--	--	1,207
Due from other divisions	238,292	--	--	(150,225)	88,067
Due from County of Madera	20	20	--	--	40
Total current assets	<u>596,218</u>	<u>89,207</u>	<u>--</u>	<u>(150,225)</u>	<u>535,200</u>
Noncurrent assets					
Land	8,750	--	--	--	8,750
Depreciable assets	1,461,815	1,033,132	--	--	2,494,947
Accumulated Depreciation	(824,184)	(526,943)	--	--	(1,351,127)
Total noncurrent assets	<u>646,381</u>	<u>506,189</u>	<u>--</u>	<u>--</u>	<u>1,152,570</u>
Total assets	<u>1,242,599</u>	<u>595,396</u>	<u>--</u>	<u>(150,225)</u>	<u>1,687,770</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable	1,316	1,445	--	--	2,761
Interest payable	11,092	35,784	--	--	46,876
Deposits from others	3,936	5,435	--	--	9,371
Due to County of Madera	34,273	22,302	599	--	57,174
Due to other divisions	--	150,225	--	(150,225)	-
Advances from County of Madera	--	100,000	--	--	100,000
Unearned revenue	1,878	2,594	--	--	4,472
Total current liabilities	<u>52,495</u>	<u>317,785</u>	<u>599</u>	<u>(150,225)</u>	<u>220,654</u>
Non-current liabilities					
Advances from County of Madera	201,396	153,918	--	--	355,314
Total non-current liabilities	<u>201,396</u>	<u>153,918</u>	<u>--</u>	<u>--</u>	<u>355,314</u>
Total liabilities	<u>253,891</u>	<u>471,703</u>	<u>599</u>	<u>(150,225)</u>	<u>575,968</u>
<b>Net Position</b>					
Net investment in capital assets	646,381	506,189	--	--	1,152,570
Restricted for debt service	59,143	--	--	--	59,143
Unrestricted	283,184	(382,496)	(599)	--	(99,911)
Total net position	<u>\$ 988,708</u>	<u>\$ 123,693</u>	<u>\$ (599)</u>	<u>\$ --</u>	<u>\$ 1,111,802</u>



**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION – (Continued)  
JUNE 30, 2019**

	SA03B		
	Water	District-wide Eliminations	Total
<b>Assets</b>			
Current assets			
Cash	\$ 584,924	\$ --	\$ 804,416
Cash and investments - restricted	--	--	59,143
Accounts receivable	19,495	--	186,746
Interest receivable	1,950	--	3,157
Due from other divisions	--	(88,067)	--
Due from County of Madera	7	--	47
Total current assets	<u>606,376</u>	<u>(88,067)</u>	<u>1,053,509</u>
Noncurrent assets			
Land	--	--	8,750
Depreciable assets	631,849	--	3,126,796
Accumulated Depreciation	(80,297)	--	(1,431,424)
Total noncurrent assets	<u>551,552</u>	<u>--</u>	<u>1,704,122</u>
Total assets	<u>1,157,928</u>	<u>(88,067)</u>	<u>2,757,631</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	346	--	3,107
Interest payable	311	--	47,187
Deposits from others	5,850	--	15,221
Due to County of Madera	3,645	--	60,819
Due to other divisions	88,067	(88,067)	--
Advances from County of Madera	--	--	100,000
Unearned revenue	293	--	4,765
Total current liabilities	<u>98,512</u>	<u>(88,067)</u>	<u>231,099</u>
Non-current liabilities			
Advances from County of Madera	4,489	--	359,803
Total non-current liabilities	<u>4,489</u>	<u>--</u>	<u>359,803</u>
Total liabilities	<u>103,001</u>	<u>(88,067)</u>	<u>590,902</u>
<b>Net Position</b>			
Net investment in capital assets	551,552	--	1,704,122
Restricted for debt service	--	--	59,143
Unrestricted	503,375	--	403,464
Total net position	<u>\$ 1,054,927</u>	<u>\$ --</u>	<u>\$ 2,166,729</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019**

