



Regular Meeting of the Measure T Citizens' Oversight Committee

LOCATION

Madera County Transportation Commission
Board Room
2001 Howard Road, Suite 201
Madera, California 93637

SPECIAL NOTICE: Precautions to address COVID-19 (a.k.a. the "Coronavirus") will apply to this meeting. See below Special Notice for additional details.

DATE

August 12, 2020

TIME

5:00 PM

Citizens' Oversight Committee Members

District 1 Tom Kellner
District 2 Emil Stagnaro
District 3 Wendy Fagan
District 4 Angie Cantu
District 5 John Reed, Chair
Member At Large Courtney Brown
Member at Large Terry Flanagan, Vice Chair

Representatives or individuals with disabilities should contact MCTC at (559) 675-0721 at least three (3) business days in advance of the meeting to request auxiliary aids or other accommodations necessary to participate in the public meeting.

SPECIAL NOTICE

Important Notice Regarding COVID 19

In accordance with Governor Newsom’s Executive Order N-29-20, the Madera County Transportation Commission (MCTC) Board Room will be closed, and the Committee Members and staff will be participating in this meeting via GoToWebinar. In the interest of maintaining appropriate social distancing measures, members of the public may participate in the meeting electronically and shall have the right to observe and offer public comment during the meeting.

You are strongly encouraged to participate by joining the meeting from your computer, tablet, smartphone, or phone.

Please register for the GoToWebinar from your computer, tablet, or smartphone

<https://attendee.gotowebinar.com/register/5598982997729286924>

After registering you will receive a confirmation email containing information about joining the webinar

You can also dial in using your phone

1 (213) 929-4221

1 (877) 309-2074 (Toll Free)

Access Code: 311-644-876

For participation by teleconference only, please use the above phone number and access code. If you participate by teleconference only, you will be in listen-only mode.

If you wish to make a comment on a specific agenda item during the meeting, please use the “Raise Hand” feature in GoToWebinar and you will be called on by the chair during the meeting. If you are participating via telephone only, you can submit your comments via email to publiccomment@maderactc.org or by calling 559-675-0721 **no later than 10:00 am on 8/12/2020**. Comments will be shared with the Policy Board and placed into the record at the meeting. Every effort will be made to read comments received during the meeting into the record, but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

AGENDA

At least 72 hours prior to each regular Citizens' Oversight Committee meeting, a complete agenda packet is available for review on the [MCTC website](#) at or at the MCTC office, 2001 Howard Road, Suite 201, Madera, California 93637. All public records relating to an open session item and copies of staff reports or other written documentation relating to items of business referred to on the agenda are on file at MCTC. Persons with questions concerning agenda items may call MCTC at (559) 675-0721 to make an inquiry regarding the nature of items described in the agenda.

INTERPRETING SERVICES

Interpreting services are not provided at MCTC's public meeting unless requested at least three (3) business days in advance. Please contact MCTC at (559) 675-0721 during regular business hours to request interpreting services.

Servicios de interprete no son ofrecidos en las juntas públicas de MCTC al menos de que se soliciten con tres (3) días de anticipación. Para solicitar éstos servicios por favor contacte a Evelyn Espinosa at (559) 675-0721 x 15 durante horas de oficina.

MEETING CONDUCT

If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

RECORD OF THE MEETING

Citizens' Oversight Committee meetings are recorded. Copies of recordings are available upon request, or recordings may be listened to at the MCTC offices by appointment.

Agenda

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

This portion of the meeting is reserved for persons wishing to address the Committee on items within its jurisdiction but not on the agenda. Note: Prior to action by the Committee on any item on this agenda, the public may comment on that item.

4. APPROVAL OF MINUTES

[A.](#) Meeting Minutes - February 12, 2020

Enclosure: Yes

Action: Approve Minutes

5. MEASURE T COMPLIANCE AUDITS

[A.](#) Measure “T” FY 2018-19 Compliance Audits for the City of Chowchilla, City of Madera, County of Madera, and the Madera County Transportation Authority

Enclosure: Yes

Action: Accept Measure “T” FY 2018-19 Compliance Audits for the City of Chowchilla, City of Madera, County of Madera, and the Madera County Transportation Authority.

6. LOCAL AGENCY UPDATE

[A.](#) City of Chowchilla

[B.](#) City of Madera

C. County of Madera

7. REGIONAL UPDATE

[A.](#) Madera County Transportation Authority

8. OUTREACH EFFORTS

9. ANNUAL REPORT TO THE PUBLIC

A. Citizens' Oversight Committee Annual Report to the Public

10. OTHER ITEMS

- A. Proposed Meeting Schedule
- B. Agenda Items for Next Meeting
- C. Items from Committee Members

11. ADJOURNMENT



Measure T Citizens' Oversight Committee Executive Minutes

Date: Wednesday, February 12, 2020
Time: 5:00 pm
Place: Madera County Transportation Commission
2001 Howard Road, Suite 201
Madera, CA 93637

Members Present: Vice Chairman Wendy Fagan, District 3
Angie Cantu, District 4
John Reed, District 5
Courtney Brown, Member At Large
Terry Flanagan, Member At Large

Members Absent: Chairman Tom Kellner, District 1
Emil Stagnaro, District 2

Local Agency Staff Jason Rogers, City of Chowchilla
Jose Aguilar, City of Madera
Jared Carter, County of Madera

MCTA Staff: Troy McNeil, Fiscal Supervisor/Deputy Director
Dylan Stone, Principal Regional Planner
Amelia Davies, Associate Regional Planner
Sandy Ebersole, Administrative Analyst

Welcome and Introductions

Committee Members and Agency Staff introduced themselves.

1. Public Comment

This portion of the meeting is reserved for persons wishing to address the Committee on items within its jurisdiction but not on the agenda. Note: Prior to action by the Committee on any item on this agenda, the public may comment on that item.

Public Comment – Mr. Tony Ward expressed dissatisfaction on the way the Measure A funds were spent. Mr. Ward requested the COC to challenge each project not in Tier 1 and read the 2017 Strategic Plan and compare it to the 2006 Strategic Plan.

2. Minutes of August 14, 2019 Citizens' Oversight Committee Meeting

Upon motion by Mr. Reed, seconded by Mr. Flanagan, the August 14, 2019 Executive Minutes were approved as written. A vote was called and the motion carried.

3. Election of Chair and Vice Chair

Upon motion by Ms. Fagan, Mr. Reed was nominated as Chair, seconded by Ms. Cantu. A vote was called and the motion carried. Upon motion by Ms. Fagan, Mr. Flanagan was nominated as Vice Chair, seconded by Mr. Reed. aA vote was called and the motion carried.

4. Local Agency Updates

City of Chowchilla – Jason Rogers from the City of Chowchilla presented the City's current Measure T projects:

Completed Projects:

- Wilson Neighborhood Project
- Road 16/5th Street Curve Reconstruction
- Various Pothole Repairs

Scheduled for Construction

- Humboldt Storm Drainage and Road Rehabilitation Design
- General Street Maintenance and Repair

City of Madera –Jose Aguilar from the City of Madera presented the current Measure T Projects:

Completed Projects:

- Schnoor Avenue Road Rehabilitation
- Gateway Drive Road Rehabilitation
- Sunset Avenue Sidewalks

Preliminary Engineering Phase

- City Public Works Chip Seals and Street Maintenance
- Alley Paving at Various Locations
- Almond/Pine/Stadium Road Traffic Study

Scheduled for Construction

- Washington School Sidewalks
- Granada/Howard Traffic Signal
- Olive Avenue Widening and Reconstruction

County of Madera – Jared Carter from the County of Madera presented the MadCoServices app that is available for public use and the County’s current Measure T Projects:

Completed Projects

- Road 38 Grader Cap

Current Projects

- Avenue 26/Road 29 Rehabilitation
- Oakhurst Midtown Connector
- Road 23 Bridge Replacement
- Road 200 Phase 3 Bridge Replacement
- Avenue 7 Rehabilitation
- Pavement Management System
- North Fork Roundabout
- Ongoing Road Maintenance
- Avenue 17/Road 26 Seal
- Avenue 9 – Seal
- Robertson Blvd Rehab
- Road 16 Rehab
- Road 222 – South Shore
- Avenue 9 East
- Road 426 Oakhurst
- Club Drive
- Avenue 18 ½ Rehab – 5 miles
- Avenue 7 Rehab/Overlay – 3.5 miles
- Avenue 12 – 4 miles FDR
- Road 400 – 4.5 miles Overlay

5. Regional Update

Troy McNeil of MCTC presented the current Regional Measure projects:

- 99 Widening – Avenue 12 to Avenue 17 in construction, completion end of 2020
- Oakhurst Mid-Town Connector completing right of way, construction late 2020
- SR 233 Interchange operation improvements, environmental phase has restarted. To be completed in Early 2021

6. Presentation of projects in the Regional Transportation Plan relating to the East-West Corridor

Mr. Stone of MCTC presented projects relating to the east west corridor, Avenue 9 and Avenue 12, commute patterns through Madera County, and an overview of the Regional Transportation Plan and the planning process.

7. Madera County Transportation Authority Outreach Efforts

Amelia Davies of MCTC presented to the Committee the outreach plan for Measure T.

- Draft materials are in development for all outlets including social media, advertising on websites like Sierra Online, newspapers, mail, email blast and community or special/pop-up events. Presentation to the MCTC Policy Board outlining the effort and providing materials to the local agencies to help distribute and post as well.
- Presentations to MCTC Policy Board and the local agencies to evaluate the need of an extension of Measure T.
- If approved by Board, Measure T Extension education program outreach effort consisting of materials to make presentations to service and other groups, attendance at community or special/pop-up events, all regular and social media, email and mail, etc.

8. Other Items

- A. Meeting Schedule – the next scheduled meeting will be Wednesday, August 12, 2020.
- B. Agenda Items for Next Meeting
- C. COC requested a workshop with original Tier 1 projects not completed with an explanation for project changes.
- D. Items from Committee Members – Mr. Flanagan would like Mr. Reed, Chairman, to work with MCTC staff to develop the agenda for the August 12, 2020 meeting.
- E. Items from Staff – there were none.

9. Adjournment

Upon motion by Ms. Fagan, the meeting adjourned at 6:49 pm.



STAFF REPORT

Citizens' Oversight Committee Meeting of August 12, 2020

AGENDA ITEM: 5-A

PREPARED BY: Sandy Ebersole, Administrative Analyst

SUBJECT:

Measure "T" FY 2018-19 Compliance Audits for the City of Chowchilla, City of Madera, County of Madera, and the Madera County Transportation Authority

Enclosure: Yes

Action: Accept Measure "T" FY 2018-19 Compliance Audits for the City of Chowchilla, City of Madera, County of Madera, and the Madera County Transportation Authority.

SUMMARY:

MCTA has received the Measure "T" Compliance Audit Reports for the Fiscal Year ended June 30, 2019 for the City of Chowchilla, City of Madera, County of Madera, and the Madera County Transportation Authority. These reports are done in accordance with Section 99245 of the Public Utilities Code by Price Paige and Company.

We are pleased to report there are no adverse findings.

MCTC Measure T

Presentation of the June 30, 2019 Financial
Statement Audits to the Oversight Committee

August 12, 2020

Henry Oum, CPA

Kristin Torres, CPA



PRICE PAIGE & COMPANY
Accountancy Corporation

AGENDA

- About the Firm
- Audit Process
- Audit Areas of Emphasis
- Auditors Reports
- Required Communications
- Discussion/Questions



PPC Background

- Founded in 1976 – 40 years
- Top 10 firm in Fresno and surrounding counties
 - Deep specialization in serving governments
 - Over 80 audits of municipalities, special districts, counties and nonprofit organizations
- PPC consists of 40 dedicated employees, including 15 CPA's



Engagement Management Team

- Henry Oum, CPA - Audit Engagement Partner
- Fausto Hinojosa, CPA, CFE – Quality Control Reviewer
- Kristin Torres– Audit Senior
- This team of professionals has over 30 years of combined experience providing audit services



Audit Process

- Assess Risks of Material Error & Fraud
 - Obtain understanding of financial and related operations
 - Internal Control
 - Effectively designed?
 - Placed in operation?
- Develop procedures to obtain evidence about financial statement balances/transactions



Key Audit Areas of Emphasis

- Revenues and Receivables
- Expenses
- Compliance



Auditors Report on Financial Statements

- Unmodified opinions (clean opinions)
- Audit performed in accordance with AICPA and Government Auditing Standards
- Financial statements are **fairly presented** in all **material** respects
- Significant accounting policies have been consistently applied
- Disclosures are properly reflected in the financial statements
- No new accounting pronouncements adopted in FY2019



Financial Summary

	City of Chowchilla	City of Madera	County of Madera
Assets	\$ 1,430,023	\$ 10,399,953	\$ 13,815,744
Revenues	\$ 597,790	\$ 3,309,956	\$ 3,906,648
Expenses	\$ (471,472)	\$ (1,287,824)	\$ (2,641,152)
Net Change	\$ 126,318	\$ 2,022,132	\$ 1,265,496



Government Auditing Standards Report

- Internal Control
 - No control deficiencies identified
- Compliance
 - No instances of noncompliance identified



Required Communications

- Significant Accounting Policies – No changes
- Significant Estimates – None
- Sensitive Disclosures – Compliance
- Difficulties Encountered in Performing Audit – None
- Significant Audit Adjustments – None
- Disagreements with Management – None
- Fraud and Illegal Acts – None identified



Questions



**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND**

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

**FOR THE YEAR ENDED
JUNE 30, 2019**

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Madera County Transportation Commission
Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure "T" Fund of the City of Chowchilla, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund's 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 opinions on these financial statements based on our audit. We conducted our audit 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. 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 City'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 City's internal control as it relates to the Measure "T" Fund. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "T" Fund of the City of Chowchilla, California as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Clovis, CA 93611
tel 559.299.9540
fax 559.299.2344

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure "T" Fund of the City of Chowchilla and do not purport to, and do not present fairly the financial position of the City, as of June 30, 2019, and the changes in financial position or 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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 12-13 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's Measure "T" Fund's financial statements. The Balance Sheet by Funding Source and the Schedule of Revenues and Expenditures by Funding Source (the Schedules) are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2020, on our consideration of the City's internal control over financial reporting as it relates to the Measure "T" Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure "T" Fund.

