

**BIOLA COMMUNITY
SERVICES DISTRICT**

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2018**

TRAIL

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Biola Community Services District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Biola Community Services District (District), as of and for the year ended June 30, 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 controls 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 opinions 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Biola Community Services District, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BIOLA COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ -	\$ 734,303	\$ 734,303
Accounts receivable, net	-	45,018	45,018
Accrued interest receivable	-	3,159	3,159
Prepaid expenses	1,736	9,113	10,849
Due from other governmental agencies	10,320	56,681	67,001
Internal balances	(212,375)	212,375	-
Capital assets (net of allowance for depreciation)	785,990	3,526,748	4,312,738
Total assets	585,671	4,587,397	5,173,068
LIABILITIES			
Accounts payable and accrued expense	57,501	56,155	113,656
Accrued interest	-	13	13
Deposits	5,150	10,041	15,191
Long-term liabilities			
Due within one year	-	12,816	12,816
Due in more than one year	-	74,694	74,694
Total liabilities	62,651	153,719	216,370
NET POSITION			
Net investment in capital assets	785,990	3,439,238	4,225,228
Unrestricted/(deficit)	(262,970)	994,440	731,470
Total net position	\$ 523,020	\$ 4,433,678	\$ 4,956,698

BIOLA COMMUNITY SERVICES DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2018

	<u>General Fund</u>
ASSETS	
Current assets	
Due from other governmental agencies	\$ 10,320
Prepaid expenses	<u>1,736</u>
Total assets	<u><u>\$ 12,056</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued expenses	\$ 57,501
Deposits	5,150
Due to other fund	<u>212,375</u>
Total liabilities	<u>275,026</u>
Fund Balance	
Unassigned	<u>(262,970)</u>
Total fund balance	<u>(262,970)</u>
Total liabilities and fund balance	<u><u>\$ 12,056</u></u>

BIOLA COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018

	General Fund
Revenue	
Property taxes	\$ 41,955
Special assessments	7,245
Intergovernmental	42,320
Interest revenue	3,821
Rents	29,039
Other revenues	7,286
Total revenue	<u>131,666</u>
Expenditures	
Salaries and wages	33,503
Insurance	1,631
Maintenance and repairs	10,647
Office expense	6,433
Professional services	16,677
Telephone and communications	1,612
Utilities	12,390
Other expenses	12,996
Capital outlay	66,226
Total expenditures	<u>162,115</u>
Revenue over/(under) expenditures	(30,449)
Net Change in Fund Balance	(30,449)
Fund Balance	
Beginning of year	(232,521)
End of year	<u>\$ (262,970)</u>

BIOLA COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION – PROPRIETARY FUNDS **JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds		
	Water	Waste Disposal	Total Proprietary Funds
ASSETS			
Current assets			
Cash and investments	\$ 734,303	\$ -	\$ 734,303
Accounts receivable, net	18,949	26,069	45,018
Accrued interest receivable	3,159	-	3,159
Prepaid expenses	4,122	4,991	9,113
Due from other governmental agencies	38,021	18,660	56,681
Due from other funds	223,250	2,906	226,156
Total current assets	1,021,804	52,626	1,074,430
Non-current assets			
Property, plant and equipment (net of allowance for depreciation)	1,831,833	1,694,915	3,526,748
Total noncurrent assets	1,831,833	1,694,915	3,526,748
Total assets	2,853,637	1,747,541	4,601,178
LIABILITIES			
Current liabilities			
Accounts payable and accrued expense	43,618	12,537	56,155
Accrued interest payable	13	-	13
Deposits	10,041	-	10,041
Due to other funds	-	13,781	13,781
Current portion of long-term debt	10,400	2,416	12,816
Total current liabilities	64,072	28,734	92,806
Noncurrent Liabilities			
Long-term debt	70,801	3,893	74,694
Total liabilities	134,873	32,627	167,500
NET POSITION			
Net investment in capital assets	1,750,632	1,688,606	3,439,238
Unrestricted	968,132	26,308	994,440
Total net position	\$ 2,718,764	\$ 1,714,914	\$ 4,433,678

See accompanying notes.