	SA 03				Total
	Water	Sewer	Street Lights	Eliminations	
<b>Operating Revenues:</b>					
Charges for services	\$ 299,377	\$ 392,160	\$ -	\$ -	\$ 691,537
Other revenues	243	--	--	--	243
Total operating revenues	<u>299,620</u>	<u>392,160</u>	<u>--</u>	<u>--</u>	<u>691,780</u>
<b>Operating Expenses:</b>					
Services and supplies	39,862	41,059	840	--	81,761
Repairs and maintenance	80,660	51,526	2,372	--	134,558
Insurance	16,674	22,232	--	--	38,906
Utilities	62,259	215,016	9,091	--	286,366
Depreciation	21,833	17,700	--	--	39,533
Total operating expenses	<u>221,288</u>	<u>347,533</u>	<u>12,303</u>	<u>--</u>	<u>581,124</u>
Operating income (loss)	78,332	44,627	(12,303)	--	110,656
<b>Nonoperating Revenue:</b>					
Taxes	337	--	--	--	337
Investment income	4,220	149	--	--	4,369
Interest and fiscal changes	(4,361)	(5,124)	--	--	(9,485)
Total nonoperating revenue	<u>196</u>	<u>(4,975)</u>	<u>--</u>	<u>--</u>	<u>(4,779)</u>
Income (loss) before transfers	78,528	39,652	(12,303)	--	105,877
Transfers in	--	--	16,425	(16,425)	--
Transfers out	(16,425)	--	--	16,425	--
	<u>(16,425)</u>	<u>--</u>	<u>16,425</u>	<u>--</u>	<u>--</u>
Change in net position	62,103	39,652	4,122	--	105,877
Net position - beginning of year	<u>926,605</u>	<u>84,041</u>	<u>(4,721)</u>	<u>--</u>	<u>1,005,925</u>
Net position - end of year	<u>\$ 988,708</u>	<u>\$ 123,693</u>	<u>\$ (599)</u>	<u>\$ -</u>	<u>\$ 1,111,802</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	SA03B	
	<u>Water</u>	<u>Total</u>
<b>Operating Revenues:</b>		
Charges for services	\$ 239,204	\$ 930,741
Other revenues	--	243
Total operating revenues	<u>239,204</u>	<u>930,984</u>
<b>Operating Expenses:</b>		
Services and supplies	73,374	155,135
Repairs and maintenance	35,765	170,323
Insurance	5,558	44,464
Utilities	21,481	307,847
Depreciation	15,796	55,329
Total operating expenses	<u>151,974</u>	<u>733,098</u>
Operating income (loss)	87,230	197,886
<b>Nonoperating Revenue:</b>		
Taxes	--	337
Investment income	9,178	13,547
Interest and fiscal changes	(76)	(9,561)
Total nonoperating revenue	<u>9,102</u>	<u>4,323</u>
Income (loss) before transfers	96,332	202,209
Transfers in	--	--
Transfers out	--	--
	<u>--</u>	<u>--</u>
Change in net position	96,332	202,209
Net position - beginning of year	<u>958,595</u>	<u>1,964,520</u>
Net position - end of year	<u>\$ 1,054,927</u>	<u>\$ 2,166,729</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019**

	SA 03			Total
	Water	Sewer	Street Lights	
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 299,622	\$ 383,557	\$ --	\$ 683,179
Payments to suppliers	(226,123)	(355,088)	(16,425)	(597,636)
Net cash provided (used) by operating activities	73,499	28,469	(16,425)	85,543
<b>Cash flows from noncapital financing activities:</b>				
Taxes	337	--	--	337
Transfer to other divisions	(16,425)	--	16,425	--
Inter division loans	28,862	(28,576)	--	286
Interest paid on non-capital financing debt	--	--	--	--
Net cash provided (used) by noncapital financing activities	12,774	(28,576)	16,425	623
<b>Cash flows from investing activities:</b>				
Interest received	4,130	107	--	4,237
Net cash provided (used) by investing activities	4,130	107	--	4,237
<b>Net increase in cash and cash equivalents</b>	90,403	--	--	90,403
<b>Cash and cash equivalents, beginning of year</b>	188,232	--	--	188,232
<b>Cash and cash equivalents, end of year</b>	<u>\$ 278,635</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 278,635</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>				
Cash and investments	\$ 219,492	\$ --	\$ --	\$ 219,492
Restricted cash and investments	59,143	--	--	59,143
Total cash and investments	<u>\$ 278,635</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 278,635</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 78,332	\$ 44,627	\$ (12,303)	\$ 110,656
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	21,833	17,700	--	39,533
Changes in assets and liabilities:				
Decrease/(increase) in accounts receivable	(596)	(9,438)	--	(10,034)
Decrease/(increase) in due from County of Madera	(20)	(20)	--	(40)
Increase/(decrease) in accounts payable	(13,168)	(15,172)	(799)	(29,139)
Increase/(decrease) in due to County of Madera	(13,500)	(10,083)	(3,323)	(26,906)
Increase/(decrease) in deposits from others	315	435	--	750
Increase/(decrease) in unearned revenues	303	420	--	723
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 73,499</u>	<u>\$ 28,469</u>	<u>\$ (16,425)</u>	<u>\$ 85,543</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	SA 03B	
	Water	Total
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 236,594	\$ 919,773
Payments to suppliers	(250,180)	(847,816)
Net cash provided (used) by operating activities	(13,586)	71,957
 <b>Cash flows from noncapital financing activities:</b>		
Taxes	--	337
Transfer to other divisions	--	--
Inter division loans	(286)	--
Interest paid on non-capital financing debt	(1)	(1)
Net cash provided (used) by noncapital financing activities	(287)	337
 <b>Cash flows from investing activities:</b>		
Interest received	9,801	14,038
Net cash provided (used) by investing activities	9,801	14,038
 <b>Net increase in cash and cash equivalents</b>	(4,072)	86,332
 <b>Cash and cash equivalents, beginning of year</b>	588,996	777,228
 <b>Cash and cash equivalents, end of year</b>	\$ 584,924	\$ 863,559
 <b>Reconciliation of cash and cash equivalents to the statement of net position:</b>		
Cash and investments	\$ 584,924	\$ 804,416
Restricted cash and investments	--	59,143
Total cash and investments	\$ 584,924	\$ 863,559
 <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 87,230	\$ 197,886
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	15,796	55,329
Changes in assets and liabilities:		
Decrease/(increase) in accounts receivable	(4,156)	(14,190)
Decrease/(increase) in due from County of Madera	(7)	(47)
Increase/(decrease) in accounts payable	(93,868)	(123,007)
Increase/(decrease) in due to County of Madera	(20,134)	(47,040)
Increase/(decrease) in deposits from others	1,350	2,100
Increase/(decrease) in unearned revenues	203	926
 <b>Net Cash Provided (Used) by Operating Activities</b>	\$ (13,586)	\$ 71,957

