

Regular Meeting of the
Measure T Citizens' Oversight Committee

LOCATION

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

or via Zoom

<https://us06web.zoom.us/j/84722596967?pwd=d1VRTG1wcTEyMEhrOTJIN2dPS05ZQT09>

Webinar ID: 847 2259 6967

Passcode: 520978

Telephone: US: +1 408 638 0968

DATE

January 10, 2024

TIME

5:00 PM

Citizens' Oversight Committee Members

Terry Flanagan, Chair
Max Rodriguez, Vice Chair
Janice Gomes
Wayne Chapman
Vacant
Vacant
April Molina

Member At Large
District 4
District 1
District 2
District 3
District 5
Member At Large

This meeting is also being conducted by teleconference at the following location:
Committee Member April Molina
3985 North Prescott Street
Kingman, AZ 86409

REASONABLE ACCOMMODATIONS AND ADA

MCTC has adopted a Reasonable Accommodations Policy that provides a procedure for receiving and resolving requests for accommodation to participate in this meeting (see <https://www.maderactc.org/administration/page/reasonable-accommodations-policy>). If you need assistance in order to attend the meeting, or if you require auxiliary aids or services, e.g., listening devices or signing services to make a presentation to the Committee, MCTC is happy to assist you. Please contact MCTC offices at (559) 675-0721 so such aids or services can be arranged. Requests may also be made by email to sandy@maderactc.org, or mailed to 2001 Howard Road, Suite 201, Madera, CA 93637. Accommodations should be requested as early as possible as additional time may be required in order to provide the requested accommodation; 72 hours in advance is suggested.

PUBLIC COMMENT

If you are participating remotely and wish to make a comment on a specific agenda item during the meeting, please use the “Raise Hand” feature in Zoom and you will be called on by the chair during the meeting. You can also submit your comments via email to publiccomment@maderactc.org. Comments will be shared with the Committee 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.

Regarding any disruption that prevents the Measure T Citizens’ Oversight Committee from broadcasting the meeting to members of the public, then (1) if public access can be restored quickly, the meeting will resume in five (5) minutes to allow the re-connection of all members of the Committee, staff, and members of the public; or (2) if service cannot be restored quickly, the meeting shall stop, no further action shall be taken on the remaining agenda items, and notice of the continued meeting will be provided.

AGENDA

At least 72 hours prior to each regular Measure T Citizens’ Oversight Committee meeting, a complete agenda packet is available for review on the [MCTC website](#) 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 Committee meetings 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 de Comité 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 5 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

Measure T 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. REVIEW OF MEASURE T PROGRAM

Enclosure: No

Action: Information and Discussion Only

5. ELECTION OF CHAIR AND VICE CHAIR

Enclosure: No

Action: Elect Chair and Vice Chair

6. APPROVAL OF MINUTES

A. Meeting Minutes –April 12, 2023

Enclosure: Yes

Action: Approve Minutes

B. Meeting Minutes – August 9, 2023

Enclosure: Yes

Action: Approve Minutes

7. MEASURE T COMPLIANCE AUDITS

Enclosure: Yes

Action: Information and Discussion Only

8. LOCAL AGENCY UPDATES

A. County of Madera

Enclosure: No

Action: Information and Discussion Only

B. City of Chowchilla

Enclosure: No

Action: Information and Discussion Only

C. City of Madera

Enclosure: No

Action: Information and Discussion Only

9. REGIONAL UPDATE

Enclosure: No

Action: Information and Discussion Only

10. ANNUAL REPORT TO THE PUBLIC

Enclosure: Yes

Action: Approve Annual Report to the Public

11. OTHER ITEMS

A. Proposed Meeting Schedule

B. Agenda Items for Next Meeting

C. Items from Committee Members

12. ADJOURNMENT



Measure T Citizens' Oversight Committee Executive Minutes

Date: Wednesday April 12, 2023

Time: 5:00 pm

Place: Madera County Transportation Commission Board Room and Virtual
via Zoom

Members Present: John Reed, Chair, District 5
Terry Flanagan, Vice Chair, Member At Large
Janice Gomes, District 1
Wayne Chapman, District 2
Max Rodriguez, District 4

Members Absent: Tim Riche, District 3
Member at Large Vacant

Local Agency Staff Jason Rogers, City of Chowchilla
Nicole Say, City of Madera
Alexis Raymundo, City of Madera
Jared Carter, Madera County

MCTA Staff: Troy McNeil, Deputy Director/Fiscal Supervisor
Nicholas Dybas, Associate Regional Planner
Sandy Ebersole, Administrative Analyst

1. CALL TO ORDER

Meeting was called to order by Chair Reed at 5:00 pm.

