

COUNTY OF FRESNO

ADDENDUM NUMBER: TWO (2)

RFP NUMBER: 946-5324

PREPARE ANNUAL FINANCIAL STATEMENTS AND ANNUAL FINANCIAL TRANSACTION REPORTS OF 33 SPECIAL DISTRICTS

February 2, 2015

PURCHASING USE
ssj

G:\PUBLIC\RFP\FY 2014-15\946-5324 AUDIT AND ANNUAL FINANCIAL
TRANSACTION REPORTS - SPECIAL DISTRICTS, ETC\946-5324 ADD
2.DOC

IMPORTANT: SUBMIT PROPOSAL IN SEALED PACKAGE WITH PROPOSAL NUMBER, CLOSING DATE AND BUYER'S NAME
MARKED CLEARLY ON THE OUTSIDE TO:

COUNTY OF FRESNO, Purchasing
4525 EAST HAMILTON AVENUE, 2nd Floor
FRESNO, CA 93702-4599

CLOSING DATE OF PROPOSAL WILL BE AT 2:00 P.M., ON FEBRUARY 13, 2015.

PROPOSALS WILL BE CONSIDERED LATE WHEN THE OFFICIAL PURCHASING TIME CLOCK READS 2:00 P.M.

All proposal information will be available for review after contract award.

Clarification of specifications is to be directed to: **Shannon W. Kirby, phone (559) 600-7116,**
e-mail skirby@co.fresno.ca.us.

**NOTE THE ATTACHED ADDITIONS, DELETIONS AND/OR CHANGES TO THE REQUIREMENTS OF
REQUEST FOR PROPOSAL NUMBER: 946-5324 AND INCLUDE THEM IN YOUR RESPONSE. PLEASE
SIGN AND RETURN THIS ADDENDUM WITH YOUR PROPOSAL.**

ACKNOWLEDGMENT OF ADDENDUM NUMBER TWO (2) TO RFP 946-5324

COMPANY NAME: _____
(PRINT)

SIGNATURE: _____

NAME & TITLE: _____
(PRINT)

QUESTIONS AND ANSWERS

Q1. What is the intended use of the financial statements?

A1. The financial statements will be audited by the County's external auditor and be part of the Comprehensive Annual Financial Report (CAFR) for the County.

Q2. What is the due date for the financial statements?

A2. The financials will be due September 15.

Q3. Will you provide the prior year statements/reports?

A3. Copies of prior year statements and reports will be provided.

Q4. Has this been done before?

A4. Yes

Q5. Should the proposed cost be per District?

A5. No. The proposal should include one total cost for all the Districts.

Q6. Does the firms' financials/tax information need to be part of the RFP?

A6. No, however they need to be readily available if asked for.

Q7. Who was the previous Contractor?

A7. Price-Paige and Company

Q8. Will the County accept a proposal from a firm that is outside the State of California?

A8. Yes

Q9. What type of accounting system is used?

A9. The County uses PeopleSoft. Public Works and Planning uses WinCAMS, which is integrated with PeopleSoft.

Q10. Are the chart of accounts different for each District?

A10. No. The Districts all use the same chart of accounts, but different funds are used to identify the Districts.

Q11. Any payroll issues?

A11. No. The Districts do not have any staffing so there are no payroll issues.

Q12. Is the County willing to use a secure web based portal system to provide and receive documents?

A12. Yes.

Q13. Have there been any challenges to completing the filing?

A13. No.

Q14. Are there any Districts that are anticipated to be discontinued?

A14. CSA 47 is in the process of being dissolved but it is unknown when this will be completed.

Q15. Is American Avenue Disposal Site part of this RFP?

A15. No.

Q16. What was the overall cost to the County of Fresno and the hours spent per district for this type of work performed by the previous auditor?

A16. Total annual cost is around \$19,000. Total hours annually was approximately 154. No breakdown available per District.

Q17. With respect to the previous vendor, what are you looking for that was not addressed previously?

A17. Nothing additional is being requested.