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2018**

	SA 03 A				
	Water	Sewer	Street Lights	Eliminations	Total
<b>Assets</b>					
Current assets					
Cash	\$ 133,071	\$ --	\$ --	\$ --	\$ 133,071
Cash and investments - restricted	55,161	--	--	--	55,161
Accounts receivable	77,617	79,600	--	--	157,217
Interest receivable	967	107	--	--	1,074
Due from other divisions	267,154	--	--	(178,801)	88,353
Total current assets	<u>533,970</u>	<u>79,707</u>	<u>--</u>	<u>(178,801)</u>	<u>434,876</u>
Noncurrent assets					
Land	8,750	--	--	--	8,750
Depreciable assets	1,461,815	1,033,132	--	--	2,494,947
Accumulated Depreciation	(802,351)	(509,243)	--	--	(1,311,594)
Total noncurrent assets	<u>668,214</u>	<u>523,889</u>	<u>--</u>	<u>--</u>	<u>1,192,103</u>
Total assets	<u>1,202,184</u>	<u>603,596</u>	<u>--</u>	<u>(178,801)</u>	<u>1,626,979</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable	14,484	16,617	799	--	31,900
Interest payable	6,731	30,660	--	--	37,391
Deposits from others	3,620	5,000	--	--	8,620
Due to County of Madera	47,773	32,385	3,922	--	84,080
Due to other divisions	--	178,801	--	(178,801)	--
Unearned revenue	1,575	2,174	--	--	3,749
Total current liabilities	<u>74,183</u>	<u>265,637</u>	<u>4,721</u>	<u>(178,801)</u>	<u>165,740</u>
Non-current liabilities					
Advances from County of Madera	201,396	253,918	--	--	455,314
Total non-current liabilities	<u>201,396</u>	<u>253,918</u>	<u>--</u>	<u>--</u>	<u>455,314</u>
Total liabilities	<u>275,579</u>	<u>519,555</u>	<u>4,721</u>	<u>(178,801)</u>	<u>621,054</u>
<b>Net Position</b>					
Net investment in capital assets	668,214	523,889	--	--	1,192,103
Restricted for debt service	55,161	--	--	--	55,161
Unrestricted	203,230	(439,848)	(4,721)	--	(241,339)
Total net position	<u>\$ 926,605</u>	<u>\$ 84,041</u>	<u>\$ (4,721)</u>	<u>\$ --</u>	<u>\$ 1,005,925</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION (Continued)  
JUNE 30, 2018**