Price Paice & Company

Clovis, California
April 28, 2020

FINANCIAL STATEMENTS

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET
JUNE 30, 2019**

ASSETS

Cash and investments	\$ 1,329,079
Due from MCTA	<u>100,944</u>
 Total assets	 <u>\$ 1,430,023</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenues	\$ <u>36,920</u>
 Total deferred inflows of resources	 <u>36,920</u>

FUND BALANCE

Restricted for highway and streets	<u>1,393,103</u>
 Total fund balance	 <u>1,393,103</u>

Total deferred inflows of resources and fund balance	 <u>\$ 1,430,023</u>
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**CITY OF CHOWCHILLA, CALIFORNIA
 MEASURE "T" FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES	
Measure "T" sales tax	\$ 575,870
Interest	<u>21,920</u>
Total revenues	<u>597,790</u>
 EXPENDITURES	
Debt service:	
Principal	<u>159,264</u>
Total expenditures	<u>159,264</u>
Excess of revenues over (under) expenditures	<u>438,526</u>
 OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(312,208)</u>
Total other financing sources (uses)	<u>(312,208)</u>
Net change in fund balance	126,318
Fund balance - beginning	<u>1,266,785</u>
Fund balance - ending	<u><u>\$ 1,393,103</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION

Description of Reporting Entity

The accompanying financial statements present only the Measure "T" Transportation Sales Tax Fund as recorded in the Measure "T" Fund of the City of Chowchilla, California (the City) and are not intended to present fairly the financial position, changes in financial position, or cash flows of the City with accounting principles generally accepted in the United States of America.

Basis of Accounting and Measurement Focus

The financial statements of the Measure "T" Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. 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 Measure "T" Fund's accounting policies are described below.

The Measure "T" Fund is a governmental fund specifically categorized as a special revenue fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes. Governmental funds are accounted for on a "current financial resources" measurement focus and the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Measure "T" Fund are intergovernmental revenues. Expenditures are recorded in the accompanying period in which the related fund liability is incurred.

Intergovernmental revenues (primarily grants and subventions), which are received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues, which are usually restricted as to use, are revocable only for failure to meet prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier, if they meet the availability criterion.

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.

Due from Madera County Transportation Authority (MCTA)

Due from MCTA consists of the Measure "T" allocations due from Madera Commission Transportation Authority. As of June 30, 2019, the balance of \$100,944 is related to the fourth quarter and excess disbursements of the fiscal year 2019 Measure "T" allocations.

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION (Continued)

Unavailable Revenue

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations. The City received the excess allocations of fiscal year 2019 Measure "T" monies after the available period (60 days after year-end).

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance

Amounts cannot be spent either because they are in nonspendable form (such as inventory or prepaid expense, and long-term loans and notes receivable) or because they are legally or contractually required to be maintained intact (such as principal of a permanent fund).

Restricted Fund Balance

Amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, contributors, or laws or regulations of other governments, etc.) or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by City Council, the City's highest level of decision-making authority, through an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified uses through the same type of formal action taken to establish the commitment.

Assigned Fund Balance

Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. For all governmental funds other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed must be designated as assigned fund balance.

Unassigned Fund Balance

This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the City.

The City would typically use restricted fund balances first, followed by committee resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS

The Measure "T" Fund participates in the City's cash and investments pool that includes all other City funds, which the City Treasurer invests to enhance interest earnings. Interest income from the investment of pooled cash is allocated on an accounting basis based on the period-end cash and investment balance of the funds as a percentage of the total pooled cash balance.

The City participates in an investment pool managed by the State of California, titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Assets-Backed Securities. The City values all of its cash and investments at fair value on a portfolio basis. The City manages its pooled idle cash and investments under a formal investment policy that is adopted and reviewed by the City Council, and that follows the guidelines of the State of California Government Code.

Citywide information concerning cash and investments for the year ended June 30, 2019, including authorized investments, custodial credit risk, credit and interest rate risk for debt securities and concentration of investments, carrying amount and market value of deposits and investments, may be found in the notes of the City's financial statements.

NOTE 3 – LONG-TERM DEBT

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

	<u>June 30, 2018</u>	<u>Reductions</u>	<u>June 30, 2019</u>	<u>Amount Due Within One Year</u>
Measure T Interprogram Loan (MCTA)	\$ 157,500	\$ (157,500)	\$ -	\$ -
Total Long-Term Debt	<u>\$ 157,500</u>	<u>\$ (157,500)</u>	<u>\$ -</u>	<u>\$ -</u>

The City entered into a loan agreement in 2009, with the Madera County Transportation Authority to receive an advance of Measure "T" revenues. The loan is a lien on the City's portion of the Regional Rehabilitation/Reconstruction/Maintenance Program and Safe Routes to School and Job Program. Principal is payable annually on June 30 in the amount of \$157,500, plus interest payments calculated as the total principal outstanding times the average LAIF rate for the prior calendar year. The final payment on this loan was made during the year ended June 30, 2019.

Long-term debt is not reported on the balance sheet which uses the "current financial resources" measurement focus and the modified accrual basis of accounting as required by the Generally Accepted Accounting Principles (GAAP). However, under the modified accrual basis of accounting, the principal on the long-term debt is reported on the statement of revenues, expenditures and changes in fund balances.

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items to report as a deferred outflow of resources.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of deferred inflows, unavailable revenues, which totaled \$36,920 as of June 30, 2019.

NOTE 5 – TRANSFERS

Transfers for the year ended June 30, 2019 are summarized as follows:

	<u>Transfers Out</u>
Measure T Fund	\$ 312,208 ⁽¹⁾

⁽¹⁾ Measure T Fund transferred \$212,948 to Streets and Roads (LTF) for street maintenance and operational costs and \$99,260 to the Capital Projects Fund for the Wilson Scholl Project.

NOTE 6 – SUBSEQUENT EVENT

On March 11, 2020 the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California issued a shelter in-place order and the temporary closure of all businesses deemed to be nonessential. Accordingly, there will be a contraction of the national, state and City's economy, which will potentially result in a reduction and/or delay of the receipt of tax revenues. While the City expects there to potentially be a negative financial impact, since the duration and impact is unknown, management is unable to reasonably quantify the effect on future financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CHOWCHILLA, CALIFORNIA
 MEASURE "T" FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Measure "T" sales tax	\$ 379,010	\$ 379,010	\$ 575,870	\$ 196,860
Interest	<u>8,225</u>	<u>8,225</u>	<u>21,920</u>	<u>13,695</u>
Total revenues	<u>387,235</u>	<u>387,235</u>	<u>597,790</u>	<u>210,555</u>
EXPENDITURES				
Debt service:				
Principal	158,133	169,233	159,264	9,969
Interest expense	<u>1,420</u>	<u>1,420</u>	<u>-</u>	<u>1,420</u>
Total expenditures	<u>159,553</u>	<u>170,653</u>	<u>159,264</u>	<u>11,389</u>
Excess of revenues over (under) expenditures	<u>227,682</u>	<u>216,582</u>	<u>438,526</u>	<u>221,944</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>(463,763)</u>	<u>(463,763)</u>	<u>(312,208)</u>	<u>151,555</u>
Total other financing sources (uses)	<u>(463,763)</u>	<u>(463,763)</u>	<u>(312,208)</u>	<u>151,555</u>
Net change in fund balance	<u>\$ (236,081)</u>	<u>\$ (247,181)</u>	126,318	<u>\$ 373,499</u>
Fund balance - beginning			<u>1,266,785</u>	
Fund balance - ending			<u>\$ 1,393,103</u>	

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

BUDGETARY INFORMATION

The City of Chowchilla, California (the City) establishes annual budgets for the Measure "T" Fund. Except for encumbrances and long-term projects in progress, which are carried forward to the following year, all appropriations remaining will lapse at year-end. The following procedures are followed in establishing the budgetary data reflected in the budgetary comparison schedules:

- 1) The department heads prepare a budget request based upon the previous year's expenditures.
- 2) A meeting is held between the department heads, Finance Director and the City Administrator for the purpose of reviewing and prioritizing the budget requests.
- 3) The City Administrator submits the proposed City Budget to the City Council, who makes decisions regarding department budgets.
- 4) The approved budget is placed in the City's accounting system and monitored by the Finance Department, as well as by the department heads.

Department heads may, with the City Administrator's authorization, transfer amounts between line items which do not change the original operational budget appropriation limit of the department. The transfers between departments and funds require approval of the City Council.

- 5) Budgets are adopted on the modified accrual basis. Revenues are budgeted in the year receipt is expected, and expenditures are budgeted in the year in which the applicable purchase orders are to be made. Budgeted amounts are maintained as originally adopted until further amended as described above. The level of control (level at which expenditures may not exceed budget) is at the fund levels for the Measure "T" Fund.

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SUPPLEMENTARY INFORMATION

**CITY OF CHOWCHILLA, CALIFORNIA
 MEASURE "T" FUND
 BALANCE SHEET
 BY FUNDING SOURCE
 JUNE 30, 2019**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Fund Total
ASSETS					
Cash and investments	\$ 340,327	\$ 780,278	\$ 105,626	\$ 102,848	\$ 1,329,079
Due from MCTA	<u>49,213</u>	<u>43,841</u>	<u>3,945</u>	<u>3,945</u>	<u>100,944</u>
Total assets	<u>\$ 389,540</u>	<u>\$ 824,119</u>	<u>\$ 109,571</u>	<u>\$ 106,793</u>	<u>\$ 1,430,023</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	\$ 17,981	\$ 16,045	\$ 1,447	\$ 1,447	\$ 36,920
Total deferred inflows of resources	<u>17,981</u>	<u>16,045</u>	<u>1,447</u>	<u>1,447</u>	<u>36,920</u>
FUND BALANCE					
Restricted for highway and streets	<u>371,559</u>	<u>808,074</u>	<u>108,124</u>	<u>105,346</u>	<u>1,393,103</u>
Total fund balance	<u>371,559</u>	<u>808,074</u>	<u>108,124</u>	<u>105,346</u>	<u>1,393,103</u>
Total deferred inflows of resources and fund balance	<u>\$ 389,540</u>	<u>\$ 824,119</u>	<u>\$ 109,571</u>	<u>\$ 106,793</u>	<u>\$ 1,430,023</u>

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BY FUNDING SOURCE
FOR THE YEAR ENDED JUNE 30, 2019**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Fund Total
REVENUES					
Measure "T" sales tax	\$ 280,912	\$ 250,011	\$ 22,474	\$ 22,473	\$ 575,870
Interest	<u>7,254</u>	<u>11,850</u>	<u>1,429</u>	<u>1,387</u>	<u>21,920</u>
Total revenues	<u>288,166</u>	<u>261,861</u>	<u>23,903</u>	<u>23,860</u>	<u>597,790</u>
EXPENDITURES					
Debt service:					
Principal	<u>104,586</u>	<u>54,678</u>	<u>-</u>	<u>-</u>	<u>159,264</u>
Total expenditures	<u>104,586</u>	<u>54,678</u>	<u>-</u>	<u>-</u>	<u>159,264</u>
Excess of revenues over (under) expenditures	<u>183,580</u>	<u>207,183</u>	<u>23,903</u>	<u>23,860</u>	<u>438,526</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(212,948)</u>	<u>(99,260)</u>	<u>-</u>	<u>-</u>	<u>(312,208)</u>
Total other financing sources (uses)	<u>(212,948)</u>	<u>(99,260)</u>	<u>-</u>	<u>-</u>	<u>(312,208)</u>
Net change in fund balance	(29,368)	107,923	23,903	23,860	126,318
Fund balance - beginning	<u>400,927</u>	<u>700,151</u>	<u>84,221</u>	<u>81,486</u>	<u>1,266,785</u>
Fund balance - ending	<u>\$ 371,559</u>	<u>\$ 808,074</u>	<u>\$ 108,124</u>	<u>\$ 105,346</u>	<u>\$ 1,393,103</u>