Q18. The annual financial statements to include footnote disclosures?

A18. No

Q19. In regards to bidding on the Audits and Annual Financial Transaction Reports- Special Districts, the RFP to include a bid overall or for each specific district?

A19. The bid should be overall and not each specific district.

Q20. Would we be able to review prior years' audit reports and management letters?

A20. Prior year reports will be made available.

**COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2013**

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Basic Financial Statements:	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flows.....	5
Notes to the Basic Financial Statements.....	6



PRICE PAIGE & COMPANY
Accountancy Corporation

The Place to Be

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
County of Fresno
2281 Tulare Street
Fresno, California 93721

We have audited the accompanying financial statements of County Service Area No. 14 (the District), a component unit of the County of Fresno, California, as of and for the year ended June 30, 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of County Service Area No. 14, as of June 30, 2013, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only County Service Area No. 14, and do not purport to, and do not, present fairly the financial position of the County of Fresno, California, as of June 30, 2013, the changes in its financial position or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the 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.

Price Pange & Company

Clovis, California
June 23, 2014

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

STATEMENT OF NET POSITION
JUNE 30, 2013

ASSETS

Current assets:

Cash and investments	\$ 5,790
Receivables:	
Interest	<u>9</u>
Total current assets	<u>5,799</u>

Noncurrent assets:

Capital assets, net	<u>3,350</u>
Total noncurrent assets	<u>3,350</u>
 Total assets	 <u>9,149</u>

LIABILITIES

Current liabilities:

Accounts payable	1,698
Due to primary government	<u>21,100</u>
 Total liabilities	 <u>22,798</u>

NET POSITION

Net investment in capital assets	3,350
Unrestricted	<u>(16,999)</u>
 Total net position	 <u>\$ (13,649)</u>

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

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

Operating revenues:	
Other operating revenues	\$ 17,166
Total operating revenues	<u>17,166</u>
Operating expenses:	
Repairs and maintenance	4,191
Memberships and publications	150
Office expense	155
Professional and specialized services	27,694
Specialized departmental expenses	1,395
Utilities	8,036
Depreciation	<u>575</u>
Total operating expenses	<u>42,196</u>
Operating income (loss)	<u>(25,030)</u>
Nonoperating revenues (expenses):	
Investment earnings	9
Property taxes	8,955
Homeowner's tax relief	<u>105</u>
Total nonoperating revenues (expenses)	<u>9,069</u>
Change in net position	(15,961)
Net position - beginning	<u>2,312</u>
Net position - ending	<u>\$ (13,649)</u>

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

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Cash flows from operating activities:	
Cash paid to suppliers	\$ (23,135)
Other operating receipts	<u>17,166</u>
Net cash provided by (used in) operating activities	<u>(5,969)</u>
Cash flows from noncapital financing activities:	
Property taxes received	<u>9,060</u>
Net cash provided by (used in) noncapital financing activities	<u>9,060</u>
Cash flows from investing activities:	
Interest on investments	<u>10</u>
Net cash provided by (used in) investing activities	<u>10</u>
Net increase (decrease) in cash	3,101
Cash - beginning	<u>2,689</u>
Cash - ending	<u>\$ 5,790</u>

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

Operating income (loss)	\$ (25,030)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) by operating activities:	
Depreciation	575
Increase (decrease) in accounts payable	1,049
Increase (decrease) in due to primary government	<u>17,437</u>
Total adjustments	<u>19,061</u>
Net cash provided by (used in) operating activities	<u>\$ (5,969)</u>

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

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements present only County Service Area No. 14 and are not intended to present fairly the financial position, changes in financial position, or cash flows of the County of Fresno, California with accounting principles generally accepted in the United States of America.

A. Reporting Entity

County Service Area No. 14, a special district (the District), is an enterprise fund of the County of Fresno (the County), which is a political subdivision of the State of California. The function of the District is to maintain the community water system, storm drainage and street lighting for the subdivision of Belmont Manor, Tract 2031. The subdivision is located at Belmont and Leonard Avenues.