BIOLA COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOW - PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds		
	Water	Waste Disposal	Total Business-Type Funds
Operating Activities			
Receipts from customers and users	\$ 198,032	\$ 282,642	\$ 480,674
Payments for goods and services	(138,970)	(212,970)	(351,940)
Payments to/for employees	(38,843)	(38,608)	(77,451)
Net cash provided by (used in) operating activities	<u>20,219</u>	<u>31,064</u>	<u>51,283</u>
Non-capital Financial Activities			
Received from/(paid to) other funds	<u>19,720</u>	<u>(12,443)</u>	<u>7,277</u>
Net cash provided by (used in) noncapital financing activities	<u>19,720</u>	<u>(12,443)</u>	<u>7,277</u>
Capital and Related Financing Activities			
Capital contributions received	245,367	81,559	326,926
Purchase of property, plant and equipment	(226,145)	(97,899)	(324,044)
Principal paid on long-term debt	(20,872)	(2,281)	(23,153)
Interest paid on long-term debt	(1,017)	-	(1,017)
Net cash provided by (used in) capital and related financing activities	<u>(2,667)</u>	<u>(18,621)</u>	<u>(21,288)</u>
Investing Activities			
Interest received	<u>5,722</u>	<u>-</u>	<u>5,722</u>
Net cash provided by investing activities	<u>5,722</u>	<u>-</u>	<u>5,722</u>
Net Increase/(Decrease) in Cash and Investments	42,994	-	42,994
Cash and Investments			
Beginning of year	<u>691,309</u>	<u>-</u>	<u>691,309</u>
End of year	<u>\$ 734,303</u>	<u>\$ -</u>	<u>\$ 734,303</u>
Cash Flows from Operating Activities			
Operating income (loss)	\$ (79,957)	\$ (50,832)	\$ (130,789)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	105,255	89,465	194,720
(Increase) Decrease in Accounts Receivable, net	1,618	1,014	2,632
(Increase) Decrease in Prepaid Expenses	(501)	(542)	(1,043)
Increase (Decrease) in Deposits	5,403	-	5,403
Increase (Decrease) in Accounts Payable and Accrued Expense	(11,599)	(8,041)	(19,640)
Net Cash Provided by/(Used in) Operating Activities	<u>\$ 20,219</u>	<u>\$ 31,064</u>	<u>\$ 51,283</u>

See accompanying notes.

BIOLA COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Governmental Fund Financial Statements - The Governmental 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.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District and is always classified as a major fund. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund.

Basis of Accounting

The Government-Wide and Proprietary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

BIOLA COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings, structures and improvements	20 - 30
Water and sewer utility plants and improvements	25 - 30
Equipment	5 - 15

Long-Term Obligations - In the Government-Wide Financial Statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position.

Net Position - The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- 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 Net Position - This category presents external restrictions on net position imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - This category represents net position of the District, not restricted for any project or other purpose.

Fund Equity – In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance typically includes inventories, prepaid items, long-term portion of loans receivable, nonfinancial assets held for resale and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.
- Restricted fund balance category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.
- Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors. The Board of Directors has the authority to establish, modify, or rescind a fund balance commitment.

BIOLA COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

Note 2 – Cash and Investments

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District is considered to be an involuntary participant in an external investment pool, which is under the direct authority of the Fresno County Treasurer and Tax Collector and governed by the California Government Code. 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 (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

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

Authorized Deposits and Investments

The District's investment policy authorizes investments in the County of Fresno Treasurer's Pooled Cash Portfolio and the California Local Agency Investment Fund (LAIF). The District's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

BIOLA COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

Note 2 – Cash and Investments (Continued)

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 3 – Accounts Receivable – Utilities, net

The accounts receivable –utilities, net balance consists of the following balances as of June 30, 2018.

	<u>Water</u>	<u>Waste Disposal</u>	<u>Total</u>
Accounts receivable	\$ 20,949	\$ 28,069	\$ 49,018
Allowance for uncollectible receivables	(2,000)	(2,000)	(4,000)
Accounts receivable, net	<u>\$ 18,949</u>	<u>\$ 26,069</u>	<u>\$ 45,018</u>

Note 4 – Interfund Activities

Interfund receivables and payables consist of short-term loans resulting from regular transactions. These loans are expected to be repaid as soon as the borrowing fund has available cash resources. Individual fund interfund receivables and payables balances as of June 30, 2018 are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ -	\$ 212,375
Water Fund	223,250	-
Waste Disposal Fund	2,906	13,781
	<u>\$ 226,156</u>	<u>\$ 226,156</u>

The purpose of the majority of transfers is to reimburse a fund that has made expenditures on behalf of another fund. Transfers within fund types have been eliminated with the government-wide financial statements. There were no transfers in and out for the year ended June 30, 2018.