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OTHER INDEPENDENT AUDITOR'S REPORT

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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* AND THE
RULES AND REGULATIONS OF THE MEASURE "T" ENABLING LEGISLATION

To the Board of Commissioners
Madera County Transportation Commission
Madera, California

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 Measure "T" Fund of the City of Chowchilla, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund's financial statements, and have issued our report thereon dated April 28, 2020, which included an explanatory paragraph describing that the financial statements only present the City's Measure "T" Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as it relates to the Measure "T" Fund, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City'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 City's Measure "T" Fund 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. 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 City's Measure "T" Fund 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. Our audit was further made to determine that allocations made and expended by the City were made in accordance with the Measure "T" Enabling Legislation. However, providing an

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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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance as it relates to the Measure "T" Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Clovis, California
April 28, 2020

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND**

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

**FOR THE YEAR ENDED
JUNE 30, 2019**

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Madera County Transportation Commission
Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure "T" Fund of the City of Madera, California (the City), as of and for the year ended June 30, 2019, 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 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 City'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 City's internal control as it relates to the Measure "T" Fund. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "T" Fund of the City of Madera, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure "T" Fund of the City of Madera, California and do not purport to, and do not present fairly the financial position of the City as of June 30, 2019, and the changes in its financial position 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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 12-13 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure "T" Fund's financial statements. The Balance Sheet by Funding Source and the Schedule of Revenues and Expenditures by Funding Source (the Schedules) are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2020 on our consideration of the City's internal control over financial reporting as it relates to the Measure "T" Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure "T" Fund.



Clovis, California
June 5, 2020

FINANCIAL STATEMENTS

**CITY OF MADERA, CALIFORNIA
 MEASURE "T" FUND
 BALANCE SHEET
 JUNE 30, 2019**

ASSETS

Current Assets:

Cash and investments	\$ 9,316,752
Due from other government	<u>1,083,201</u>

Total assets	<u><u>\$ 10,399,953</u></u>
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LIABILITIES

Current Liabilities:

Accounts payable	\$ <u>8,900</u>
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Total liabilities	<u>8,900</u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenues	<u>199,081</u>
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Total deferred inflows of resources	<u>199,081</u>
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FUND BALANCE

Restricted for highway and streets	<u>10,191,972</u>
------------------------------------	-------------------

Total fund balance	<u>10,191,972</u>
--------------------	-------------------

Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 10,399,953</u></u>
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**CITY OF MADERA, CALIFORNIA
 MEASURE "T" FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES	
Measure "T" sales tax	\$ 3,082,623
Interest	<u>227,333</u>
Total revenues	<u>3,309,956</u>
EXPENDITURES	
Highway and streets	<u>863,854</u>
Total expenditures	<u>863,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,446,102</u>
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(423,970)</u>
Total other financing sources (uses)	<u>(423,970)</u>
Net change in fund balance	2,022,132
Fund balance - beginning	<u>8,169,840</u>
Fund balance - ending	<u>\$ 10,191,972</u>

The accompanying notes are an integral part of this statement.

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION

Description of Reporting Entity

The accompanying financial statements present only the Measure "T" Fund as recorded in the City of Madera (the City) and are not intended to present fairly the financial position, change in financial position or cash flows of the City with accounting principles generally accepted in the United States of America.

Basis of Accounting and Measurement Focus

The financial statements of the Measure "T" Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. 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 Measure "T" Fund's accounting policies are described below.

The Measure "T" Fund is a governmental fund specifically categorized as a special revenue fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Governmental funds are accounted for on a spending of "current financial resources" measurement focus and the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Measure "T" Fund are intergovernmental revenues. Expenditures are recorded in the accompanying period in which the related fund liability is incurred.

Intergovernmental revenues (primarily grants and subventions), which are received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues, which are usually unrestricted as to use and are revocable only for failure to meet prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier, if they meet the availability criterion.

Unavailable Revenue

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations.

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance

Amounts cannot be spent either because they are in nonspendable form (such as inventory or prepaid expense, and long-term loans and notes receivable) or because they are legally or contractually required to be maintained intact (such as principal of a permanent fund).

Restricted Fund Balance

Amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, contributors, or laws or regulations of other governments, etc.) or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by City Council, the City's highest level of decision-making authority, through an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified uses through the same type of formal action taken to establish the commitment.

Assigned Fund Balance

Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. For all governmental funds other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed must be designated as assigned fund balance.

Unassigned Fund Balance

This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the City.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS

The Measure "T" Fund participates in the City's cash and investments pool that includes all other City funds, which the City Treasurer invests to enhance interest earnings. Income from the investment of pooled cash is allocated on a quarterly basis, based upon the actual daily balance of the fund as a percentage of the total pooled cash balance.

The City participates in an investment pool managed by the State of California, titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Assets-Backed Securities. The City values all of its cash and investments at fair value on a portfolio basis. The City manages its pooled idle cash and investments under a formal investment policy that is adopted and reviewed by the City Council, and that follows the guidelines of the State of California Government Code.

Citywide information concerning cash and investments for the year ended June 30, 2019, including authorized investments, custodial credit risk, credit and interest rate risk for debt securities and concentration of investments, carrying amount and market value of deposits and investments, may be found in the notes of the City's Financial Statements.

NOTE 3 – DUE FROM OTHER GOVERNMENT

Due from other government consists of the Measure "T" allocations due from Madera Commission Transportation Authority. As of June 30, 2019, the balance of \$1,083,201 is related to the third quarter, fourth quarter and excess disbursements of the fiscal year 2018-2019 Measure "T" allocations.

NOTE 4 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Measure "T" Fund has no items to report in this category.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Measure "T" Fund has one type of deferred inflows, unavailable revenues, which totaled \$199,081 as of June 30, 2019.

NOTE 5 – TRANSFERS

Transfers for the year ended June 30, 2019 are summarized as follows:

	<u>Transfers Out</u>
Measure "T" Fund	\$ 423,970

The Measure "T" Fund's transferred amount was to supplement the Streets operations.

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 – SUBSEQUENT EVENT

On March 11, 2020 the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. In response, the State of California issued a shelter in-place order and the temporary closure of all businesses deemed to be nonessential. Accordingly, there will be a contraction of the national, state and City's economy, which will potentially result in a reduction and/or delay of the receipt of tax revenues. While the City expects there to potentially be a negative financial impact, since the duration and impact is unknown, management is unable to reasonably quantify the effect on future financial statements.

Management has evaluated and concluded that there are no other subsequent events that have occurred from June 30, 2019 through the date the financial statements were available to be issued at June 5, 2020 that would require disclosure or adjustment.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MADERA, CALIFORNIA
 MEASURE "T" FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Measure "T" sales tax	\$ 2,899,631	\$ 2,899,631	\$ 3,082,623	\$ 182,992
Interest	-	-	227,333	227,333
Total revenues	<u>2,899,631</u>	<u>2,899,631</u>	<u>3,309,956</u>	<u>410,325</u>
EXPENDITURES				
Highway and streets	<u>1,003,152</u>	<u>7,350,034</u>	<u>863,854</u>	<u>6,486,180</u>
Total expenditures	<u>1,003,152</u>	<u>7,350,034</u>	<u>863,854</u>	<u>6,486,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,896,479</u>	<u>(4,450,403)</u>	<u>2,446,102</u>	<u>6,896,505</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(863,933)</u>	<u>(863,933)</u>	<u>(423,970)</u>	<u>439,963</u>
Total other financing sources (uses)	<u>(863,933)</u>	<u>(863,933)</u>	<u>(423,970)</u>	<u>439,963</u>
Net change in fund balance	1,032,546	(5,314,336)	2,022,132	7,336,468
Fund balance - beginning	<u>8,169,840</u>	<u>8,169,840</u>	<u>8,169,840</u>	<u>-</u>
Fund balance - ending	<u>\$ 9,202,386</u>	<u>\$ 2,855,504</u>	<u>\$ 10,191,972</u>	<u>\$ 7,336,468</u>

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

BUDGETARY INFORMATION

The City establishes annual budgets for the Measure "T" Fund. Except for encumbrances and long-term projects in progress, which are carried forward to the following year, all appropriations remaining will lapse at year-end. The following procedures are followed in establishing the budgetary data reflected in the budgetary comparison schedules:

- 1) The department heads prepare a budget request based upon the previous year's expenditures.
- 2) A meeting is held between the department heads, the Finance Director and the City Administrator for the purpose of reviewing and prioritizing the budget requests.
- 3) The City Administrator submits the proposed City budget to the City Council, who makes decisions regarding department budgets.
- 4) The approved budget is placed in the City accounting system and monitored by the Finance Department as well as by the department heads.

Department heads may, with the City Administrator's authorization, transfer amounts between line items which do not change the original operational budget appropriation limit of the department. The transfers between departments and funds require approval of the City Council.

- 5) Budgets are adopted on the modified accrual basis. Revenues are budgeted in the year receipt is expected, and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued. Budgeted amounts are maintained as originally adopted and as further amended by the City Council. The level of control (level at which expenditures may not exceed budget) is at fund level for the Measure "T" Fund.

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OTHER SUPPLEMENTARY INFORMATION

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET BY FUNDING SOURCE
JUNE 30, 2019**

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
ASSETS					
Current Assets:					
Cash and investments	\$ 7,009,444	\$ 1,599,869	\$ 387,765	\$ 319,674	\$ 9,316,752
Due from other government	<u>528,392</u>	<u>470,269</u>	<u>42,269</u>	<u>42,271</u>	<u>1,083,201</u>
Total assets	<u>\$ 7,537,836</u>	<u>\$ 2,070,138</u>	<u>\$ 430,034</u>	<u>\$ 361,945</u>	<u>\$ 10,399,953</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 8,830	\$ -	\$ -	\$ 70	\$ 8,900
Total liabilities	<u>8,830</u>	<u>-</u>	<u>-</u>	<u>70</u>	<u>8,900</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>97,113</u>	<u>86,431</u>	<u>7,768</u>	<u>7,769</u>	<u>199,081</u>
Total deferred inflows of resources	<u>97,113</u>	<u>86,431</u>	<u>7,768</u>	<u>7,769</u>	<u>199,081</u>
FUND BALANCE					
Restricted	<u>7,431,893</u>	<u>1,983,707</u>	<u>422,266</u>	<u>354,106</u>	<u>10,191,972</u>
Total fund balance	<u>7,431,893</u>	<u>1,983,707</u>	<u>422,266</u>	<u>354,106</u>	<u>10,191,972</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,537,836</u>	<u>\$ 2,070,138</u>	<u>\$ 430,034</u>	<u>\$ 361,945</u>	<u>\$ 10,399,953</u>

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BY FUNDING SOURCE
FOR THE YEAR ENDED JUNE 30, 2019**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
REVENUES					
Measure "T" sales tax	\$ 1,503,721	\$ 1,338,311	\$ 120,293	\$ 120,298	\$ 3,082,623
Interest	<u>168,199</u>	<u>43,132</u>	<u>8,773</u>	<u>7,229</u>	<u>227,333</u>
Total revenues	<u>1,671,920</u>	<u>1,381,443</u>	<u>129,066</u>	<u>127,527</u>	<u>3,309,956</u>
EXPENDITURES					
Highway and streets	<u>854,073</u>	<u>5,385</u>	<u>-</u>	<u>4,396</u>	<u>863,854</u>
Total expenditures	<u>854,073</u>	<u>5,385</u>	<u>-</u>	<u>4,396</u>	<u>863,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>817,847</u>	<u>1,376,058</u>	<u>129,066</u>	<u>123,131</u>	<u>2,446,102</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>-</u>	<u>(423,970)</u>	<u>-</u>	<u>-</u>	<u>(423,970)</u>
Total other financing sources (uses)	<u>-</u>	<u>(423,970)</u>	<u>-</u>	<u>-</u>	<u>(423,970)</u>
Net change in fund balance	817,847	952,088	129,066	123,131	2,022,132
Fund balance - beginning	<u>6,614,046</u>	<u>1,031,619</u>	<u>293,200</u>	<u>230,975</u>	<u>8,169,840</u>
Fund balance - ending	<u>\$ 7,431,893</u>	<u>\$ 1,983,707</u>	<u>\$ 422,266</u>	<u>\$ 354,106</u>	<u>\$ 10,191,972</u>

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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* AND THE
RULES AND REGULATIONS OF THE MEASURE "T" ENABLING LEGISLATION

To the Board of Commissioners
Madera County Transportation Commission
Madera, California

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 Measure "T" Fund of the City of Madera, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund's financial statements, and have issued our report thereon dated June 5, 2020, which included an explanatory paragraph that the financial statements only present the Measure "T" Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control), as it relates to the Measure "T" Fund, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City'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 Measure "T" Fund'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. 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure "T" Fund'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. Our audit was further made to determine that allocations made and expended by the City were made in accordance with the Measure "T" Enabling Legislation. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance as it relates to the Measure "T" Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Price & Company

Clovis, California
June 5, 2020

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND**

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

**FOR THE YEAR ENDED
JUNE 30, 2019**

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Madera County Transportation Commission
Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure "T" Fund of the County of Madera, California (the County), as of and for the year ended June 30, 2019, 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 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 County'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 County's internal control as it relates to the Measure "T" Fund. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "T" Fund of the County of Madera, California as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure "T" Fund of the County of Madera, California and do not purport to, and do not present fairly the financial position of the County, as of June 30, 2019, the changes in its financial position 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 (MD&A) and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure "T" Fund's financial statements. The Balance Sheet by Funding Source and the Schedule of Revenues and Expenditures by Funding Source (the Schedules) are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2020 on our consideration of the County's internal control over financial reporting as it relates to the Measure "T" Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance as it relates to the Measure "T" Fund.