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all operations over which the District is financially accountable. Under these criteria the District is considered a component unit of the County of Fresno and is reported in the County's Comprehensive Annual Financial Report (CAFR).

The District was formed in 1970 under the provisions of Government code Section 25210.1 et. seq., and is governed by the County Board of Supervisors. The District is not subject to federal or state income taxes.

The District itself does not employ any personnel. The Department of Public Works and Planning staff provides the necessary services such as maintenance and accounting to the District on a reimbursement basis.

B. Basis of Accounting

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses of providing goods or services to its customers be financed or recovered primarily through users charges; or where the governing body has decided that periodic determination of revenue earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting (Continued)

Enterprise 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. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

C. Pronouncements

1. New Accounting Pronouncements Adopted

Governmental Accounting Standards Board Statement No. 61

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*. This Statement amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. The provisions of this Statement are effective for the financial statements for periods beginning after June 15, 2012. As of July 1, 2012, the District adopted this standard, which did not have a significant impact on its financial statements.

Governmental Accounting Standards Board Statement No. 62

Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedures which does not conflict with or contradict other GASB pronouncements. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. As of July 1, 2012, the District adopted this standard, which did not have a significant impact on its financial statements.

**COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Pronouncements (Continued)

1. New Accounting Pronouncements Adopted (Continued)

Governmental Accounting Standards Board Statement No. 65

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2014. As of July 1, 2012, the District adopted this standard, which did not have a significant impact on its financial statements.

2. New Accounting Pronouncements Not Yet Adopted

Governmental Accounting Standards Board Statement No. 66

In March 2012, GASB issued Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2014.

Governmental Accounting Standards Board Statement No. 68

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2014.

**COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Pronouncements (Continued)

2. New Accounting Pronouncements Not Yet Adopted (Continued)

Governmental Accounting Standards Board Statement No. 69

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement requires disclosure to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2015.

Governmental Accounting Standards Board Statement No. 70

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2014.

D. Assets, Liabilities and Net Position

1. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The District's cash is held in the common investment pool of the County of Fresno. The County of Fresno allocates interest to the District based on ending cash balances in the County of Fresno Treasury.

2. Capital Assets

Capital assets acquired are recorded at cost or estimated cost where cost is not available. Donated or contributed capital assets are recorded at their estimated fair value on the date received. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets as follows:

Pump	10 Years
Water well	20 Years

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position (Continued)

3. Accounts Payable and Due to Primary Government

Certain costs are incurred by the District during the current reporting period but are not paid until after the beginning of the next fiscal period. These costs are reported as payables in the financial statements. The District's current accounts payable and due to primary government balances of \$1,698 and \$21,100, respectively, as of June 30, 2013, are related to certain contract services and payments for utility fees.

4. Net Position

Net position is reported in three categories as follows:

Net investment in capital assets – This amount consists of capital assets, including infrastructure, net of accumulated depreciation.

Restricted – This amount consists of net position restricted by external creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabled legislature.

Unrestricted – This amount consists of all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

When both restricted and unrestricted net position are available, restricted resources are depleted first before unrestricted resources are used.

5. Property Taxes

The District receives monies for service-type property assessments, which are levied on the properties within the area. Assessments for fees and services are based on the benefit derived by each parcel within the District.

County of Fresno is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the school districts and special districts within the County. The Board levies property taxes as September 1, on property values certified on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and delinquent with penalties after December 10, and the second is generally due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1. Property taxes on the unsecured roll are due upon receipt of the tax bill and become delinquent if unpaid on August 31.

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Pursuant to Article CIIIA (known as Proposition 13) of the State of California Constitutions, the County is permitted to levy a maximum tax of 1 percent of full cash value.

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position (Continued)

5. Property Taxes

Teeter Plan – County of Fresno elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the County records tax receivable and receives the delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including school districts and special districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the County. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received. The District is a participant of the Teeter Plan.

6. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 as of June 30, 2013, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	<u>\$ 5,790</u>
Total cash and investments	<u>\$ 5,790</u>

Summary of Deposits

Cash and investments as of June 30, 2013, consist of the following:

Deposits with County of Fresno Treasurer	<u>\$ 5,790</u>
Total cash and investments	<u>\$ 5,790</u>

Investment in Fresno County Treasury

The District maintains all of its cash deposits with the Fresno County Auditor-Controller/Treasurer and voluntarily participates in the common investment pool of the County. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer and is recorded on the amortized cost basis. Cash in the County Treasury is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

The District does not have any deposits with financial institutions as of June 30, 2013.

COUNTY SERVICE AREA NO. 14
COUNTY OF FRESNO, CALIFORNIA
(A Component Unit of the County of Fresno)

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 – CAPITAL ASSETS, NET

Capital assets activity for the year ending June 30, 2013 is as follows:

	July 1, 2012 Balance	Additions	Retirements	June 30, 2013 Balance
Capital assets being depreciated:				
Structures and improvements	\$ 18,390	\$ -	\$ -	\$ 18,390
Machinery and equipment	11,486	-	-	11,486
Total capital assets being depreciated	29,876	-	-	29,876
Less accumulated depreciation:				
Structures and improvements	(18,390)	-	-	(18,390)
Machinery and equipment	(7,561)	(575)	-	(8,136)
Total accumulated depreciation	(25,951)	(575)	-	(26,526)
Capital assets, net	\$ 3,925	\$ (575)	\$ -	\$ 3,350

Depreciation expense totaled \$575 for the fiscal year ending June 30, 2013.

NOTE 4 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District provides coverage for these losses through commercial insurance policies and/or through participation in the County of Fresno's Self-Insurance Program. Refer to the County of Fresno CAFR for additional information.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Commitments and contingencies, undeterminable in amount, include normal recurring pending claims and litigation. In the opinion of management, based upon discussion with legal counsel, there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.

SPECIAL DISTRICTS FINANCIAL TRANSACTIONS AND COMPENSATION REPORT

COVER PAGE

County Service Area No. 14 (Fresno)

SCO Reporting Year: **2013**

ID Number: **12341008000**

Fiscal Year Ended: _____ (MM/DD/YY)

Certification:

I hereby certify that, to the best of my knowledge and belief, the report forms fairly reflect the financial transactions of the district in accordance with the requirements as prescribed by the California State Controller.

District Fiscal Officer

Signature

Title

Name (Please Print)

Date

Per Government Code section 53891, this report is due within 90 days after the end of the fiscal year. If filed in electronic format, the report is due within 110 days after the end of the fiscal year. However, in the case of hospital districts, the report is due within 120 days after the end of the fiscal year.

Per Government Code section 26909, a copy of the independent audit is to be filed with the Controller within 12 months after the close of the fiscal year.

Please complete, sign, and mail this cover page to either address below.

Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
P. O. Box 942850
Sacramento, CA 94250

Express Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 700
Sacramento, CA 95816

County Service Area No. 14 (Fresno)
Special Districts Financial Transactions Report

General Information

Fiscal Year 2013

Mailing Address

Street 1 P.O. Box 1247 ☐ **Is Address Changed?**
Street 2 _____
City Fresno **State** CA **Zip** 93715-1247
Email _____

Members of the Governing Body

	First Name	Middle Initial	Last Name	Title
Member	Phil		Larson	Member
Member	Debbie		Poochigian	Member
Member	Andreas		Borgeas	Vice Chair
Member	Judy		Case	Member
Member	Henry		Perea	Chair
Member				
Member				
Member				
Member				

Other Officials

First Name	Middle Initial	Last Name	Title

Report Prepared By

First Name	Middle Initial	Last Name	Phone No
Josh		Giosa	(559) 299-9540

Independent Auditor

First Name	Middle Initial	Last Name	Phone No
Fausto		Hinojosa	(559) 299-9540

County Service Area No. 14 (Fresno)**Special Districts Financial Transactions Report - Non-Enterprise Activity****Revenues, Expenditures, Sources and Uses**