BIOLA COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

Note 5 – Capital Assets (Continued)

Depreciation expense was charged to the following functions in the Statement of Activities:

Governmental Functions:

General Government	\$ 64,420
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Business-Type Functions:

Water	\$ 105,255
Waste Disposal	89,465
	<u>\$ 194,720</u>

Note 6 – Long-Term Debt

Long-term debt at June 30, 2018, consisted of the following:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion
<u>Business-Type Activities Long Term Debt</u>					
Safe Drinking Water Loan	\$ 4,573	\$ -	\$ 3,022	\$ 1,551	\$ 1,551
Berkadia Commercial Loan	9,000	-	9,000	-	-
Department of Water Resources Loan	88,500	-	8,850	79,650	8,850
John Deere Capital Lease	8,590	-	2,281	6,309	2,415
Total Business-Type Activities Debt	<u>\$ 110,663</u>	<u>\$ -</u>	<u>\$ 23,153</u>	<u>\$ 87,510</u>	<u>\$ 12,816</u>

Long-term debt payable at June 30, 2018 was comprised of the following individual issues:

Safe Drinking Water Loan – In October 1991 the district entered into a loan payable for \$52,500 with the State of California to fund improvements to the district water facilities. The loan is payable in semi-annual payments of \$1,577 on October 1 and April 1, each year beginning April 1, 1994 for a period of 25 years. The interest rate is 3.46% per annum. Real and personal property were pledged to guarantee the loan.

Berkadia Commercial Loan – In February 1978 the district entered into a loan payable for \$148,000 to fund improvements to the district water facilities. The loan is for a term of 40 years ending in February 2018 with an interest rate of 5.0% per annum. Annual payments average \$8,000 per year including interest. Debt service payments are due in August and February each year.

Department of Water Resources Loan – In July 2006 the district entered into a loan payable for \$177,000 with the State of California Department of Water Resources to fund improvements to the district water facilities. The loan is payable in semi-annual payments of \$4,425 on July 1 and January 1, each year beginning July 1, 2006 for a period of 20 years. The loan is non-interest bearing. Water revenues were pledged to guarantee the loan.

REQUIRED SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Biola Community Services District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Biola Community Services District, (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated **November 21, 2018**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Biola Community Services District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Biola Community Services District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

BIOLA COMMUNITY SERVICES DISTRICT
PROPERTY, PLANT & EQUIPMENT
LEAD SCHEDULE
6/30/2018

DESCRIPTION	ACCOUNT #	FUND	BEGINNING BALANCE 06/30/17	ADDITIONS	DELETIONS	ENDING BALANCE 06/30/18
Land - Comm Center	16000	GF	68,066.00			68,066.00
Construction in Progress-5th Street	Downtown	GF	4,146.00	10,320.00		14,466.00
Construction in Progress- Parking Lot	Comm Cen	GF	10,762.00	52,873.00	63,635.00	-
Construction in Progress-Biola Ave Sidewalk West	Downtown	GF	-			-
Construction in Progress-Biola Ave Sidewalk East	Downtown	GF	5,661.00			5,661.00
			20,569.00	63,193.00	63,635.00	20,127.00
Community Center	16100	GF	718,417.00	63,635.00		782,052.00
Equipment - Community Center	16110	GF	29,336.00			29,336.00
Computer Equipment		GF	-	3,033.00		3,033.00
Downtown Improvement		GF	589,298.00			589,298.00
			1,337,051.00	66,668.00	-	1,403,719.00
Accumulated Depreciation:						
			641,500	64,420		705,919.82
Governmental assets, net:						
			784,185.80	65,441.38	63,635.00	785,992.18
DEPR SCH tab						
Land - Water	16000	Water	18,619.00			18,619.00
Construction in Progress-Recycled Water	Sewer	Sewer	82,408.00	97,899.00		82,408.00
Construction in Progress-Groundwater Recharge	Water	Water	960.00	4,875.00		5,835.00
Construction in Progress- E&G Street Water Line	Water	Water	-			-
Construction in Progress-Water System Upgrade SRF	Water	Water	122,025.00	221,270.00		343,295.00
			205,393.00	324,044.00	-	431,538.00
Land - Sewer	16000	Sewer	107,371.00			107,371.00
Equipment - Sewer	16200	Sewer	56,669.00			56,669.00
System Original Cost - Sewer	16300	Sewer	1,844,338.00			1,844,338.00
System Storm Drainage Basin - Sewer	16350	Sewer	792,693.00			792,693.00
Computer Equipment		Sewer	5,921.00	-		5,921.00
Equipment - Water	16250	Water	54,625.00			54,625.00
System Original Cost - Water	16400	Water	2,559,538.00			2,559,538.00
Total Capital Assets Before CIP			5,421,155.00	-	-	5,421,155.00
Accumulated Depreciation:						
			2,247,740	194,719		2,442,459.14
Governmental assets, net:						
			3,397,427	129,325	-	3,526,751.86
			4,181,613.15	194,765.89	63,635.00	4,312,744.04

