

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2018**

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

JUNE 30, 2018

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BASIC FINANCIAL STATEMENTS

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**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

ASSETS

Current Assets:

Cash and investments	\$ 62,988
Accounts receivable	20,263
Interest receivable	383
Total Current Assets	<u>83,634</u>

Non-Current Assets:

Capital assets:

Land	52,994
Depreciable assets	498,325
Accumulated depreciation	<u>(220,829)</u>
Total Non-Current Assets	<u>330,490</u>

Total Assets	<u>414,124</u>
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LIABILITIES

Current Liabilities:

Accounts payable	558
Interest payable	1,646
Deposits from others	450
Due to County of Madera	15,174
Unearned revenue	<u>133</u>
Total Current Liabilities	<u>17,961</u>

Non-Current Liabilities:

Advances from County of Madera	<u>86,099</u>
Total Non-Current Liabilities	<u>86,099</u>

Total Liabilities	<u>104,060</u>
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NET POSITION

Net Investment in capital assets	280,490
Unrestricted	<u>29,574</u>
Total Net Position	<u>\$ 310,064</u>

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

SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)

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

Operating Revenues:	
Charges for services	\$ 57,875
Other revenues	8,366
Total Operating Revenues	<u>66,241</u>
Operating Expenses:	
Services and supplies	18,840
Maintenance	37,745
Insurance	1,359
Utilities	5,801
Depreciation	<u>10,190</u>
Total Operating Expenses	<u>73,935</u>
Operating Income (Loss)	<u>(7,694)</u>
Non-Operating Revenue (Expenses):	
Investment income	961
Interest and fiscal charges	<u>(1,004)</u>
Total Non-Operating Revenue (Expenses)	<u>(43)</u>
Change in Net Position	(7,737)
Net Position, Beginning of Year	<u>317,801</u>
Net Position, End of Year	<u>\$ 310,064</u>

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

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

Cash flows from operating activities:	
Cash receipts from customers and users	\$ 70,391
Cash paid to suppliers	<u>(70,247)</u>
Net cash provided (used) by operating activities	<u>144</u>
Cash flows from investing activities:	
Interest on investments	<u>822</u>
Net cash provided (used) by investing activities	<u>822</u>
Net increase (decrease) in cash and cash equivalents	966
Cash and cash equivalents, beginning of the year	<u>62,022</u>
Cash and cash equivalents, end of the year	<u><u>\$ 62,988</u></u>

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

Operating income (loss)	\$ (7,694)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	10,190
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	4,017
Increase/(Decrease) in accounts payable	(663)
Increase/(Decrease) in due to County of Madera	(5,839)
Increase/(Decrease) in unearned revenues	<u>133</u>
Net cash provided (used) by operating activities	<u><u>\$ 144</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the **Service Area 14 – Chuk-Chanse** (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District provides water service to 31 residential improved units. The District provides sewer service to 34 improved units. There are four streetlights in the District in which PG&E performs the needed service and maintenance. The District pays the utility bills for the street lights. The District is located at County Road 28 ½ and Western Way in Madera County.

The District was formed on December 6, 1983 by Resolution No. 83-578. The funding for the water and sewer system operations is derived from charges for water and sewer services. The funding for the lighting system operation is from assessments. The rates for the water and sewer services for improved lots were set by Ordinance No. 607 on February 1, 2005 and included an annual Consumer Price Index adjustment.

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 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Receivables

Receivables consist of fees charged for water and sewer services, 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.

E. Assessments

Secured and unsecured and assessments are levied in July each year. Assessments become a lien against the property as of January 1 of each year. Secured assessments are payable in two installments which are due November 1 and February 1. Unsecured assessments are due on August 31. All assessments receivable are due from property owners within the District.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (such as roads and similar items), are reported in the Statement of Net Position. Capital assets are defined by the District as assets with a cost of more than \$5,000 for machinery and equipment and \$10,000 for the other categories of capital assets with an estimated useful life of more than one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at their estimated fair market value on the date donated.