Fiscal Year	2013	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds
		A	B	C
Non-Enterprise Activity		Drainage and Drainage Maintenance		
Taxes and Assessments				
Current Secured and Unsecured (1%)		358		
Voter Approved Taxes				
Property Assessments				
Special Assessments (Mello/Roos, Mark/Roos)				
Prior Year Taxes and Assessments				
Penalties and Cost on Delinquent Taxes and Assessments				
Licenses, Permits, and Franchises				
Fines, Forfeits, and Penalties				
Revenue From Use of Money and Property				
Interest Income				
Rents, Concessions and Royalties				
Federal				
Aid for Construction				
Other Federal				
State				
Aid for Construction				
State Water Project				
Homeowners Property Tax Relief		3		
Timber Yield				
Other State				
Other Governmental Agencies				
Redevelopment Pass-Through				
Other				
Charges for Current Services		687		
Contributions From Property Owners				
Self Insurance Only				
Member Contributions				
Claim Adjustments				
Other Revenues				
Total Revenues		\$1,048	\$0	\$0
Expenditures				
Salaries and Wages				
Employee Benefits				
Services and Supplies		1,650		
Self Insurance Only - Claims Paid				

County Service Area No. 14 (Fresno)**Special Districts Financial Transactions Report - Non-Enterprise Activity****Revenues, Expenditures, Sources and Uses**

Fiscal Year	2013	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds
		A	B	C
Contributions to Outside Agencies				
Debt Service				
Retirement of Long-Term Debt				
Interest on Long-Term Debt				
Interest on Short-Term Notes and Warrants				
Fixed Assets				
Other Expenditures				
Total Expenditures		\$1,650	\$0	\$0
Revenues Over (Under) Expenditures		(\$602)	\$0	\$0
Financing Sources and Uses				
Proceeds of Long-Term Debt				
Proceeds of Refunding Debt				
Payments to Refunded Debt Escrow Agent				
Inception of Lease Purchase Agreements				
Other Financing Sources				
Other Financing Uses				
Operating Transfers In (Intra-District)		602		
Operating Transfers Out (Intra-District)				
Total Other Financing Sources (Uses)		\$602	\$0	\$0
Revenues/Sources Over (Under) Expenditures/Uses		\$0	\$0	\$0
Fund Equity, Beginning of Period				
Prior Period Adjustments				
Residual Equity Transfers				
Other				
Fund Equity, End of Period		\$0	\$0	\$0

County Service Area No. 14 (Fresno)**Special Districts Financial Transactions Report - Non-Enterprise Activity****Revenues, Expenditures, Sources and Uses**

Fiscal Year	2013	General and Special Revenue Funds A	Debt Service Funds B	Capital Projects Funds C
Non-Enterprise Activity		Lighting and Lighting Maintenance		
Taxes and Assessments				
Current Secured and Unsecured (1%)		89		
Voter Approved Taxes				
Property Assessments				
Special Assessments (Mello/Roos, Mark/Roos)				
Prior Year Taxes and Assessments				
Penalties and Cost on Delinquent Taxes and Assessments				
Licenses, Permits, and Franchises				
Fines, Forfeits, and Penalties				
Revenue From Use of Money and Property				
Interest Income				
Rents, Concessions and Royalties				
Federal				
Aid for Construction				
Other Federal				
State				
Aid for Construction				
State Water Project				
Homeowners Property Tax Relief		1		
Timber Yield				
Other State				
Other Governmental Agencies				
Redevelopment Pass-Through				
Other				
Charges for Current Services		172		
Contributions From Property Owners				
Self Insurance Only				
Member Contributions				
Claim Adjustments				
Other Revenues				
Total Revenues		\$262	\$0	\$0
Expenditures				
Salaries and Wages				
Employee Benefits				
Services and Supplies		412		
Self Insurance Only - Claims Paid				