SUMMARY OF AUDITOR'S ADJUSTING JOURNAL ENTRIES

	Fund	DR	CR	WP REF
AJE01	General	Deposits	400	
	General	Fund balance		
		To adjust beginning balance deposits per PY FS		N
AJE02	General	Deposits	4,750	
	General	Rents and concessions	4,750	K30
		To adjust balance to actual		
AJE03	Water	A/P	737	
	Water	Fund balance	737	
	Water	Repairs & Maintenance	737	
	Water	A/P	737	
		To correct beginning net position balance and expense in the current year		N
AJE04	Water	Cash	-	
	Water	Net position	652	
	Water	Misc expense	-	
	Water	Cash	652	
		To correct beginning net position balance and expense difference in the current year		N
AJE05	GF	CASH	5,987	EX10
	GF	SOLID WASTE DISPOSAL	5,987	EX10
	GF	DUE TO	5,987	EX10
	GF	CASH	5,987	EX10
	Disposal	CASH	5,987	EX10
	Disposal	WASTE DISPOSAL	5,987	EX10
	Water	CASH	5,987	EX10
	Water	CASH	5,987	EX10
		To correct expense to correct fund		
AJE06	Water	CASH	24,833	EX30
	Water	LICENSES AND PERMITS	24,833	EX30
	Disposal	CASH	24,833	EX30
	Disposal	LICENSES AND PERMITS	24,833	EX30
		To reclassify to correct fund.		
AJE07	GF	Due to other fund	5,813	RE10
	GF	Late fees & penalties	5,813	RE10
	WATER	Late fees & penalties	2,907	RE10

	WATER	Due from other fund	2,907	RE10
	Disposal	Late fees & penalties	2,906	RE10
	Disposal	Due from other fund	2,906	RE10
To reclassify late customer fees back to water and disposal funds				
AJE08	Disposal	Capital contributions	10,850	D5
	Disposal	Capital contributions	7,540	D5
	Disposal	Other receivables	3,310	D5
To correct other receivables for capital contribution to actual				
AJE09	Water	CIP	37,921	RE32
	Water	Accounts Payable	37,921	RE32
	Water	Other receivables	37,921	RE32
	Water	Capital contribution	37,921	RE32
To correct capital grant contribution transactions not accrued.				