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

<u>Depreciable Asset</u>	<u>Estimated Life</u>
Infrastructure	20-50 years
Water and Sewer Systems	15-65 years

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

G. Net Position

Net position is classified in the following three components:

- Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This category represents all other net position of the District that do not meet the definition of “net investment in capital assets” or “restricted net position.”

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

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2018 are classified in the financial statements as follows:

Cash and investments – unrestricted	\$62,988
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The District's cash and investments consisted of the following as of June 30, 2018:

Deposits held with County of Madera Investment Pool	\$62,988
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Risk Disclosure

Required disclosures for the District's deposit and investment risks for the cash held in the County of Madera Treasury at June 30, 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 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

NOTE 3: CAPITAL ASSETS

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

	Total			Balance June 30, 2018
	Balance July 1, 2017	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 52,994	\$ -	\$ -	\$ 52,994
Total capital assets, not being depreciated	<u>52,994</u>	<u>-</u>	<u>-</u>	<u>52,994</u>
Capital assets, being depreciated:				
Water and sewer systems	498,325	-	-	498,325
Total capital assets, being depreciated	<u>498,325</u>	<u>-</u>	<u>-</u>	<u>498,325</u>
Less accumulated depreciation for:				
Water and sewer systems	(210,639)	(10,190)	-	(220,829)
Total accumulated depreciation	<u>(210,639)</u>	<u>(10,190)</u>	<u>-</u>	<u>(220,829)</u>
Total capital assets being depreciated, net	<u>287,686</u>	<u>(10,190)</u>	<u>-</u>	<u>277,496</u>
Total capital assets, net	<u>\$ 340,680</u>	<u>\$ (10,190)</u>	<u>\$ -</u>	<u>\$ 330,490</u>

Depreciation expense of \$10,190 was charged to the District.

	Water			Balance June 30, 2018
	Balance July 1, 2017	Additions	Deletions	
Capital assets, not being depreciated:				
Land	\$ 52,994	\$ -	\$ -	\$ 52,994
Total capital assets, not being depreciated	<u>52,994</u>	<u>-</u>	<u>-</u>	<u>52,994</u>
Capital assets, being depreciated:				
Water systems	306,225	-	-	306,225
Total capital assets, being depreciated	<u>306,225</u>	<u>-</u>	<u>-</u>	<u>306,225</u>
Less accumulated depreciation for:				
Water systems	(92,081)	(7,437)	-	(99,518)
Total accumulated depreciation	<u>(92,081)</u>	<u>(7,437)</u>	<u>-</u>	<u>(99,518)</u>
Total capital assets being depreciated, net	<u>214,144</u>	<u>(7,437)</u>	<u>-</u>	<u>206,707</u>
Total capital assets, net	<u>\$ 267,138</u>	<u>\$ (7,437)</u>	<u>\$ -</u>	<u>\$ 259,701</u>

Depreciation expense of \$7,437 was charged to the water service function of the District.

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

NOTE 3: CAPITAL ASSETS (Continued)

	Sewer			Balance June 30, 2018
	Balance July 1, 2017	Additions	Deletions	
Capital assets, being depreciated:				
Sewer systems	\$ 192,100	\$ -	\$ -	\$ 192,100
Total capital assets, being depreciated	192,100	-	-	192,100
Less accumulated depreciation for:				
Sewer systems	(118,558)	(2,753)	-	(121,311)
Total accumulated depreciation	(118,558)	(2,753)	-	(121,311)
Total capital assets being depreciated, net	73,542	(2,753)	-	70,789
Total capital assets, net	<u>\$ 73,542</u>	<u>\$ (2,753)</u>	<u>\$ -</u>	<u>\$ 70,789</u>

Depreciation expense of \$2,753 was charged to the sewer service function of the District.

NOTE 4: RELATED PARTY TRANSACTIONS

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

The amount due to the County of Madera as of June 30, 2018 is \$15,174.