Price Paige & Company

Clovis, California
April 28, 2020

FINANCIAL STATEMENTS

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET
JUNE 30, 2019**

ASSETS

Current Assets:

Cash	\$ 13,160,219
Due from other government	<u>655,525</u>

Total assets	<u>\$ 13,815,744</u>
--------------	----------------------

LIABILITIES

Accounts payable	\$ 10,485
Due to other funds	<u>2,176,978</u>

Total liabilities	<u>2,187,463</u>
-------------------	------------------

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	<u>238,365</u>
---------------------	----------------

Total deferred inflows of resources	<u>238,365</u>
-------------------------------------	----------------

FUND BALANCE

Restricted	<u>11,389,916</u>
------------	-------------------

Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 13,815,744</u>
--	----------------------

**COUNTY OF MADERA, CALIFORNIA
 MEASURE "T" FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES	
Measure "T" sales tax	\$ 3,701,281
Interest	<u>205,367</u>
Total revenues	<u>3,906,648</u>
EXPENDITURES	
Highway and streets	<u>2,641,152</u>
Total expenditures	<u>2,641,152</u>
Net change in fund balance	1,265,496
Fund balance - beginning	<u>10,124,420</u>
Fund balance - ending	<u>\$ 11,389,916</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION

Description of Reporting Entity

The accompanying financial statements present only the Measure "T" Fund as recorded in the County of Madera (the County) and are not intended to present fairly the financial position, changes in financial position, or cash flows of the County with accounting principles generally accepted in the United States of America.

Basis of Accounting and Measurement Focus

The financial statements of the Measure "T" Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. 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 Measure "T" Fund's accounting policies are described below.

The Measure "T" Fund is a governmental fund specifically categorized as a special revenue fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Governmental funds are accounted for on a spending of "current financial resources" measurement focus and the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Measure "T" Fund are intergovernmental revenues. Expenditures are recorded in the accompanying period in which the related fund liability is incurred.

Intergovernmental revenues (primarily grants and subventions), which are received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues, which are usually unrestricted as to use and are revocable only for failure to meet prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier, if they meet the availability criterion.

Unavailable Revenue

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The County records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations.

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance

Amounts cannot be spent either because they are in nonspendable form (such as inventory or prepaid expense, and long-term loans and notes receivable) or because they are legally or contractually required to be maintained intact (such as principal of a permanent fund).

Restricted Fund Balance

Amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, contributors, or laws or regulations of other governments, etc.) or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Supervisors, the County's highest level of decision-making authority, through an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified uses through the same type of formal action taken to establish the commitment.

Assigned Fund Balance

Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the Board of Supervisors or its designee and may be changed at the discretion of the Board of Supervisors or its designee. For all governmental funds other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed must be designated as assigned fund balance.

Unassigned Fund Balance

This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the County.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the committed, assigned, and unassigned resources as they are needed.

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS

The Measure "T" Fund participates in the County's cash and investments pool that includes all other County funds, which the County Treasurer invests to enhance interest earnings. Income from the investment of pooled cash is allocated on a quarterly basis, based upon the actual daily balance of the fund as a percentage of the total pooled cash balance.

The County participates in an investment pool managed by the State of California, titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Assets-Backed Securities. The County values all of its cash and investments at fair value on a portfolio basis. The County manages its pooled idle cash and investments under a formal investment policy that is adopted and reviewed by the County Council, and that follows the guidelines of the State of California Government Code.

Countywide information concerning cash and investments for the year ended June 30, 2019, including authorized investments, custodial credit risk, credit and interest rate risk for debt securities and concentration of investments, carrying amount and market value of deposits and investments, may be found in the notes of the County's Financial Statement.

NOTE 3 – DUE FROM OTHER GOVERNMENT

Due from other government consists of the Measure "T" allocations due from Madera Commission Transportation Authority. As of June 30, 2019, the balance of \$655,525 is related to the fourth quarter and excess disbursements of the fiscal year 2018-19 Measure "T" allocations.

NOTE 4 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items to report in this category.

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of deferred inflows, unavailable revenues, which totaled \$238,365 as of June 30, 2019.

NOTE 5 – SUBSEQUENT EVENT

On March 11, 2020 the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California issued a shelter in-place order and the temporary closure of all businesses deemed to be nonessential. Accordingly, there will be a contraction of the national, state and County's economy, which will potentially result in a reduction and/or delay of the receipt of tax revenues. While the County expects there to potentially be a negative financial impact, since the duration and impact is unknown, management is unable to reasonably quantify the effect on future financial statements.

SUPPLEMENTARY INFORMATION

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET
BY FUNDING SOURCE
JUNE 30, 2019**

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Eliminations	Total
ASSETS						
Current Assets:						
Cash	\$ 6,688,740	\$ 5,595,648	\$ 91,765	\$ 784,066	\$ -	\$ 13,160,219
Due from other divisions	-	274,193	-	-	(274,193)	-
Due from other government	<u>319,768</u>	<u>308,002</u>	<u>2,174</u>	<u>25,581</u>	<u>-</u>	<u>655,525</u>
Total assets	<u>\$ 7,008,508</u>	<u>\$ 6,177,843</u>	<u>\$ 93,939</u>	<u>\$ 809,647</u>	<u>\$ (274,193)</u>	<u>\$ 13,815,744</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 10,485	\$ -	\$ -	\$ -	\$ -	\$ 10,485
Due to other divisions	274,193	-	-	-	(274,193)	-
Due to other funds	<u>119,993</u>	<u>2,056,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,176,978</u>
Total liabilities	<u>404,671</u>	<u>2,056,985</u>	<u>-</u>	<u>-</u>	<u>(274,193)</u>	<u>2,187,463</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>116,275</u>	<u>111,997</u>	<u>791</u>	<u>9,302</u>	<u>-</u>	<u>238,365</u>
Total deferred inflows of resources	<u>116,275</u>	<u>111,997</u>	<u>791</u>	<u>9,302</u>	<u>-</u>	<u>238,365</u>
FUND BALANCE						
Restricted	<u>6,487,562</u>	<u>4,008,861</u>	<u>93,148</u>	<u>800,345</u>	<u>-</u>	<u>11,389,916</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 7,008,508</u>	<u>\$ 6,177,843</u>	<u>\$ 93,939</u>	<u>\$ 809,647</u>	<u>\$ (274,193)</u>	<u>\$ 13,815,744</u>

**COUNTY OF MADERA, CALIFORNIA
 MEASURE "T" FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BY FUNDING SOURCE
 FOR THE YEAR ENDED JUNE 30, 2019**

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
REVENUES					
Measure "T" sales tax	\$ 1,805,501	\$ 1,739,063	\$ 12,277	\$ 144,440	\$ 3,701,281
Interest	<u>103,261</u>	<u>88,146</u>	<u>1,492</u>	<u>12,468</u>	<u>205,367</u>
 Total revenues	 <u>1,908,762</u>	 <u>1,827,209</u>	 <u>13,769</u>	 <u>156,908</u>	 <u>3,906,648</u>
EXPENDITURES					
Highway and streets	<u>450,283</u>	<u>2,190,869</u>	<u>-</u>	<u>-</u>	<u>2,641,152</u>
 Total expenditures	 <u>450,283</u>	 <u>2,190,869</u>	 <u>-</u>	 <u>-</u>	 <u>2,641,152</u>
Net changes in fund balance	1,458,479	(363,660)	13,769	156,908	1,265,496
Fund balance - beginning (restated)	<u>5,029,083</u>	<u>4,372,521</u>	<u>79,379</u>	<u>643,437</u>	<u>10,124,420</u>
Fund balance - ending	<u>\$ 6,487,562</u>	<u>\$ 4,008,861</u>	<u>\$ 93,148</u>	<u>\$ 800,345</u>	<u>\$ 11,389,916</u>

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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* AND THE
RULES AND REGULATIONS OF THE MEASURE "T" ENABLING LEGISLATION

To the Board of Commissioners
Madera County Transportation Commission
Madera, California

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 Measure "T" Fund of the County of Madera, California (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund's financial statements, and have issued our report thereon dated April 28, 2020, which included an explanatory paragraph that the financial statements only present the County's Measure "T" Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control), as it relates to the Measure "T" Fund, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County's internal control. Accordingly, we do not express an opinion on the effectiveness of County'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 Measure "T" Fund'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. 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 County's Measure "T" Fund'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. Our audit was further made to determine that allocations made and

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expended by the County were made in accordance with the Measure "T" Enabling Legislation. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance as it relates to the Measure "T" Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Clovis, California
April 28, 2020

**MADERA COUNTY TRANSPORTATION
AUTHORITY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2019**

MADERA COUNTY TRANSPORTATION AUTHORITY

JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Madera County Transportation Authority
Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madera County Transportation Authority (the "Authority") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 Authority'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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 34-35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Measure T Sales Tax Receipts is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Measure T Sales Tax Receipts is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Measure T Sales Tax Receipts is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Clovis, California
January 22, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

As management of the Madera County Transportation Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2019. We encourage the readers to consider the information presented here in conjunction with the Authority's financial audit.

Financial Highlights

1. The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$52,122 (net position).
2. The Authority's total net position for the fiscal year ended June 30, 2019, increased by \$84,218 primarily because of lower expenditures on budgeted capital expenditures.
3. As of the close of the current fiscal year, the Authority's governmental funds reported a combined ending net assets balance of \$11,743,269, a decrease of \$1,598,425 in comparison with the prior year. Approximately \$10,955,008 is reserved for specific regional capital projects and road improvements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The first two statements in the basic financial statements are **Government-Wide Financial Statements**. They provide both short and long-term information about the Authority's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Authority's government. These financial statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental fund statements and 2) the fiduciary and agency fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner like a private-sector business, and consist of the following two statements:

The **statement of net position** presents information on the Authority's net position and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The **statement of activities** presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, the revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The government-wide financial statements report on the functions of the Authority that are principally supported by sales tax revenues. The Authority's function is to provide administration and planning services for the Measure T program.

The government-wide financial statements can be found on pages 10 to 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Madera County Transportation Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, tax revenue fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Trust funds. Trust funds are used to account for Measure T resources held for the benefit of local agencies (City of Madera, County of Madera, and the City of Chowchilla). The Authority has one trust fund (Measure T Trust Funds). Trust funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Authority's programs.

The basic trust fund financial statements can be found on pages 18 through 19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 32 of this report.

Other information. This report also presents certain required supplemental information concerning compliance with the Authority's annual budget for the general fund which is the Authority's main operating fund. This information and associated notes immediately follow the basic financial statements and their accompanying notes.

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Government-Wide Financial Analysis

Following are the government-wide financial statements for the fiscal year ended June 30, 2019:

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$52,122 at the close of the fiscal year 2018-2019.