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.

There was no public comment.

4. WELCOME AND INTRODUCTIONS

5. ELECTION OF CHAIR AND VICE CHAIR

Upon motion by Mr. Reed, seconded by Ms. Gomes, Terry Flanagan was elected chair. Upon motion by Mr. Reed, seconded by Mr. Flanagan, Max Rodriguez was elected vice chair.

6. APPROVAL OF MINUTES

Upon motion by Mr. Flanagan, seconded by Ms. Gomes, the August 10, 2022 Citizens' Oversight Committee Meeting Minutes were approved.

7. LOCAL AGENCY UPDATE

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

Current Pavement Condition Index (PCI) is 65, reinspection scheduled for Summer 2023.

Completed Projects:

- Road 16 reconstruction completed to State Route 152 with Madera County
- Police Department ADA curb ramp
- Various pothole repairs/patching

Current Projects:

- Humboldt Storm Drainage and Road Rehabilitation Design
- CATX Bus Purchase
- Design and Environmental for reconstruction of Chowchilla Boulevard from Avenue 24 to Avenue 24 ½
- State Route 99/233 Interchange (roundabouts), environmental currently being completed
- Design and environmental for reconstruction of Avenue 24 to Chowchilla Boulevard
- General street maintenance and repair

City of Madera – Nicole Say from the City of Madera presented the City's current Measure T projects:

Current Projects:

- Olive Avenue Widening
- Road maintenance and repairs, 2.9 lane miles of resurfaced roadway
- Road maintenance and repairs ADA project, 2.5 miles or resurfaced roadway

- Almond/Pine/Stadium Traffic Study
- D Street/South Street Traffic Signal
- Street chip seals, patching and maintenance
- ADA compliance projects
- Pedestrian facilities at various locations
- Environmental enhancement projects

County of Madera – Jared Carter from Madera County presented the County’s current Measure T projects:

Current Pavement Condition Index (PCI) overall average is 44. Funding scenarios for remaining service life based on available road funding was presented.

8. REGIONAL UPDATE

Madera County Transportation Commission (MCTC) – Troy McNeil from MCTC presented a Measure T snapshot of revenue received, projections to March 2027, approximate amount leveraged.

Current Projects:

- Road 200 – Fine Gold Creek Bridge
- State Route 233 Interchange – Operational Improvements
- State Route 99 Widening – Avenue 7 to Avenue 12
- Gateway Avenue and Cleveland Avenue

Final Measure T Renewal November 2022 election results.

9. OTHER ITEMS

- A. Meeting Schedule – the next scheduled meeting will be Wednesday, August 9, 2023, at 5:00 pm.
- B. Agenda Items for Next Meeting – Mr. Reed requested an update regarding Measure T funds spent on pothole/storm damage repair and where they were used. He also requested the amount used for the Road 200 Fine Gold Creek Bridge repair from storm.
- C. Items from Committee Members – Mr. Flanagan requested an in-service to educate new members of roles and responsibilities.

10. ADJOURNMENT

Upon motion by Mr. Reed, the meeting adjourned at 6:30 pm.

Measure T Citizens' Oversight Committee Executive Minutes

Date: Wednesday August 9, 2023

Time: 5:00 pm

Place: Madera County Transportation Commission Board Room and Virtual via Zoom

Members Present: Terry Flanagan, Chair, Member At Large
Max Rodriguez, Vice Chair, District 4
Janice Gomes, District 1
Wayne Chapman, District 2
Faustina Washburn, District 5
April Molina, Member At Large

Members Absent: Tim Riché, District 3

MCTA Staff: Troy McNeil, Deputy Director/Fiscal Supervisor
Sandy Ebersole, Administrative Analyst

1. CALL TO ORDER

Meeting was called to order at 5:00 pm.

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.

No public comment was received.

4. WELCOME AND INTRODUCTIONS

5. APPROVAL OF MINUTES

Item 5 was pulled from the agenda.

6. PUBLIC MEETINGS AND THE BROWN ACT TRAINING

Presentation by Nick Papajohn, Deputy Counsel, Madera County Transportation Commission, regarding “Meeting” rules under the Brown Act, agenda requirements under the Brown Act and conducting a meeting.

7. OVERVIEW OF MEASURE T PROGRAM

Troy McNeil presented an overview of the Measure T program.