NOTE 5: ADVANCES FROM COUNTY OF MADERA

The following is a summary of the advances from the County of Madera for the year-ended June 30, 2018:

	Balance July 1, 2017	Additions/ Reclassifications	Deletions	Balance June 30, 2018	Due Within One Year
Advance from County of Madera	\$ 24,827	\$ -	\$ -	\$ 24,827	\$ -
Advance from County of Madera	50,000	-	-	50,000	-
Advance from County of Madera	-	11,272	-	11,272	-
Total	<u>\$ 74,827</u>	<u>\$ 11,272</u>	<u>\$ -</u>	<u>\$ 86,099</u>	<u>\$ -</u>

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

NOTE 5: ADVANCES FROM COUNTY OF MADERA (Continued)

The County of Madera made a \$24,827 payment of expenses on behalf of the District in fiscal year 2005 due to the District having insufficient cash on hand at that time. The District has not reimbursed the County of Madera as of June 30, 2018 and the District does not plan to make a payment to the County of Madera in fiscal year 2018-19.

The District obtained a \$50,000 loan from the County of Madera on June 15, 2015 to help fund the well rehabilitation and temporary water supply project. 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 outstanding balance of the loan advance as of June 30, 2018 was \$50,000.

The District has been advanced funds from the County in the amount of \$11,272. 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 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.

NOTE 6: INSURANCE AND RISK OF LOSS

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

NOTE 7: SUBSEQUENT EVENTS

The District obtained a \$8,000 loan from the County of Madera on August 16, 2018 to help fund the District's sewer operations. The loan is to be repaid with interest at the County of Madera treasury pool rate plus 50 basis points as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until the loan is paid in full.

The District obtained a \$38,000 loan from the County of Madera on June 20, 2019 to help fund the District's water operations. The loan is to be repaid with interest at the County of Madera treasury pool rate plus 50 basis points as soon as funds are available from the District. Interest will be accrued on the unpaid principal balance until the loan is paid in full.

SUPPLEMENTARY INFORMATION

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	<u>Water</u>	<u>Sewer</u>	<u>Lighting</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Current Assets:					
Cash and investments	\$ 53,263	\$ -	\$ 9,725	\$ -	\$ 62,988
Accounts receivable	11,876	7,276	1,111	-	20,263
Interest receivable	269	99	15	-	383
Due from Sewer division	<u>27,739</u>	<u>-</u>	<u>-</u>	<u>(27,739)</u>	<u>-</u>
Total Current Assets	<u>93,147</u>	<u>7,375</u>	<u>10,851</u>	<u>(27,739)</u>	<u>83,634</u>
Non-Current Assets:					
Capital assets:					
Land	52,994	-	-	-	52,994
Depreciable assets	306,225	192,100	-	-	498,325
Accumulated depreciation	<u>(99,518)</u>	<u>(121,311)</u>	<u>-</u>	<u>-</u>	<u>(220,829)</u>
Total Non-Current Assets	<u>259,701</u>	<u>70,789</u>	<u>-</u>	<u>-</u>	<u>330,490</u>
Total Assets	<u>352,848</u>	<u>78,164</u>	<u>10,851</u>	<u>(27,739)</u>	<u>414,124</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	483	75	-	-	558
Interest payable	1,646	-	-	-	1,646
Deposits from others	263	162	25	-	450
Due to County of Madera	7,875	7,299	-	-	15,174
Due to water division	-	27,739	-	(27,739)	-
Unearned revenue	<u>78</u>	<u>48</u>	<u>7</u>	<u>-</u>	<u>133</u>
Total Current Liabilities	<u>10,345</u>	<u>35,323</u>	<u>32</u>	<u>(27,739)</u>	<u>17,961</u>
Non-Current Liabilities:					
Advances from County of Madera	<u>73,925</u>	<u>11,407</u>	<u>767</u>	<u>-</u>	<u>86,099</u>
Total Non-Current Liabilities	<u>73,925</u>	<u>11,407</u>	<u>767</u>	<u>-</u>	<u>86,099</u>
Total Liabilities	<u>84,270</u>	<u>46,730</u>	<u>799</u>	<u>(27,739)</u>	<u>104,060</u>
NET POSITION					
Net Investment in capital assets	209,701	70,789	-	-	280,490
Unrestricted	<u>58,877</u>	<u>(39,355)</u>	<u>10,052</u>	<u>-</u>	<u>29,574</u>
Total Net Position	<u>\$ 268,578</u>	<u>\$ 31,434</u>	<u>\$ 10,052</u>	<u>\$ -</u>	<u>\$ 310,064</u>