**MCTA Net Position
Figure 1**

	<u>2019</u>	<u>2018</u>	<u>% Change</u>
Assets:			
Current assets	\$ 10,133,767	\$ 8,439,395	20%
Noncurrent assets	<u>3,070,422</u>	<u>7,834,804</u>	-61%
Total assets	<u>13,204,189</u>	<u>16,274,199</u>	
Liabilities:			
Current liabilities	1,659,876	3,157,906	-47%
Long-term liabilities	<u>11,492,191</u>	<u>13,148,389</u>	-13%
Total liabilities	<u>13,152,067</u>	<u>16,306,295</u>	
Net position:			
Restricted	3,070,911	-	100%
Unrestricted	<u>(3,018,789)</u>	<u>(32,096)</u>	9305%
Total net position	<u>\$ 52,122</u>	<u>\$ (32,096)</u>	

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

**MCTA Changes in Net Position
Figure 2**

	<u>2019</u>	<u>2018</u>	<u>% Change</u>
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 83,882	\$ 93,362	-10%
General revenues:			
Sales taxes	5,203,253	4,675,244	11%
Interest income	<u>208,555</u>	<u>161,563</u>	29%
Total revenues	<u>5,495,690</u>	<u>4,930,169</u>	11%
Expenses:			
Public ways and facilities	4,820,909	1,529,110	215%
Interest on long-term debt	<u>590,563</u>	<u>667,768</u>	-12%
Total expenses	<u>5,411,472</u>	<u>2,196,878</u>	146%
Change in net position	84,218	2,733,291	-97%
Net position - beginning	<u>(32,096)</u>	<u>(2,765,387)</u>	-99%
Net position - ending	<u>\$ 52,122</u>	<u>\$ (32,096)</u>	

Governmental Activities: The Authority's net position increased by \$84,218 for the fiscal year ended June 30, 2019. The Figure 2 table above indicates the change in net position for governmental activities. The key elements of this increase are primarily attributable to lower capital project expenditures than anticipated. Budget and fund financial statements reflect the modified accrual basis of accounting under U.S. generally accepted accounting principles. Under this approach, capital assets purchased and debt principal payments are recorded as expenditures. Further, revenues are accrued if measurable and available within the Authority's availability period established at 90 days. Conversely, the statement of activities is reported under the accrual basis of accounting, which capitalizes capital asset purchases, reduces liabilities by principal payments and recognizes revenues collected after the 90-day period.

The Authority's Funds

As the Authority completed this year, our governmental funds reported a combined fund balance of \$11,743,269, which is a decrease of \$1,598,425 from last year.

The primary reasons for these changes are:

1. The general fund is our principal operating fund. The fund balance in the general fund changed by \$1,408 due to interest earned.
2. The capital projects fund decreased by \$1,599,833 due to expenditures on capital projects.

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

General Fund Budgetary Highlights

During the year there was no change between the original budget and the final budget for the General Fund. Actual revenues were more than the final budget by \$13,357 and expenditures were more than the final budget by \$11,949. The net effect of these differences results in a change of \$1,408 in the fund balance in the general fund.

Long-Term Obligations

At the end of 2019, the Authority had \$11,492,191 in debt outstanding. The debt consisted of Series 2009 and 2010 of the sales tax revenue bonds (see Note 7).

Economic Factors and Next Year's Budget

The Authority began to receive sales tax revenues under Measure T in 2007/08. As approved by Madera County voters in November 2006, Measure T provides funding for all modes of transportation and enables agencies within the County to address the needs of residents, businesses, and major industries in providing for road improvements, public transit, and other programs that improve mobility and air quality.

The following economic factors were considered in preparing the Authority's fiscal year 2019-20 budget:

- Projected an increase of 4% in sales tax receipts in 2019-20 compared to actual sales tax receipts in 2018-19
- Estimated expenditures for capital projects in the amount of \$9,592,709
- Bond Debt Service in the amount of \$2,278,126

Contacting Madera County 2006 Transportation Authority's Financial Manager

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Additional financial information can be obtained by contacting Patricia Taylor, Executive Director, Madera County 2006 Transportation Authority, 2001 Howard Road, Suite 201, Madera, California 93637.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Governmental Activities
ASSETS	
Cash and investments	\$ 9,208,666
Measure T sales tax receivable	925,101
Restricted assets:	
Cash and investments	3,070,422
Total assets	13,204,189
LIABILITIES	
Accounts payable	24,705
Interest payable	198,956
Due to trust funds	1,296,528
Due to other governments	139,687
Long-term liabilities:	
Portion due or payable within one year:	
Bond payable	1,690,000
Portion due or payable after one year:	
Bond payable	9,802,191
Total liabilities	13,152,067
NET POSITION	
Restricted for:	
Debt service	771,406
Capital projects	2,299,505
Unrestricted	(3,018,789)
Total net position	\$ 52,122

The accompanying notes are an integral part of these financial statements.

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary government:				
Governmental activities:				
Public ways and facilities	\$ 4,820,909	\$ -	\$ 83,882	\$ (4,737,027)
Interest on long-term debt	<u>590,563</u>	<u>-</u>	<u>-</u>	<u>(590,563)</u>
Total primary government	<u>\$ 5,411,472</u>	<u>\$ -</u>	<u>\$ 83,882</u>	<u>(5,327,590)</u>
General revenues:				
Taxes:				
Sales taxes				5,203,253
Interest income				<u>208,555</u>
Total general revenues				<u>5,411,808</u>
Change in net position				84,218
Net position - beginning				<u>(32,096)</u>
Net position - ending				<u>\$ 52,122</u>

The accompanying notes are an integral part of these financial statements.

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FUND FINANCIAL STATEMENTS

**MADERA COUNTY TRANSPORTATION AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 2,048,551	\$ 7,160,115	\$ 9,208,666
Restricted cash and investments	-	3,070,422	3,070,422
Due from other funds	-	643,624	643,624
Receivables:			
Measure T sales tax	<u>18,976</u>	<u>906,125</u>	<u>925,101</u>
 Total assets	 <u>\$ 2,067,527</u>	 <u>\$ 11,780,286</u>	 <u>\$ 13,847,813</u>
LIABILITIES			
Accounts payable	\$ -	\$ 24,705	\$ 24,705
Due to other funds	643,624	-	643,624
Due to trust funds	1,296,528	-	1,296,528
Due to other governments	<u>110,520</u>	<u>29,167</u>	<u>139,687</u>
 Total liabilities	 <u>2,050,672</u>	 <u>53,872</u>	 <u>2,104,544</u>
FUND BALANCES			
Restricted:			
Debt service	-	771,406	771,406
Capital projects	-	2,299,505	2,299,505
Assigned:			
Road improvements	-	8,655,503	8,655,503
Unassigned	<u>16,855</u>	<u>-</u>	<u>16,855</u>
 Total fund balances	 <u>16,855</u>	 <u>11,726,414</u>	 <u>11,743,269</u>
 Total liabilities and fund balances	 <u>\$ 2,067,527</u>	 <u>\$ 11,780,286</u>	 <u>\$ 13,847,813</u>

The accompanying notes are an integral part of these financial statements.

**MADERA COUNTY TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2019**

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

Total fund balances - governmental funds	\$ 11,743,269
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds:</p>	
Bonds payable	(11,492,191)
<p>Unmatured interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.</p>	
	<u>(198,956)</u>
Net position of governmental activities	<u>\$ 52,122</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Sales tax	\$ 106,733	\$ 5,096,520	\$ 5,203,253
Federal revenue	-	83,882	83,882
Interest revenue	<u>1,924</u>	<u>206,631</u>	<u>208,555</u>
Total revenues	<u>108,657</u>	<u>5,387,033</u>	<u>5,495,690</u>
EXPENDITURES			
Current:			
Public ways and facilities:			
Administration and planning	107,249	29,167	136,416
Debt service:			
Principal	-	1,605,000	1,605,000
Interest	-	671,254	671,254
Capital outlay - road improvements	<u>-</u>	<u>4,681,445</u>	<u>4,681,445</u>
Total expenditures	<u>107,249</u>	<u>6,986,866</u>	<u>7,094,115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,408</u>	<u>(1,599,833)</u>	<u>(1,598,425)</u>
Net change in fund balances	1,408	(1,599,833)	(1,598,425)
Fund balances - beginning	<u>15,447</u>	<u>13,326,247</u>	<u>13,341,694</u>
Fund balances - ending	<u>\$ 16,855</u>	<u>\$ 11,726,414</u>	<u>\$ 11,743,269</u>

The accompanying notes are an integral part of these financial statements.

**MADERA COUNTY TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

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

Net change in fund balances - total governmental funds	\$ (1,598,425)
<p>Proceeds from long-term debt provide current financial sources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, however, in the statement of net position the repayment reduces long-term liabilities.</p>	
Repayment of long-term debt	1,605,000
<p>Premiums on bonds are amortized over the term of the bond in the government-wide statements but are recorded as an other source of funds in the year of issue on the governmental fund statements.</p>	
	51,198
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Change in interest payable	<u>26,445</u>
Change in net position of governmental activities	<u>\$ 84,218</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
JUNE 30, 2019**

	Trust Fund
ASSETS	
Cash and investments	\$ 3,600
Measure T sales tax receivable	972,542
Due from general fund	1,296,528
Total assets	\$ 2,272,670
LIABILITIES	
Due to other governments	\$ 2,269,067
Total liabilities	2,269,067
NET POSITION	
Held in trust	3,603
Total net position	3,603
Total liabilities and net position	\$ 2,272,670

The accompanying notes are an integral part of these financial statements.

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Trust Fund
ADDITIONS	
Sales tax	\$ 5,470,087
Investment income	29,376
Total additions	5,499,463
DEDUCTIONS	
Disbursements to local agencies	5,499,450
Total deductions	5,499,450
Change in net position	13
Net position - beginning	3,590
Net position - ending	\$ 3,603

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Financial Reporting Entity

The Madera County Transportation Authority (the “Authority”) was created by the approval of Measure T by the voters of Madera County (the “County”) in November 2006. Measure T authorized the imposition of a ½% retail transaction and use tax (“sales tax”) in the County for 20 years through the year 2027.

The proceeds from Measure T are principally reserved for regional projects, local transportation, public transportation, and environmental enhancement.

The sales tax revenues received by the Authority under Measure T, after deducting certain administrative costs, are to be spent for programs as set forth in the investment plan included in Measure T and approved by the voters of the County.

The primary elements of the Measure T Program consist of the following:

Commute Corridor/Farm to Market Program (Regional Transportation Program) – authorizes major new projects to improve freeway interchanges, adds additional lanes, increases safety as determined by the local jurisdictions, and improves and reconstructs major commute corridors.

Safe Routes to Schools and Jobs Program (Local Transportation Program) – goal of this program is to improve each individual City’s and the County’s local transportation systems.

Transit Enhancement Program (Public Transportation Program) – goal of this program is to expand or enhance public transit programs that address the transit dependent population and have a demonstrated ability to get people out of their cars and improve air quality.

Environmental Enhancement Program – goal of this program is to improve air quality and the environment through four programs: environmental mitigation, air quality, bicycle/pedestrian facilities, and car/van pools.

Administration and Planning Program – funding is provided to the Authority to prepare investment plan updates, develop allocation program requirements, and administer and conduct specified activities identified in the other four programs.

Madera County Transportation Authority Structure Under the Measure T Program

The Authority administers the Measure T Program in compliance with PUC 180000. The Authority is responsible for administering the Measure T Program in accordance with plans and programs outlined in the Investment Plan and any subsequent updates.

PUC180000 includes provisions regarding the number of members on the Authority Board. Specifically, the Authority is represented by six (6) members including:

- ♦ Three (3) members of the Board of Supervisors, appointed by the Board.
- ♦ Two (2) members representing the City of Madera, consisting of members of the city council, appointed by the city council.
- ♦ One (1) member representing the City of Chowchilla consisting of a member of the city council, appointed by the city council.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements

The basic financial statements consist of the following:

- ♦ Government-wide financial statements
- ♦ Fund financial statements
- ♦ Notes to the basic financial statements

The government-wide financial statements consist of the statement of net position and the statement of activities, and report information on all of the non-fiduciary activities of the Primary Government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated.

Both of the government-wide and fund financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues (governmental activities).

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Indirect expenses are allocated based on the annual cost allocation plan. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items, not properly included among program revenues, are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and trust funds, even though the latter are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting and Financial Statement

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the trust funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred. However, debt service expenditures and claims and judgments, are recorded only when payment is due and payable.

The fund financial statements provide information about the Authority's individual funds including governmental and trust funds. Separate statements for each fund category are presented. The balance sheet and the statement of revenues, expenditures and changes in fund balances focus on the presentation of major governmental funds – the general fund and capital projects funds. These two statements are used to report information regarding the Authority's own operations and programs. The statement of fiduciary net position and the statement of changes in fiduciary net position provide information regarding the sales tax proceeds and related disbursements, which are exclusively restricted for local agencies for the support of regional public transit, local transportation and regional transportation within the County. Disbursements of Measure T funds during the fiscal year ended June 30, 2019 were made to the Cities of Madera and Chowchilla and the County of Madera.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement (Continued)

The Authority reports the following major governmental funds:

General Fund – the Authority’s primary operating fund – used to account for all the financial resources and the legally authorized activities of the Authority except those required to be accounted for in other specialized funds.

Capital Projects Fund – used to account for the accumulation of resources to be used to pay the costs of capital projects designated by Measure T.

Additionally, the Authority reports the following fiduciary fund:

Private-purpose Trust Fund – used to account for Measure T sales tax funds held by the Authority in a trustee capacity.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Authority does not consider amounts invested in external investment pools, such as the Madera County Treasury, to be cash equivalents.