BIOLA COMMUNITY SERVICES DISTRICT

Trial Balance

As of June 30, 2018

	Jun 30, 18	
	Debit	Credit
Cash-County Treas-Gen Subclass	404,991.34	
Cash-CVC-Project Account	6,275.39	
Cash-LAIF	269,862.40	
Checking- CVB (15037665)	53,174.25	
Accounts Receivable	49,017.88	
Allow for Doubtful Accounts		4,000.00
Accrued Interest Receivable	3,159.41	
Charge Backs Receivable	100.00	
Other Receivables	32,290.00	
Prepaid:Insurance	10,847.84	
Accumulated Depreciation		3,148,383.00
Community Center	782,051.52	
Computer Equipment	8,953.38	
Construction In Progress:CIP-5th Street	14,466.25	
Construction In Progress:CIP-Biola Ave Sidewalk-East	5,660.60	
Construction In Progress:CIP-Groundwater Recharge	5,835.00	
Construction In Progress:CIP-Recycled Water	180,296.50	
Construction In Progress:CIP-Water System Upgrade-SRF	305,374.14	
Downtown Improvement	589,298.26	
Equipment- Community Center	29,336.05	
Equipment- Sewer	56,668.70	
Equipment- Water	54,625.33	
Land	194,055.81	
Sewer System	1,844,337.96	
Storm Drainage Basin	792,692.84	
Water System	2,559,537.74	
Accounts Payable		70,144.03
Accrued Expenses		13.45
Accrued Payroll		3,834.09
Customer Deposits- Comm Ctr		10,300.00
Payroll Liabilities		1,757.46
Utility Deposits		10,040.36
Capital Lease Payable-Deere Cr		6,309.43
Safe Drinking Water- Calif		1,550.35
Safe Drinking Water- Revolving		79,650.00
Opening Balance Equity		4,202,750.84
Retained Earnings		585,300.91
Admin Fees		525.00
Late Fees and Penalties		5,812.61
Rents and Concessions		23,069.00
Sales and Services		466,826.10
Bank Charges	950.00	
Communications	7,125.90	
Community Support	1,500.00	
Computer and Internet	8,159.24	

BIOLA COMMUNITY SERVICES DISTRICT

Trial Balance

As of June 30, 2018

	Jun 30, 18	
	Debit	Credit
Continuing Education	5,146.59	
Contractual Services:Plant Operations	60,807.68	
Contractual Services:Solid Waste Disposal	63,331.76	
Depreciation and Amortization	259,140.00	
Fees & Assessments	10,450.09	
Insurance	10,321.19	
Janitorial	1,512.73	
Legal Notices and Publishing	360.00	
Licenses and Permits	31,051.75	
Memberships and Publications	1,328.00	
Miscellaneous	780.12	
Office	4,178.81	
Operating Supplies and Chemical	4,480.14	
Outside Services/Event Comp.	4,994.00	
Penalties	50.00	
Postage and Delivery	946.44	
Professional & Specialized Serv:Accounting	12,275.00	
Professional & Specialized Serv:Audit Fee	8,900.00	
Professional & Specialized Serv:Engineering & Project Mgt	4,651.25	
Professional & Specialized Serv:Legal	13,487.67	
Professional & Specialized Serv:Other Professional Services	6,988.38	
Professional & Specialized Serv:Research and Monitoring	9,199.00	
Rents and Leases Expense:Equipment	1,513.85	
Repairs and Maintenance:Equipment	2,579.31	
Repairs and Maintenance:Structures and Grounds	36,432.63	0.00
Salaries and Wages:Board Member Compensation	10,300.00	
Salaries and Wages:Holiday Pay	1,430.00	
Salaries and Wages:Overtime Pay	363.00	
Salaries and Wages:Paid Leave	3,259.02	
Salaries and Wages:Payroll Taxes	11,107.09	
Salaries and Wages:Regular Hourly	84,494.14	
Services Charges-Fresno County	796.51	
Small Tools and Equipment	2,784.00	
Travel	1,518.91	
Utilities:Gas and Electric	74,968.51	
Contributed Capital:Federal-Aid for Construction		32,000.00
Contributed Capital:State-Aid for Construction		294,658.00
Interest Revenues		12,088.48
Other Non-Operating Revenues		7,940.79
Property Tax Revenue		41,955.25
Rents and Leases Received		1,220.40
Special Assessment Revenue		7,245.02
Interest Expense	803.27	
TOTAL	9,017,374.57	9,017,374.57