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	<u>Water</u>	<u>Sewer</u>	<u>Lighting</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 33,392	\$ 21,239	\$ 3,244	\$ 57,875
Other revenues	8,366	-	-	8,366
Total Operating Revenues	<u>41,758</u>	<u>21,239</u>	<u>3,244</u>	<u>66,241</u>
Operating Expenses:				
Services and supplies	5,231	13,609	-	18,840
Maintenance	23,426	14,319	-	37,745
Insurance	677	682	-	1,359
Utilities	4,141	1,135	525	5,801
Depreciation	7,437	2,753	-	10,190
Total Operating Expenses	<u>40,912</u>	<u>32,498</u>	<u>525</u>	<u>73,935</u>
Operating Income (Loss)	<u>846</u>	<u>(11,259)</u>	<u>2,719</u>	<u>(7,694)</u>
Non-Operating Revenues (Expenses):				
Investment income	607	307	47	961
Interest and fiscal charges	(1,004)	-	-	(1,004)
Total Non-Operating Revenues (Expenses)	<u>(397)</u>	<u>307</u>	<u>47</u>	<u>(43)</u>
Change in Net Position	449	(10,952)	2,766	(7,737)
Net Position, Beginning of Year	<u>268,129</u>	<u>42,386</u>	<u>7,286</u>	<u>317,801</u>
Net Position, End of Year	<u>\$ 268,578</u>	<u>\$ 31,434</u>	<u>\$ 10,052</u>	<u>\$ 310,064</u>

**SERVICE AREA 14 – CHUK-CHANSE
(A COMPONENT UNIT OF THE COUNTY OF MADERA, CALIFORNIA)**

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

	Water	Sewer	Lighting	Total
Cash flows from operating activities:				
Cash receipts from customers and users	\$ 44,148	\$ 22,779	\$ 3,464	\$ 70,391
Cash paid to suppliers	<u>(38,532)</u>	<u>(31,190)</u>	<u>(525)</u>	<u>(70,247)</u>
Net cash provided (used) by operating activities	<u>5,616</u>	<u>(8,411)</u>	<u>2,939</u>	<u>144</u>
Cash flows from noncapital financing activities:				
Inter-division loans	<u>(8,141)</u>	<u>8,141</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(8,141)</u>	<u>8,141</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	<u>511</u>	<u>270</u>	<u>41</u>	<u>822</u>
Net cash provided (used) by investing activities	<u>511</u>	<u>270</u>	<u>41</u>	<u>822</u>
Net increase (decrease) in cash and cash equivalents	(2,014)	-	2,980	966
Cash and cash equivalents, beginning of the year	<u>55,277</u>	<u>-</u>	<u>6,745</u>	<u>62,022</u>
Cash and cash equivalents, end of the year	<u>\$ 53,263</u>	<u>\$ -</u>	<u>\$ 9,725</u>	<u>\$ 62,988</u>

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

Operating income (loss)	\$ 846	\$ (11,259)	\$ 2,719	\$ (7,694)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,437	2,753	-	10,190
Changes in operating assets and liabilities:				
Decrease/(Increase) in accounts receivable	2,312	1,493	212	4,017
Increase/(Decrease) in accounts payable	(205)	(458)	-	(663)
Increase/(Decrease) in due to County of Madera	(4,852)	(987)	-	(5,839)
Increase/(Decrease) in deposits from others	-	(1)	1	-
Increase/(Decrease) in unearned revenues	<u>78</u>	<u>48</u>	<u>7</u>	<u>133</u>
Net cash provided (used) by operating activities	<u>\$ 5,616</u>	<u>\$ (8,411)</u>	<u>\$ 2,939</u>	<u>\$ 144</u>