Deposits with the Madera County Treasury

The Authority deposits all funds received in the County Treasury. Funds in the County Treasury participate in the County’s pooled investments, an external investment pool. The County Treasurer invests the Authority’s excess cash in an external investment pool on behalf of the Authority and other governments maintaining cash in the County Treasury. The County apportions a portion of the interest earned on pooled investments on the basis of the fund’s average balance. Investment policies and associated risk factors applicable to the Madera County Transportation Authority are those of the County of Madera. All of the County’s investments in securities are insured, registered, or are held by the County or its agents in the County’s name.

The County of Madera Board of Supervisors exercises primary oversight responsibility for the County of Madera’s investments. The County Treasurer manages the portfolio and reports results to the Board. A Madera County Treasury Oversight Committee consisting of the County Treasurer, the Auditor-Controller, and a third member representing the County schools (the primary external pool participant) also monitors the Treasury’s investment on a regular basis. No regulatory agency outside of the County of Madera exercises any regulatory responsibilities over the County’s investments. The County’s pool is not registered with the SEC as an investment company.

Interfund Balances

Sales tax receipts from the State are deposited into the General Fund upon receipt and subsequently transferred to the Capital Projects and Trust Funds. Amounts that have not been transferred between funds at the end of the fiscal year, as well as all other outstanding balances between funds are reported as “due to/from other funds”. Internal balances are eliminated in the statement of net position.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Payable

Accounts payable reported in the financial statements of the Authority are amounts that are due and payable at year-end and, thereby, accrued as an expense and liability. Accounts payable primarily consist of capital outlay costs for road improvements.

Interest Payable

In the government-wide financial statements, interest payable of long-term debt is recognized as the liability is incurred for governmental fund types and proprietary fund types.

In the fund financial statements, proprietary fund types recognize the interest payable when the liability is incurred.

Long-Term Obligations

In the government-wide financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Authority did not have any nonspendable resources as of June 30, 2019.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board Commissioners. These amounts cannot be used for any other purpose unless the Board Commissioners removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Authority did not have any committed resources as of June 30, 2019.
- **Assigned:** This classification includes amounts that are constrained by the Authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board Commissioners or through the Board Commissioners delegating this responsibility to the Authority Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- **Unassigned:** This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the Authority.

The Authority's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as restricted and unrestricted.

Restricted Net Position – This category presents external restrictions imposed by creditor, 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 Authority, not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted net position area available, the Authority's policy is to apply restricted net position first.

Use of Management Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A reconciliation of the total fund balances for governmental funds to the total net position of governmental activities has been prepared as part of the basic financial statements, including explanations of differences.

A reconciliation of the total net change in fund balances for governmental funds to the total changes in net position of governmental activities has been prepared as part of the basic financial statements, including explanations of differences.

NOTE 3 – SUMMARY OF RELATED PARTY TRANSACTIONS

Madera County Transportation Commission (the “Commission”) maintains the Madera County Transportation Authority’s accounting records and incurs various administrative and other expenses on behalf of the Authority. Expenses incurred by the Authority to the Commission in the 2018-2019 fiscal year totaled to \$136,416. The total accounts payable to the Commission was \$139,687 for the year ended June 30, 2019.

NOTE 4 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 9,208,666
Restricted cash and investments	3,070,422
Statement of Fiduciary Net Position:	
Trust fund	<u>3,600</u>
Total cash and investments	<u>\$ 12,282,688</u>

Cash and investments as of June 30, 2019 consist of the following:

County investment pool	\$ 11,511,771
Investments	<u>770,917</u>
Total cash and investments	<u>\$ 12,282,688</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Medium-Term Notes	5 years	None	None
Mutual Funds	n/a	None	None
Money Market Mutual Funds	n/a	None	None
Mortgage Pass-Through Securities	5 years	None	None
County Pooled Investment Funds	n/a	100%	None
Local Agency Investment Fund (LAIF)	n/a	None	None

Investments Authorized by Debt Agreements

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, in accordance with the provisions of the Government Code of the State of California. All funds of the Authority have been invested in the commingled investment pool of the County of Madera, California.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 – CASH AND INVESTMENTS (Continued)

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.

Information about the sensitivity of the fair values of the Authority’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority’s investment by maturity:

Investment Type	Amount	Remaining Maturity Date
Governmental Activities:		
County investment pool	\$ 11,511,771	12 months or less
Held by bond trustee:		
BlackRock Treasury Trust Institutional	<u>770,917</u>	12 months or less
Total	<u>\$ 12,282,688</u>	

Disclosures Related to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority’s investment policy, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Rating as of Year-End	
		AAAm	Not Rated
Governmental Activities:			
County investment pool	\$ 11,511,771	\$ -	\$ 11,511,771
Held by bond trustee:			
BlackRock Treasury Trust Institutional	<u>770,917</u>	<u>770,917</u>	<u>-</u>
Total	<u>\$ 12,282,688</u>	<u>\$ 770,917</u>	<u>\$ 11,511,771</u>

Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer, with the exception to Banker’s Acceptances, which has a maximum percentage of 40%.

Investments in any one issuer that represent 5 percent or more of total investments by reporting unit is as follows:

- The Authority holds investments of \$770,917 in Blackrock Treasury Trust Institutional.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 – CASH AND INVESTMENTS (Continued)

Fair Value Hierarchy

The Authority categorizes its fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Fair value measurements of the Authority's investments are as follows at June 30, 2019.

- Investment in the County's pooled investments: valued at \$11,511,771. The County invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, the County's pool investments are not an investment type that can be categorized in any particular level in the fair value hierarchy.
- Investments held by bond trustee: valued at \$770,917, invested in BlackRock Treasury Trust Institutional, a Level 1 input.

NOTE 5 – INTERFUND BALANCES

Due To/Due From

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed and are expected to be paid shortly after the end of the fiscal year.

Activities within due from/due to other fund balances at June 30, 2019 are as follows:

	Due from	Due to	
General Fund	\$ -	\$ 1,940,152	
Capital Projects Fund	643,624	-	
Total Governmental Funds	643,624	1,940,152	
Trust Funds	1,296,528	-	
Total	\$ 1,940,152	\$ 1,940,152	

NOTE 6 – NOTES RECEIVABLE

In April 2009, the Authority's Board of Commissioners approved an inter-program loan in the amount of \$1,575,000 to the City of Chowchilla to accelerate the delivery of the City of Chowchilla's Measure T Improvement Projects. The loan is due in ten annual principal payments of \$157,500 beginning June 30, 2010, plus interest at a variable rate based on the LAIF rates. The note receivable was paid off as of June 30, 2019.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 – LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2019 consisted of the following:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due within One Year
Sales Tax Revenue Bonds:					
Series 2009	\$ 3,535,000	\$ -	\$ (440,000)	\$ 3,095,000	\$ 475,000
Series 2010	9,255,000	-	(1,165,000)	8,090,000	1,215,000
Series 2010-premiums, net of amortization	<u>358,389</u>	-	<u>(51,198)</u>	<u>307,191</u>	<u>-</u>
Total	<u>\$ 13,148,389</u>	<u>\$ -</u>	<u>\$ (1,656,198)</u>	<u>\$ 11,492,191</u>	<u>\$ 1,690,000</u>

Payments on the sales tax revenue bonds are made by the Capital Projects Fund.

SERIES 2009

The series 2009 bonds were issued on October 28, 2009, with a maturity date of September 1, 2024, and an interest rate of 7.44%. Annual principal reductions on the bonds range from \$80,000 to \$335,000. The bonds are secured by sales tax revenues. There is a provision in the bonds whereby in the event of default the lender may declare the entire unpaid principal and interest immediately due and payable.

Annual debt service requirements to maturity of the series 2009 bonds are as follows:

Fiscal Years Ending June 30	Principal	Interest	Total
2020	\$ 475,000	\$ 221,526	\$ 696,526
2021	510,000	185,628	695,628
2022	550,000	146,940	696,940
2023	590,000	105,276	695,276
2024	635,000	60,636	695,636
2025	<u>335,000</u>	<u>12,462</u>	<u>347,462</u>
Total	<u>\$ 3,095,000</u>	<u>\$ 732,468</u>	<u>\$ 3,827,468</u>

SERIES 2010

The series 2010 bonds were issued on June 29, 2010, with a maturity date of March 1, 2025, and an interest rate between 2.00-4.00%. Annual principal reductions on the bonds range from \$630,000 to \$1,505,000. The bonds are secured by sales tax revenues. There is a provision in the bonds whereby in the event of default the lender may declare the entire unpaid principal and interest immediately due and payable.

Annual debt service requirements to maturity of the series 2010 bonds are as follows:

Fiscal Years Ending June 30	Principal	Interest	Total
2020	\$ 1,215,000	\$ 366,600	\$ 1,581,600
2021	1,260,000	318,000	1,578,000
2022	1,315,000	267,600	1,582,600
2023	1,365,000	215,000	1,580,000
2024	1,430,000	146,750	1,576,750
2025	<u>1,505,000</u>	<u>75,250</u>	<u>1,580,250</u>
Total	<u>\$ 8,090,000</u>	<u>\$ 1,389,200</u>	<u>\$ 9,479,200</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, injuries to employees, and natural disasters. The Authority manages and finances these risks by purchasing commercial insurance for which a \$1,000 deductible applies. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the Authority’s commercial insurance coverage in any of the past three years.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Authority has entered into various cooperative agreements with governmental entities amounting to a total commitment of approximately \$44,705,714. The Authority has made cumulative expenditures of \$42,424,818 on these commitments through June 30, 2019; therefore, the Authority’s outstanding commitments at June 30, 2019, total \$2,280,896.

As of June 30, 2019, the Authority had the following commitments with respect to the unfinished capital projects:

<u>Project</u>	<u>Amount</u>	<u>Completion Date</u>
SR 41 Passing Lanes	\$ 988,072	12/31/19
SR 99/Ave 12 Interchange	469,972	12/31/19
SR 99 - Ave 12 to Ave 17 Widening (E&P, PS&E, R/W)	104,991	12/31/19
Oakhurst Mid Town Connector (Through R/W)	700,891	06/30/20
SR 233 Interchange Operational Improvements (Through E&P)	16,970	06/30/20
	<u>\$ 2,280,896</u>	

REQUIRED SUPPLEMENTARY INFORMATION

**MADERA COUNTY TRANSPORTATION AUTHORITY
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 95,300	\$ 95,300	\$ 106,733	\$ 11,433
Interest revenue	<u>-</u>	<u>-</u>	<u>1,924</u>	<u>1,924</u>
Total revenues	<u>95,300</u>	<u>95,300</u>	<u>108,657</u>	<u>13,357</u>
EXPENDITURES				
Administration and planning	<u>95,300</u>	<u>95,300</u>	<u>107,249</u>	<u>(11,949)</u>
Total expenditures	<u>95,300</u>	<u>95,300</u>	<u>107,249</u>	<u>(11,949)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,408</u>	<u>1,408</u>
Net change in fund balances	-	-	1,408	1,408
Fund balance - beginning	<u>15,447</u>	<u>15,447</u>	<u>15,447</u>	<u>-</u>
Fund balance - ending	<u>\$ 15,447</u>	<u>\$ 15,447</u>	<u>\$ 16,855</u>	<u>\$ 1,408</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

BUDGETS AND BUDGETARY DATA

The Authority adopts a legal annual operating budget for its general fund. All budget transfers and expenditures are approved by the Board or by the Authority Administrator prior to disbursement. The legal level of budgetary control is at the account balance level. The final budget revenue and expenditure amounts represent the original budget modified by any amendments and adjustments that have occurred during the year. Unencumbered appropriations lapse at year-end.

A budgetary comparison schedule for the general fund is presented on page 34. Its purpose is to demonstrate compliance with the approved budget for fiscal year 2018-2019. Actual expenditures appearing on the schedule are presented using the accrual method of accounting.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2019, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Administration and planning	\$ 11,949

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SUPPLEMENTARY INFORMATION

**MADERA COUNTY TRANSPORTATION AUTHORITY
 SCHEDULE OF MEASURE T SALES TAX RECEIPTS
 JUNE 30, 2019**

Fiscal Year	Total Sales Tax Receipts *	Changes from Previous Year
2007/08	\$ 7,707,106	--
2008/09	7,311,825	-5.13%
2009/10	6,118,354	-16.32%
2010/11	6,939,324	13.42%
2011/12	7,775,292	12.05%
2012/13	7,960,277	2.38%
2013/14	8,439,910	6.03%
2014/15	9,017,126	6.84%
2015/16	9,327,292	3.44%
2016/17	9,521,593	2.08%
2017/18	9,810,897	3.04%
2018/19	10,398,296	5.99%

* Net of State Board of Equalization fees

OTHER AUDITOR'S REPORT

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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 Commissioners
Madera County Transportation Authority
Madera, California

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, each major fund, and the aggregate remaining fund information of the Madera County Transportation Authority (the "Authority") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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. 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.