BIOLA COMMUNITY SERVICES DISTRICT

Trial Balance

As of June 30, 2018

Jun 30, 18	
Debit	Credit

BIOLA COMMUNITY SERVICES DISTRICT

Trial Balance

As of June 30, 2018

	AUDIT AJEs		ADJUSTED TB
	DR	CR	
Cash-County Treas-Gen Subclass			404,991
Cash-CVC-Project Account			6,275
Cash-LAIF			269,862
Checking- CVB (15037665)	652	652	53,174
Accounts Receivable			49,018
Allow for Doubtful Accounts			(4,000)
Accrued Interest Receivable			3,159
Charge Backs Receivable			100
Other Receivables	37921	3310	66,901
Prepaid:Insurance			10,848
Accumulated Depreciation			(3,148,383)
Community Center			782,052
Computer Equipment			8,953
Construction In Progress:CIP-5th Street			14,466
Construction In Progress:CIP-Biola Ave Sidewalk-East			5,661
Construction In Progress:CIP-Groundwater Recharge			5,835
Construction In Progress:CIP-Recycled Water			180,297
Construction In Progress:CIP-Water System Upgrade-SRF	37921		343,295
Downtown Improvement			589,298
Equipment- Community Center			29,336
Equipment- Sewer			56,669
Equipment- Water			54,625
Land			194,056
Sewer System			1,844,338
Storm Drainage Basin			792,693
Water System			2,559,538
Accounts Payable	737	38658	(108,065)
Accrued Expenses			(13)
Accrued Payroll			(3,834)
Customer Deposits- Comm Ctr	5150		(5,150)
Payroll Liabilities			(1,757)
Utility Deposits			(10,040)
Capital Lease Payable-Deere Cr			(6,309)
Safe Drinking Water- Calif			(1,550)
Safe Drinking Water- Revolving			(79,650)
Opening Balance Equity			(4,202,751)
Retained Earnings	652	1137	(585,786)
Admin Fees			(525)
Late Fees and Penalties			(5,813)
Rents and Concessions		4750	(27,819)
Sales and Services			(466,826)
Bank Charges			950
Communications			7,126
Community Support			1,500
Computer and Internet			8,159

BIOLA COMMUNITY SERVICES DISTRICT

Trial Balance

As of June 30, 2018

	AUDIT AJEs		ADJUSTED TB
	DR	CR	
Continuing Education			5,147
Contractual Services:Plant Operations			60,808
Contractual Services:Solid Waste Disposal			63,332
Depreciation and Amortization			259,140
Fees & Assessments			10,450
Insurance			10,321
Janitorial			1,513
Legal Notices and Publishing			360
Licenses and Permits			31,052
Memberships and Publications			1,328
Miscellaneous			780
Office			4,179
Operating Supplies and Chemical			4,480
Outside Services/Event Comp.			4,994
Penalties			50
Postage and Delivery			946
Professional & Specialized Serv:Accounting			12,275
Professional & Specialized Serv:Audit Fee			8,900
Professional & Specialized Serv:Engineering & Project Mgt			4,651
Professional & Specialized Serv:Legal			13,488
Professional & Specialized Serv:Other Professional Services			6,988
Professional & Specialized Serv:Research and Monitoring			9,199
Rents and Leases Expense:Equipment			1,514
Repairs and Maintenance:Equipment			2,579
Repairs and Maintenance:Structures and Grounds	737	652	36,518
Salaries and Wages:Board Member Compensation			10,300
Salaries and Wages:Holiday Pay			1,430
Salaries and Wages:Overtime Pay			363
Salaries and Wages:Paid Leave			3,259
Salaries and Wages:Payroll Taxes			11,107
Salaries and Wages:Regular Hourly			84,494
Services Charges-Fresno County			797
Small Tools and Equipment			2,784
Travel			1,519
Utilities:Gas and Electric			74,969
Contributed Capital:Federal-Aid for Construction			(32,000)
Contributed Capital:State-Aid for Construction	3310	37921	(329,269)
Interest Revenues			(12,088)
Other Non-Operating Revenues			(7,941)
Property Tax Revenue			(41,955)
Rents and Leases Received			(1,220)
Special Assessment Revenue			(7,245)
Interest Expense			803
TOTAL	87080	87080	0