	<u>SA 03B</u>		
	Water	District-wide Eliminations	Total
<b>Assets</b>			
Current assets			
Cash	\$ 588,996	--	\$ 722,067
Cash and investments - restricted	--	--	55,161
Accounts receivable	15,339	--	172,556
Interest receivable	2,573	--	3,647
Due from other divisions	--	(88,353)	--
Total current assets	<u>606,908</u>	<u>(88,353)</u>	<u>953,431</u>
Noncurrent assets			
Land	--	--	8,750
Depreciable assets	631,849	--	3,126,796
Accumulated Depreciation	(64,501)	--	(1,376,095)
Total noncurrent assets	<u>567,348</u>	<u>--</u>	<u>1,759,451</u>
Total assets	<u>1,174,256</u>	<u>(88,353)</u>	<u>2,712,882</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	94,214	--	126,114
Interest payable	236	--	37,627
Deposits from others	4,500	--	13,120
Due to County of Madera	23,779	--	107,859
Due to other divisions	88,353	(88,353)	--
Unearned revenue	90	--	3,839
Total current liabilities	<u>211,172</u>	<u>(88,353)</u>	<u>288,559</u>
Non-current liabilities			
Advances from County of Madera	4,489	--	459,803
Total non-current liabilities	<u>4,489</u>	<u>--</u>	<u>459,803</u>
Total liabilities	<u>215,661</u>	<u>(88,353)</u>	<u>748,362</u>
<b>Net Position</b>			
Net investment in capital assets	567,348	--	1,759,451
Restricted for debt service	--	--	55,161
Unrestricted	391,247	--	149,908
Total net position	<u>\$ 958,595</u>	<u>\$ --</u>	<u>\$ 1,964,520</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

	SA 03				Total
	Water	Sewer	Street Lights	Eliminations	
<b>Operating Revenues:</b>					
Charges for services	\$ 246,417	\$ 316,315	\$ -	\$ -	\$ 562,732
Other revenues	299	--	--	--	299
Total operating revenues	<u>246,716</u>	<u>316,315</u>	<u>--</u>	<u>--</u>	<u>563,031</u>
<b>Operating Expenses:</b>					
Services and supplies	55,500	54,690	--	--	110,190
Repairs and maintenance	72,044	52,989	7,051	--	132,084
Insurance	3,943	5,258	--	--	9,201
Utilities	17,577	193,230	9,293	--	220,100
Depreciation	23,496	18,847	--	--	42,343
Total operating expenses	<u>172,560</u>	<u>325,014</u>	<u>16,344</u>	<u>--</u>	<u>513,918</u>
Operating income (loss)	74,156	(8,699)	(16,344)	--	49,113
<b>Nonoperating Revenue (Expenses):</b>					
Taxes	383	--	--	--	383
Investment income	3,283	107	--	--	3,390
Interest and fiscal changes	(3,743)	(4,660)	--	--	(8,403)
Total nonoperating revenues/(expenses)	<u>(77)</u>	<u>(4,553)</u>	<u>--</u>	<u>--</u>	<u>(4,630)</u>
Income (loss) before transfers	74,079	(13,252)	(16,344)	--	44,483
Transfers in	--	--	12,673	(12,673)	--
Transfers out	(12,673)	--	--	12,673	--
Total transfers	<u>(12,673)</u>	<u>--</u>	<u>12,673</u>	<u>--</u>	<u>--</u>
Change in net position	61,406	(13,252)	(3,671)	--	44,483
Net position - beginning of year	<u>865,199</u>	<u>97,293</u>	<u>(1,050)</u>	<u>--</u>	<u>961,442</u>
Net position - end of year	<u><u>926,605</u></u>	<u><u>84,041</u></u>	<u><u>(4,721)</u></u>	<u><u>--</u></u>	<u><u>1,005,925</u></u>



**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
(CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>SA 03B</u>	
	Water	Total
<b>Operating Revenues:</b>		
Charges for services	\$ 214,202	\$ 776,934
Other revenues	--	299
Total operating revenues	<u>214,202</u>	<u>777,233</u>
<b>Operating Expenses:</b>		
Services and supplies	125,849	236,039
Repairs and maintenance	131,565	263,649
Insurance	1,314	10,515
Utilities	6,469	226,569
Depreciation	15,796	58,139
Total operating expenses	<u>280,993</u>	<u>794,911</u>
Operating income (loss)	(66,791)	(17,678)
<b>Nonoperating Revenue (Expenses):</b>		
Taxes	--	383
Investment income	8,011	11,401
Interest and fiscal changes	(65)	(8,468)
Total nonoperating revenues/(expenses)	<u>7,946</u>	<u>3,316</u>
Income (loss) before transfers	(58,845)	(14,362)
Transfers in	--	--
Transfers out	--	--
Total transfers	<u>--</u>	<u>--</u>
Change in net position	(58,845)	(14,362)
Net position - beginning of year	<u>1,017,440</u>	<u>1,978,882</u>
Net position - end of year	<u>958,595</u>	<u>1,964,520</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