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Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Madera County Transportation Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Paige & Company

Clovis, California
January 22, 2020

**MADERA COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	_____ Yes <u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None Reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

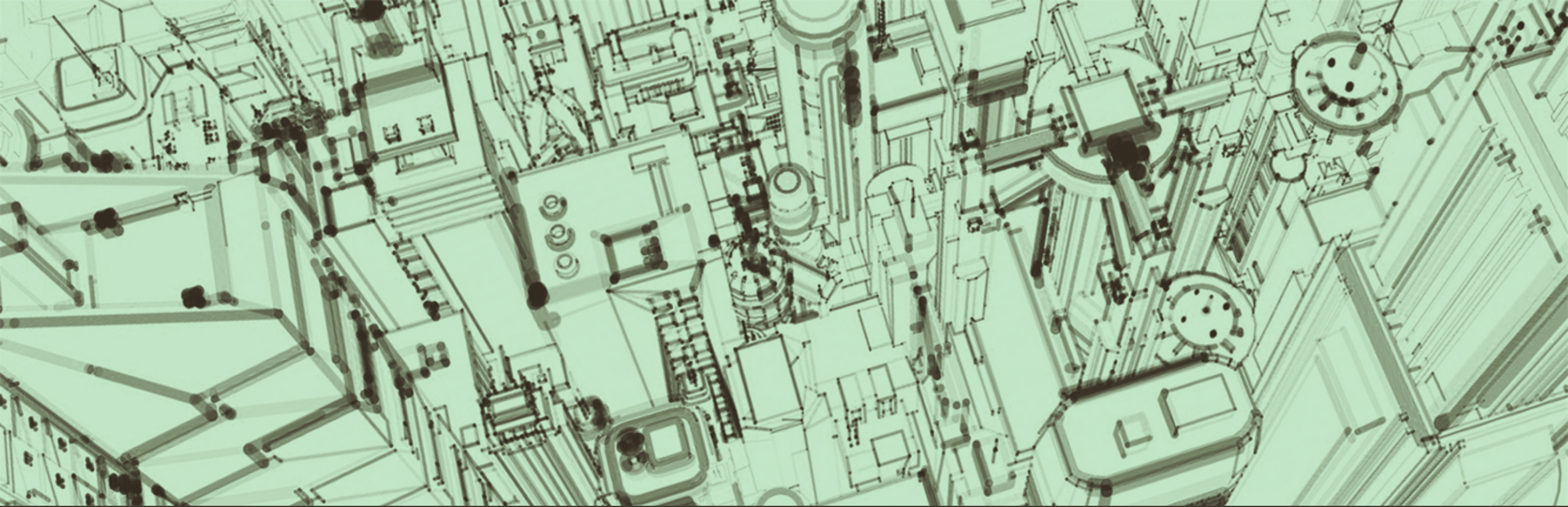
SECTION II – FINANCIAL STATEMENT FINDINGS

No findings reported.

**MADERA COUNTY TRANSPORTATION AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENT FINDINGS

No findings reported.



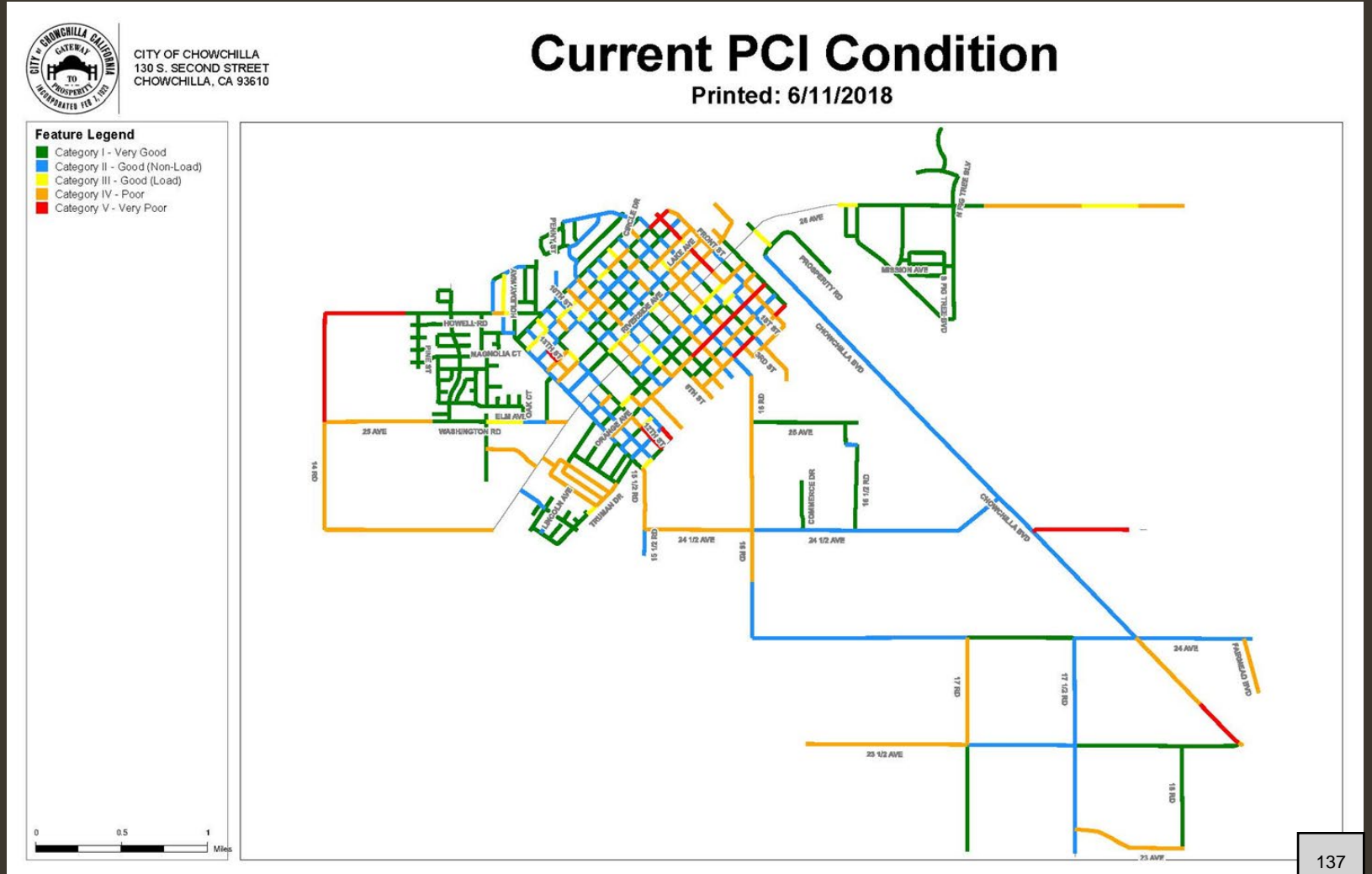
City of Chowchilla

Citizen's Oversight Committee, August 12, 2020



Chowchilla Streets Overview

- 62.9 miles
- Current PCI - 65



Chowchilla Measure T 2020-21 Allocations

MEASURE T CATEGORY	AMOUNT
Commute Corridors/Farm to Market (Regional)	
Rehab, Reconstruct, Maintenance Program	\$156,500
Safe Routes to School & Jobs (Local)	
Street Maintenance Program	\$ 81,380
Supplemental Street Maintenance Program	\$ 54,775
Flexible Program (Impounded by MCTC)	\$136,155
ADA Compliance	\$ 3,130
Transit Enhancement Program (Public)	\$ 11,456
ADA / Seniors / Paratransit	\$ 1,064
Environmental Enhancement Program	\$ 12,520
Total	\$320,825

Flexible Program Funds not included in total

Allocations have been reduced by approx. 26% due to COVID-19 impacts, an overall loss of \$160,560 of funds.

Projects Completed in 2019-20

- Wilson School Area Pedestrian Improvements and Orange/6th Street Rehabilitation Project Completed
- Road 16 / 5th Street Curve Reconstruction Project Completed
- Various Pothole repairs/patching
- Total project costs of approx. \$960,000
- Total Measure T used on these projects was \$220,000.



Orange Avenue Improvements



Pothole patching



Road 16 Reconstruction

Upcoming Projects 2020-21

- Humboldt Storm Drainage and Road Rehabilitation Design – Est. \$950,461 of Measure T allocated for total project. Construction estimated in 2022.
- Ave. 24 ½ Shoulder Paving CMAQ Project. \$55,349 of Measure T allocated. Construction estimated in Summer 2021.
- SR 99/233 Interchange Project (Roundabouts) - \$600,000 currently being used for completion of Environmental. Unknown construction date.
- Additionally, Measure T will continue to be used for general street maintenance and repair.



Conclusion

- The City of Chowchilla will continue to use various fund combinations, Measure T, Gas Tax, CMAQ, LTF, etc. in order to address the City's transportation needs.
- Questions?





Citizens' Oversight Committee Meeting | August 12, 2020

Introduction

- The City of Madera uses Measure T funds to support various programs as outlined in the Annual Work Plan (AWP) submitted to the Madera County Transportation Authority (MCTA).
- Measure T funds are also used to leverage State and/or Federal funds.
- The following slides expand on specific projects highlighting funds leveraged when applicable.

Rehab, Reconstruction, Maintenance Program 25% of the City's Measure T Funds

- This past year

2018-19 City Streets 3R & ADA Project, R-000070

- Measure T – 3R... \$350,000
- SB-1/LPP \$180,000
- Pavement rehabilitation with various types of seal coats and AC overlays on various arterial and collector streets
- Completed January 2020

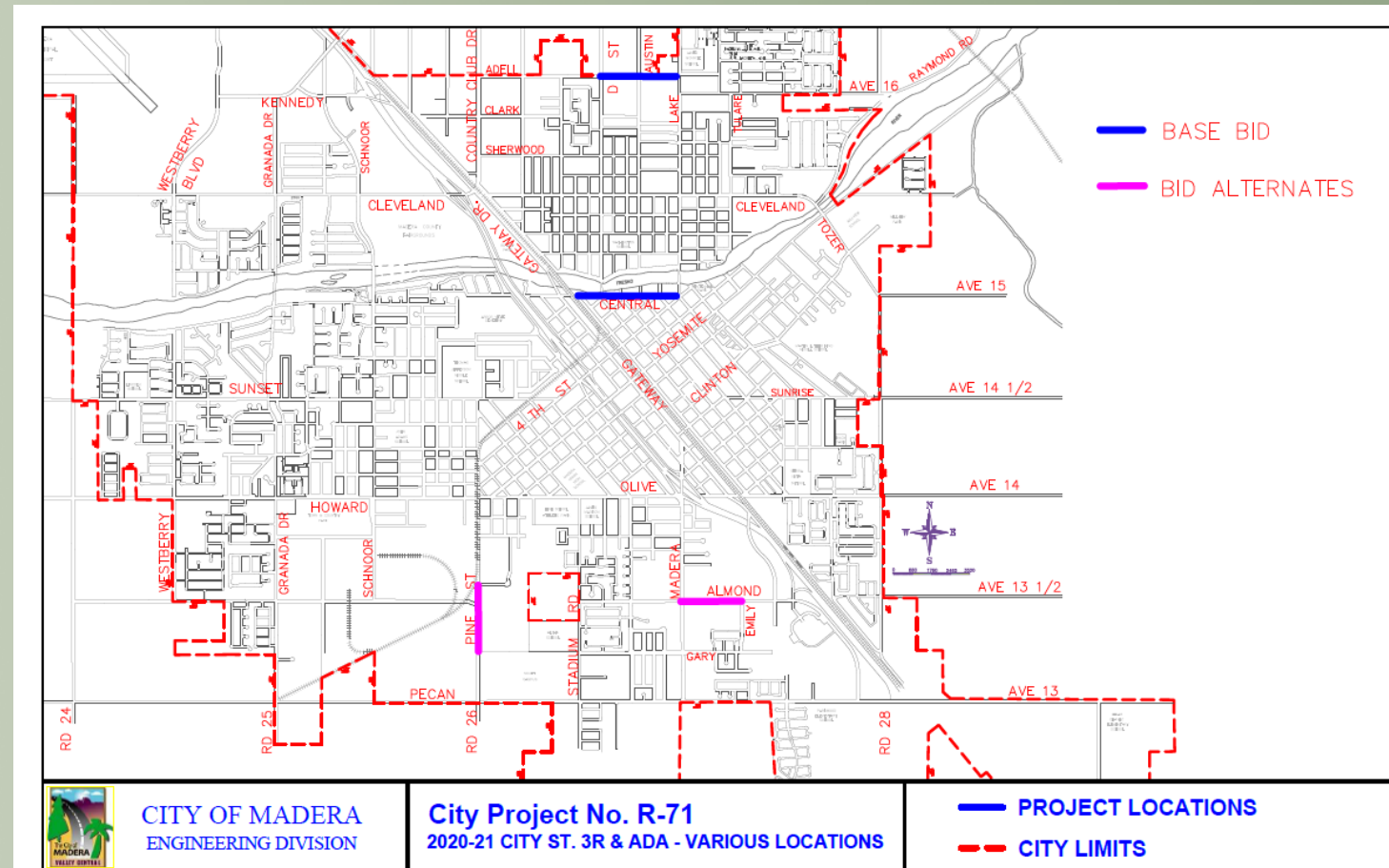


Rehab, Reconstruction, Maintenance Program 25% of the City's Measure T Funds

- Coming up...