County Service Area No. 14 (Fresno)

Special Districts Financial Transactions Report - Non-Enterprise Activity

Revenues, Expenditures, Sources and Uses

Fiscal Year	2013	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds
		A	B	C
Contributions to Outside Agencies				
Debt Service				
Retirement of Long-Term Debt				
Interest on Long-Term Debt				
Interest on Short-Term Notes and Warrants				
Fixed Assets				
Other Expenditures				
Total Expenditures		\$412	\$0	\$0
Revenues Over (Under) Expenditures		(\$150)	\$0	\$0
Financing Sources and Uses				
Proceeds of Long-Term Debt				
Proceeds of Refunding Debt				
Payments to Refunded Debt Escrow Agent				
Inception of Lease Purchase Agreements				
Other Financing Sources				
Other Financing Uses				
Operating Transfers In (Intra-District)		150		
Operating Transfers Out (Intra-District)				
Total Other Financing Sources (Uses)		\$150	\$0	\$0
Revenues/Sources Over (Under) Expenditures/Uses		\$0	\$0	\$0
Fund Equity, Beginning of Period				
Prior Period Adjustments				
Residual Equity Transfers				
Other				
Fund Equity, End of Period		\$0	\$0	\$0

County Service Area No. 14 (Fresno)
Special Districts Financial Transactions Report - Water Enterprise
Revenues, Expenses and Changes in Fund Equity

Fiscal Year	2013
--------------------	------

Operating Revenues**Water Sales**

Residential	
Business	
Industrial	
Irrigation	
Sales for Resale	
Interdepartmental	
All Other Sales	

Water Services

Fire Prevention	
Ground Water Replenishment	
Standby or Availability Charges	
Service Type Assessments	16,306
All Other	

Total Operating Revenues

\$16,306

Operating Expenses**Source of Supply**

Water Purchases	
Ground Water Replenishment	
Other	

Other Operating Expenses

Pumping	
Water Treatment	7,634
Administration and General	4,198
Customer Accounts	27,347
Transmission and Distribution	
Depreciation and Amortization	574
Other	

Total Operating Expenses

\$39,753

Operating Income (Loss)

(\$23,447)

Non-Operating Revenues

Interest Income	-32
Rents, Leases and Franchises	

Taxes and Assessments

Current Secured and Unsecured (1%)	8,491
Voter Approved Taxes	
Property Assessments	

County Service Area No. 14 (Fresno)	
Special Districts Financial Transactions Report - Water Enterprise	
Revenues, Expenses and Changes in Fund Equity	
Fiscal Year	2013
Special Assessments	
Prior Year Taxes and Assessments	
Penalties and Cost on Delinquent Taxes and Assessments	
Federal	
Aid for Construction	
Other Federal	
State	
Aid for Construction	
State Water Project	
Homeowners Property Tax Relief	100
Timber Yield	
State Other and In-Lieu Taxes	
Other Governmental Agencies	
Redevelopment Pass-Through	
Other	
Other Non-Operating Revenues	
Total Non-Operating Revenues	\$8,559
Non-Operating Expenses	
Interest on Long-Term Debt	
Other Interest	
Other Non-Operating Expenses	
Total Non-Operating Expenses	\$0
Non-Operating Income (Loss)	\$8,559
Income (Loss) Before Operating Transfers	(\$14,888)
Operating Transfers In (Intra-District)	
Operating Transfers Out (Intra-District)	752
Net Income (Loss)	(\$15,640)
Fund Equity, Beginning of Period	\$571
Contributed Capital	
Federal	
State	
Other Governmental Agencies	
Non-Governmental Agencies	
Prior Period Adjustments	1,741
Residual Equity Transfers	
Other	
Fund Equity, End of Period	(\$13,328)

County Service Area No. 14 (Fresno)
Special Districts Financial Transactions Report
Consolidation of Fund Equities and Transfers