0

BIOLA COMMUNITY SERVICES DISTRICT
Trial Balance
As of June 30, 2018

AUDIT AJEs		ADJUSTED TB
DR	CR	

total revenues
total expenses

BIOLA COMMUNITY SERVICES DISTRICT

Trial Balance

As of June 30, 2018

Cash-County Treas-Gen Subclass	
Cash-CVC-Project Account	
Cash-LAIF	
Checking- CVB (15037665)	734,303
Accounts Receivable	
Allow for Doubtful Accounts	45,018
Accrued Interest Receivable	3,159
Charge Backs Receivable	
Other Receivables	67,001
Prepaid:Insurance	10,848
Accumulated Depreciation	
Community Center	
Computer Equipment	
Construction In Progress:CIP-5th Street	
Construction In Progress:CIP-Biola Ave Sidewalk-East	
Construction In Progress:CIP-Groundwater Recharge	
Construction In Progress:CIP-Recycled Water	
Construction In Progress:CIP-Water System Upgrade-SRF	
Downtown Improvement	
Equipment- Community Center	
Equipment- Sewer	
Equipment- Water	
Land	
Sewer System	
Storm Drainage Basin	
Water System	4,312,728 \$10manual adjustment for ro
Accounts Payable	-113,656.58
Accrued Expenses	(13)
Accrued Payroll	
Customer Deposits- Comm Ctr	
Payroll Liabilities	
Utility Deposits	-15,190.36
Capital Lease Payable-Deere Cr	
Safe Drinking Water- Calif	
Safe Drinking Water- Revolving	(87,510)
Opening Balance Equity	
Retained Earnings	-4,788,536.75
Admin Fees	
Late Fees and Penalties	
Rents and Concessions	
Sales and Services	(500,983)
Bank Charges	
Communications	
Community Support	
Computer and Internet	

BIOLA COMMUNITY SERVICES DISTRICT

Trial Balance

As of June 30, 2018

Continuing Education	
Contractual Services:Plant Operations	
Contractual Services:Solid Waste Disposal	
Depreciation and Amortization	
Fees & Assessments	
Insurance	
Janitorial	
Legal Notices and Publishing	
Licenses and Permits	
Memberships and Publications	
Miscellaneous	
Office	
Operating Supplies and Chemical	
Outside Services/Event Comp.	
Penalties	
Postage and Delivery	
Professional & Specialized Serv:Accounting	
Professional & Specialized Serv:Audit Fee	
Professional & Specialized Serv:Engineering & Project Mgt	
Professional & Specialized Serv:Legal	
Professional & Specialized Serv:Other Professional Services	
Professional & Specialized Serv:Research and Monitoring	
Rents and Leases Expense:Equipment	
Repairs and Maintenance:Equipment	
Repairs and Maintenance:Structures and Grounds	
Salaries and Wages:Board Member Compensation	
Salaries and Wages:Holiday Pay	
Salaries and Wages:Overtime Pay	
Salaries and Wages:Paid Leave	
Salaries and Wages:Payroll Taxes	
Salaries and Wages:Regular Hourly	
Services Charges-Fresno County	
Small Tools and Equipment	
Travel	
Utilities:Gas and Electric	763747.71
Contributed Capital:Federal-Aid for Construction	
Contributed Capital:State-Aid for Construction	
Interest Revenues	
Other Non-Operating Revenues	
Property Tax Revenue	
Rents and Leases Received	
Special Assessment Revenue	(431,719)
Interest Expense	803
TOTAL	

BIOLA COMMUNITY SERVICES DISTRICT
Trial Balance
As of June 30, 2018

(932,702)

764,551

BIOLA COMMUNITY SERVICES DISTRICT

Trial Balance

As of June 30, 2018

Continuing Education
Contractual Services:Plant Operations
Contractual Services:Solid Waste Disposal
Depreciation and Amortization
Fees & Assessments
Insurance
Janitorial
Legal Notices and Publishing
Licenses and Permits
Memberships and Publications
Miscellaneous
Office
Operating Supplies and Chemical
Outside Services/Event Comp.
Penalties
Postage and Delivery
Professional & Specialized Serv:Accounting
Professional & Specialized Serv:Audit Fee
Professional & Specialized Serv:Engineering & Project Mgt
Professional & Specialized Serv:Legal
Professional & Specialized Serv:Other Professional Services
Professional & Specialized Serv:Research and Monitoring
Rents and Leases Expense:Equipment
Repairs and Maintenance:Equipment
Repairs and Maintenance:Structures and Grounds
Salaries and Wages:Board Member Compensation
Salaries and Wages:Holiday Pay
Salaries and Wages:Overtime Pay
Salaries and Wages:Paid Leave
Salaries and Wages:Payroll Taxes
Salaries and Wages:Regular Hourly
Services Charges-Fresno County
Small Tools and Equipment
Travel
Utilities:Gas and Electric
Contributed Capital:Federal-Aid for Construction
Contributed Capital:State-Aid for Construction
Interest Revenues
Other Non-Operating Revenues
Property Tax Revenue
Rents and Leases Received
Special Assessment Revenue
Interest Expense
TOTAL

BIOLA COMMUNITY SERVICES DISTRICT
Trial Balance
As of June 30, 2018