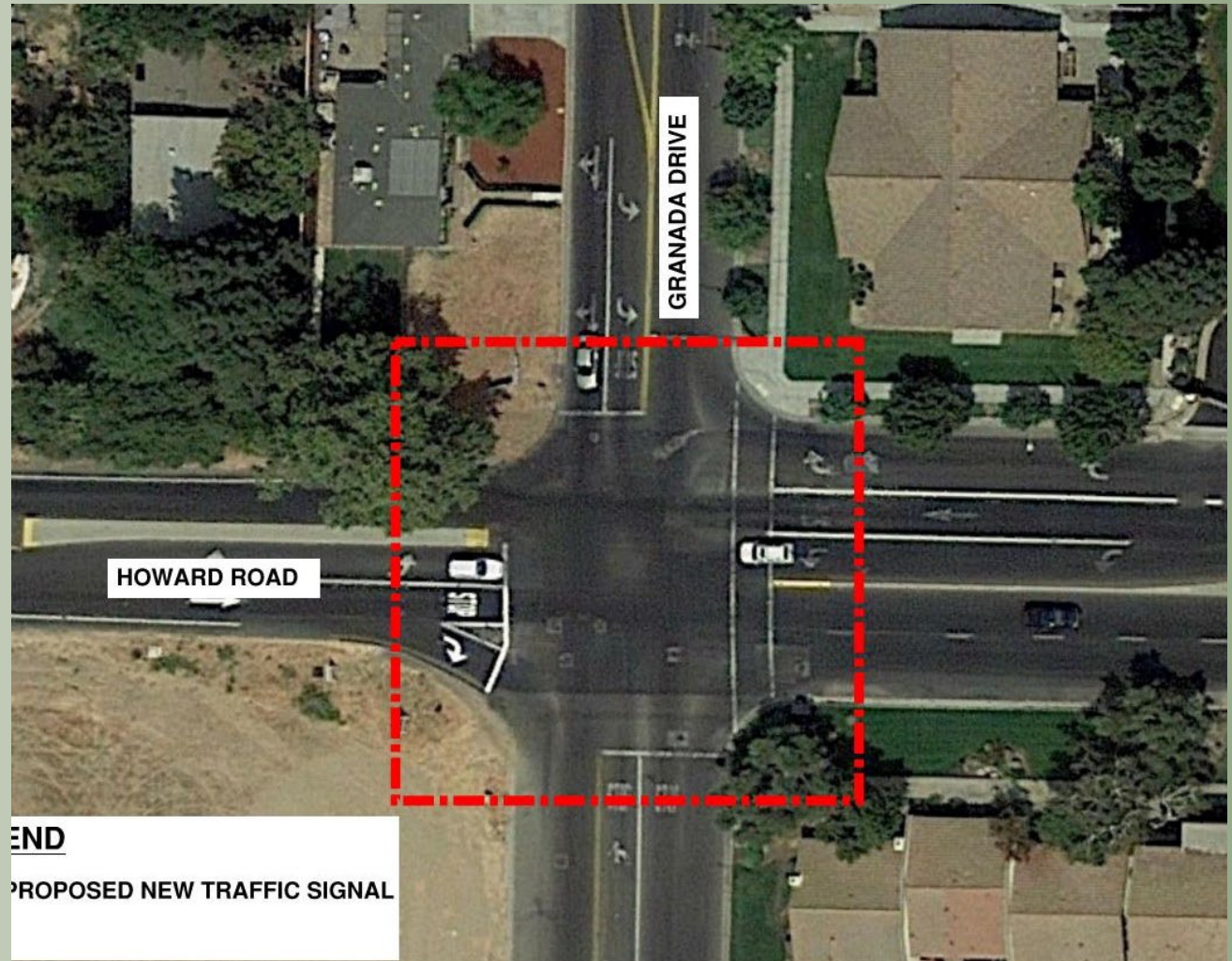
2020-21 City Streets 3R & ADA Project, R-000071

- Measure T – RTP... \$355,000
- **SB-1**/LPP \$345,000
- Pavement rehabilitation with various types of seal coats and AC overlays on various arterial and collector streets
- Construction Summer 2021



TS-00017 Granada Dr/Howard Rd Traffic Signal

- Measure T – RTP... \$225,000
- Impact Fees.....\$375,000
- Contract Awarded. Begin Construction Complete December 2020.



TS-00019 Howard Rd/Westberry Traffic Signal

- Measure T – RTP... \$150,000
- CMAQ Grant.....\$400,000
- Impact Fees.....\$125,000
- Contract Awarded. Begin Construction Complete December 2020.



R-000010 Olive Ave Widening-Gateway to Knox

- Measure T – RTP \$6,000,000
- RSTP/LTF/DIF
- Widen street to four lanes for Arterial Street Standards, acquire right-of-way and construct sidewalks. Widen UPRR crossing at SW corner of Olive Avenue
- Design – 100%
- Demolition – 100%
- Dry Utilities – Under Construction
- Road Widening – Construction 2020/21

Safe Routes to School & Jobs

22.25% of the City's Measure T Funds

- **Street Maintenance & Supplemental Street Maintenance Program (21.75%)**
Included in Annual Budget for pothole patching , crack filling, various pavement seals and other street department maintenance
- **ADA Compliance (0.5%)**
Provides funding to enhance sidewalk project budgets to install curb access ramps and ADA compliance projects

Transit Enhancement

2% of the City's Measure T Funds

- New Transit Facility



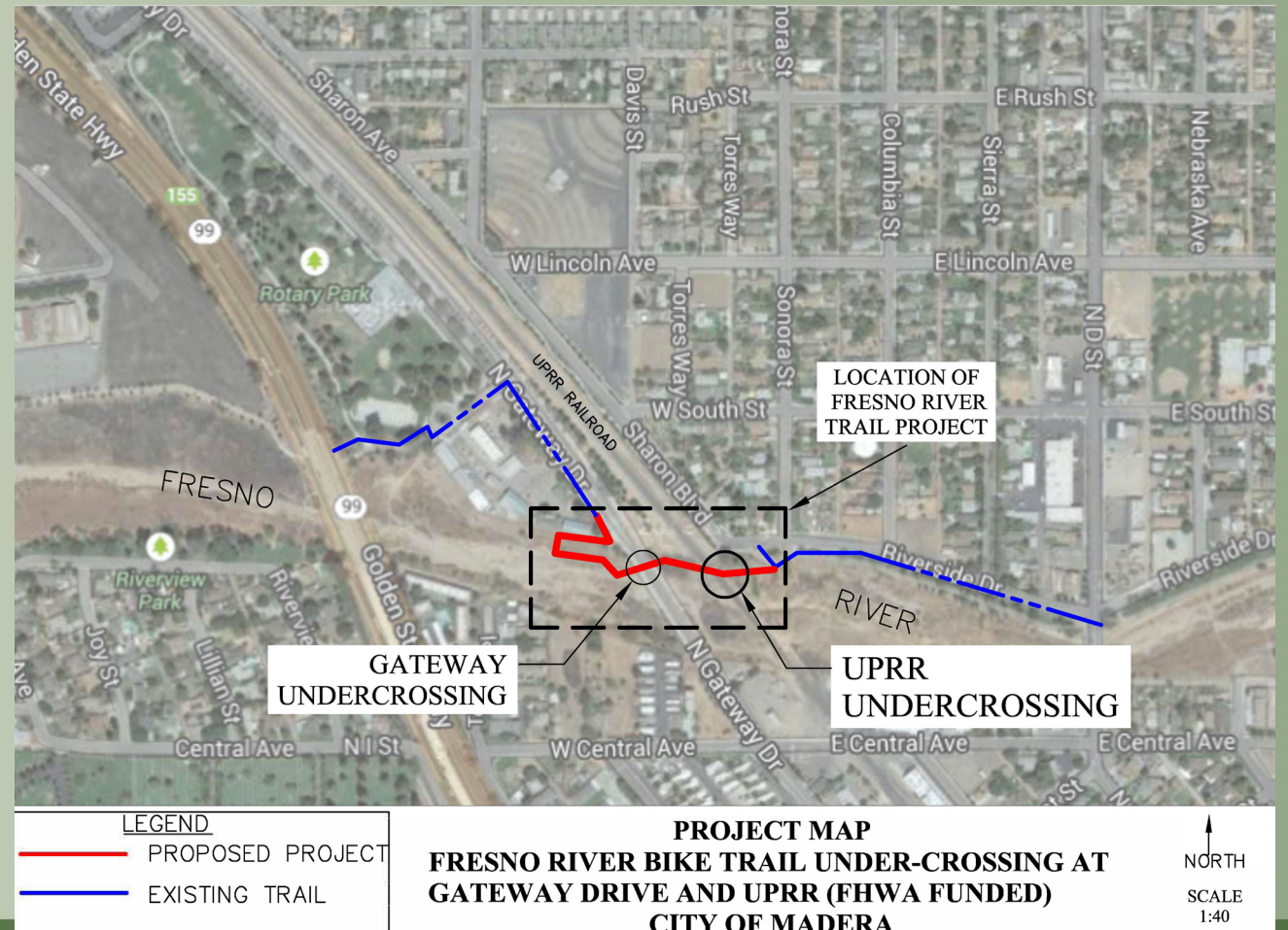
Environmental Enhancement

2% of the City's Measure T Funds

- Alley Paving Various Locations
- Sunset Avenue Sidewalks
- PK-08

Fresno River Trail-Gateway Drive /UPRR Undercrossings, PK-0008

- Measure T\$ 300,000
- Measure A.....\$ 117,000
- CMAQ\$ 298,000
- ATP\$ 379,000
- Air District Grant ..\$ 50,000
- Local (LTF) funds ...\$100,000
- Under Construction -
Estimated Completion
October 2020



Environmental Enhancement

2% of the City's Measure T Funds

- Coming Up....
 - More Alley Paving Various Locations
 - Various Sidewalk Projects
 - Schnoor Sidewalks (match CMAQ grant)
 - Washington School (match CMAQ grant)
 - Bicycle facilities (match programmed CMAQ grant)

Questions?

A photograph of a wooden bridge with railings crossing a stream in a park. The bridge is made of light-colored wood and has a simple railing design. The stream is small and flows under the bridge. The background is filled with lush green trees and foliage. The entire image has a semi-transparent green overlay.

The City of
MADERA



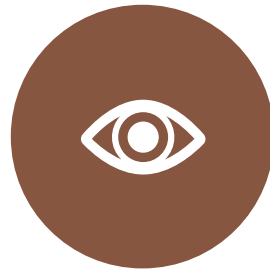
Citizens Oversight Committee

AUGUST 12, 2020

Topics of Discussion



2007 STRATEGIC PLAN
VS. 2017 STRATEGIC
PLAN



MEASURE T SNAPSHOT



REGIONAL PROGRAM
UPDATE



STRATEGIC PLAN AND
OUTREACH UPDATES

2007 Strategic Plan
vs.
2017 Strategic Plan

Impact #1	Great Recession
Impact #2	State changes criteria to receive state funding for transportation projects
Impact #3	Projects not sufficiently funded in the plan

Measure T Snapshot



Received \$111,049,767 in sales tax revenue from April 2007 thru June 2020



FY 2019-20 receipts -
\$10,534,761

Local Agencies received
\$5,399,065



Have leveraged approximately \$200,000,000 so far

\$1.80/\$1 Measure T

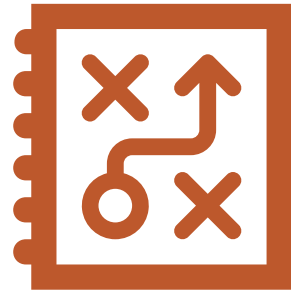


Oakhurst Midtown Project recently received construction allocation of \$11,445,000

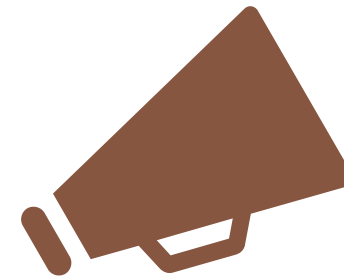
Regional Program Update

- 99 Widening – Ave 12 to Ave 17
(In Construction. Completed by February 2021)
- Oakhurst Midtown Connector
(Advertised. Construction to begin late fall 2020)
- SR 233 Interchange – Operational improvements
(Environmental phase should be completed in 2021)

Take Note



Strategic Plan Update



Outreach efforts



Questions?