	SA 03			
	Water	Sewer	Street Lights	Total
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 234,844	\$ 295,171	\$ --	\$ 530,015
Payments to suppliers	(164,910)	(334,277)	(12,673)	(511,860)
Net cash provided (used) by operating activities	<u>69,934</u>	<u>(39,106)</u>	<u>(12,673)</u>	<u>18,155</u>
<b>Cash flows from noncapital financing activities:</b>				
Taxes	383	--	--	383
Transfer to other divisions	(12,673)	--	12,673	--
Inter-division loans	(70,065)	33,973	--	(36,092)
Advances from County of Madera	--	5,000	--	5,000
Interest paid on noncapital debt	(22)	--	--	(22)
Net cash provided (used) by noncapital financing activities	<u>(82,377)</u>	<u>38,973</u>	<u>12,673</u>	<u>(30,731)</u>
<b>Cash flows from capital &amp; related financing activities:</b>				
Principal paid on capital debt	(1,657)	--	--	(1,657)
Net cash provided (used) by capital & related financing activities	<u>(1,657)</u>	<u>--</u>	<u>--</u>	<u>(1,657)</u>
<b>Cash flows from investing activities:</b>				
Interest received	3,052	133	--	3,185
Net cash provided (used) by investing activities	<u>3,052</u>	<u>133</u>	<u>--</u>	<u>3,185</u>
<b>Net increase in cash and cash equivalents</b>	(11,048)	--	--	(11,048)
<b>Cash and cash equivalents, beginning of year</b>	199,280	--	--	199,280
<b>Cash and cash equivalents, end of year</b>	<u>\$ 188,232</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 188,232</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>				
Cash and investments	\$ 133,071	\$ --	\$ --	\$ 133,071
Restricted cash and investments	55,161	--	--	55,161
Total cash and investments	<u>\$ 188,232</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 188,232</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 74,156	\$ (8,699)	\$ (16,344)	\$ 49,113
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	23,496	18,847	--	42,343
Changes in assets and liabilities:				
Decrease/(increase) in accounts receivable	(8,274)	(25,801)	--	(34,075)
Increase/(decrease) in accounts payable	13,005	1,489	799	15,293
Increase/(decrease) in due to County of Madera	(28,851)	(29,599)	2,872	(55,578)
Increase/(decrease) in deposits from others	(3,350)	5,000	--	1,650
Increase/(decrease) in unearned revenues	(248)	(343)	--	(591)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 69,934</u>	<u>\$ (39,106)</u>	<u>\$ (12,673)</u>	<u>\$ 18,155</u>

**SERVICE AREA 03 – PARKSDALE  
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS – (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	SA03 B	
	Water	Total
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 212,721	\$ 742,736
Payments to suppliers	(192,807)	(704,667)
Net cash provided (used) by operating activities	<u>19,914</u>	<u>38,069</u>
<b>Cash flows from noncapital financing activities:</b>		
Taxes	--	383
Transfer to other divisions	--	--
Inter- division loans	36,092	--
Advances from County of Madera	--	5,000
Interest paid on noncapital debt	1	(21)
Net cash provided (used) by noncapital financing activities	<u>36,093</u>	<u>5,362</u>
<b>Cash flows from capital &amp; related financing activities:</b>		
Principal paid on capital debt	--	(1,657)
Net cash provided (used) by capital & related financing activities	<u>--</u>	<u>(1,657)</u>
<b>Cash flows from investing activities:</b>		
Interest received	6,894	10,079
Net cash provided (used) by investing activities	<u>6,894</u>	<u>10,079</u>
<b>Net increase in cash and cash equivalents</b>	62,901	51,853
<b>Cash and cash equivalents, beginning of year</b>	<u>526,095</u>	<u>725,375</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 588,996</u>	<u>\$ 777,228</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>		
Cash and investments	\$ 588,996	\$ 722,067
Restricted cash and investments	--	55,161
Total cash and investments	<u>\$ 588,996</u>	<u>\$ 777,228</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (66,791)	\$ (17,678)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	15,796	58,139
Changes in assets and liabilities:		
Decrease/(increase) in accounts receivable	(3,851)	(37,926)
Increase/(decrease) in accounts payable	91,111	106,404
Increase/(decrease) in due to County of Madera	(18,721)	(74,299)
Increase/(decrease) in deposits from others	2,400	4,050
Increase/(decrease) in unearned revenues	(30)	(621)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 19,914</u>	<u>\$ 38,069</u>