Consolidation of Fund Equities and Transfers

Fiscal Year	2013			
	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds
Consolidation of Fund Equities				
Non-Enterprise Activities	\$0	\$0	\$0	
Enterprise Fund Equities				
Airport				\$0
Electric				\$0
Harbor and Port				\$0
Hospital				\$0
Waste Disposal				\$0
Water				(\$13,328)
Total Ending Fund Equities	\$0	\$0	\$0	(\$13,328)

	Transfers In	Transfers Out	Net
	A	B	C
Consolidation of Transfers In and Transfer Out			
General and Special Revenue Funds	\$752	\$0	
Debt Service Funds	\$0	\$0	
Capital Projects Funds	\$0	\$0	
Enterprise Activities			
Airport	\$0	\$0	
Electric	\$0	\$0	
Harbor and Port	\$0	\$0	
Waste Disposal	\$0	\$0	
Water	\$0	\$752	
Total	\$752	\$752	\$0

County Service Area No. 14 (Fresno)
Special Districts Financial Transactions Report
Appropriations Limit Information

Appropriations Limit Information

Fiscal Year 2013

Appropriations Limit as of the End of the Fiscal Year	38,487
Total Annual Appropriations Subject to the Limit as of the End of the Fiscal Year	8,264
Amount (Over) Under the Appropriation Limit	\$30,223

Special Districts Financial Transactions Report - Consolidated Balance Sheet

Assets

Fiscal Year	2013	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	General Fixed Assets	General Long-Term Debt	Total Memorandum Only
Assets								
Cash and Cash Equivalents				5,790				\$5,790
Taxes Receivable								\$0
Interest Receivable				9				\$9
Accounts Receivable								\$0
Loans, Notes, and Contracts Receivable								\$0
Due from Other Funds								\$0
Inventory of Materials and Supplies								\$0
Other Current Assets								
Lease Payments Receivable								
Unearned Finance Charges								
Investments								\$0
Restricted Assets								
Deferred Charges								
Unamortized Discount on Long-Term Debt								
Other Assets								\$0
Fixed Assets								
Land								\$0
Buildings and Improvements				18,390				\$18,390
Equipment				11,486				\$11,486
Construction in Progress								\$0
Total Fixed Assets				\$29,876		\$0		\$29,876
Accumulated Depreciation				26,526				\$26,526
Net Fixed Assets				\$3,350		\$0		\$3,350
Other Debits								
Amount Available in Debt Service Funds								
Amount to be Provided								
Total Assets		\$0	\$0	\$0	\$9,149	\$0	\$0	\$9,149

Special Districts Financial Transactions Report - Consolidated Balance Sheet

Liabilities and Equity

Fiscal Year	2013	General and Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	General Fixed Assets	General Long-Term Debt	Total Memorandum Only
Liabilities and Equity								
Accounts/Warrants Payable				1,698				\$1,698
Loans and Notes Payable								\$0
Interest Payable - Matured/Accrued								\$0
Other Current Liabilities								\$0
Compensated Absences Payable								\$0
Due to Other Governments				20,779				\$20,779
Due to Other Funds								\$0
Long-Term Debt								
General Obligation Bonds								\$0
Revenue Bonds								\$0
Certificates of Participation								\$0
Special Assessment								\$0
Federal								\$0
State								\$0
Time Warrants								\$0
Other Long-Term Indebtedness								\$0
Unamortized Premium on Long-Term Debt								
Advances for Construction								
Deferred Revenue								\$0
All Other Non-Current Liabilities								
Total Liabilities		\$0	\$0	\$0	\$22,477		\$0	\$22,477
Fund Equity								
Contributed Capital								
Investments in General Fixed Assets								
Retained Earnings								
Reserved								
Unreserved				-13,328				(\$13,328)
Fund Balances								
Reserved								\$0
Unreserved Designated								\$0
Unreserved Undesignated								\$0
Total Fund Equity		\$0	\$0	\$0	(\$13,328)			(\$13,328)
Total Liabilities and Fund Equity		\$0	\$0	\$0	\$9,149		\$0	\$9,149