8. ROLES AND RESPONSIBILITIES OF MEASURE T CITIZENS’ OVERSIGHT COMMITTEE MEMBER

Troy McNeil discussed the responsibilities of a Measure T Citizens’ Oversight Committee member.

Public Comment: Dan Metz, Sierra Citizens for Sensible Government and resident of Madera County, asked members of the Citizens’ Oversight Committee to understand, and publicize the management of Measure T funds.

9. OTHER ITEMS

- A. The next Measure T Citizens' Oversight Committee meeting will be held Wednesday, September 13, 2023, 5:00 pm.
- B. Agenda Items for the Next Meeting – No items were requested.
- C. Items from Committee Members –
 - Committee Member Washburn requested clarification regarding ½¢ versus ½% sales tax which Troy McNeil provided.
 - Chair Flanagan commented that the meeting was very helpful and informative, commended the Citizens Oversight Committee for their participation, and looks forward to providing meaningful insight.

10. ADJOURNMENT

Upon motion by Committee Member Gomes, seconded by Committee Member Molina, the meeting adjourned at 6:56 pm.

**MADERA COUNTY TRANSPORTATION
AUTHORITY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2022**

MADERA COUNTY TRANSPORTATION AUTHORITY

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government*

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Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 6-10 and 36-37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 12, 2023, 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.

Price Pange & Company

Clovis, California
January 12, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022. 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 \$4,633,692 (net position).
2. The Authority's total net position for the fiscal year ended June 30, 2022, increased by \$2,091,607 primarily because of lower expenditures on capital expenditures.
3. As of the close of the current fiscal year, the Authority's governmental funds reported a combined ending fund balance of \$10,757,644, an increase of \$144,236 in comparison with the prior year. The amount of \$2,358,736 is restricted for specific regional capital projects and \$7,619,868 is assigned for road improvements.

Overview of the Financial Statements

This discussion and analysis are 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 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, 2022**

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 12 to 13 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 16 through 19 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 20 through 21 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 24 through 34 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, 2022**

Government-Wide Financial Analysis

Following are the government-wide financial statements for the fiscal year ended June 30, 2022:

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 \$4,633,692 at the close of the fiscal year 2021-2022.

**MCTA Net Position
Condensed Statement of Net Position**

	<u>2022</u>	<u>2021</u>
Assets:		
Current assets	\$ 9,199,135	\$ 9,501,834
Noncurrent assets	<u>3,120,553</u>	<u>3,113,324</u>
Total assets	<u>12,319,688</u>	<u>12,615,158</u>
Liabilities:		
Other liabilities	1,672,399	2,143,278
Long-term liabilities	<u>6,013,597</u>	<u>7,929,795</u>
Total liabilities	<u>7,685,996</u>	<u>10,073,073</u>
Net position:		
Restricted	3,120,553	3,113,324
Unrestricted	<u>1,513,139</u>	<u>(571,239)</u>
Total net position	<u>\$ 4,633,692</u>	<u>\$ 2,542,085</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

**MCTA Changes in Net Position
Condensed Statement of Activities**

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 48,583	\$ 32,502
General revenues:		
Sales taxes	8,006,734	6,595,669
Interest income	<u>27,496</u>	<u>54,082</u>
Total revenues	<u>8,082,813</u>	<u>6,682,253</u>
Expenses:		
Public ways and facilities	5,659,037	6,218,581
Interest on long-term debt	<u>332,169</u>	<u>422,982</u>
Total expenses	<u>5,991,206</u>	<u>6,641,563</u>
Change in net position	2,091,607	40,690
Net position - beginning	<u>2,542,085</u>	<u>2,501,395</u>
Net position - ending	<u><u>\$ 4,633,692</u></u>	<u><u>\$ 2,542,085</u></u>

Governmental Activities: The Authority's net position increased by \$2,091,607 for the fiscal year ended June 30, 2022. The table above indicates the change in net position for governmental activities. The key elements of this increase are primarily attributable to lower than planned capital project expenditures this fiscal year. 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 \$10,757,644, which is an increase of \$144,236 from last year.

The primary reason for this change is:

1. The capital projects fund balance increased by \$143,776 due to lower expenditures on capital projects this fiscal year.

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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 less than the final budget by \$1,375 and expenditures were less than the final budget by \$1,835. The net effect of these differences results in an increase of \$460 in the fund balance in the general fund.

Long-Term Obligations

At the end of fiscal year 2022, the Authority had \$6,013,597 in debt outstanding. The debt consisted of Series 2009 and 2010 of the sales tax revenue bonds (see Note 6).

Economic Factors and Next Year's Budget

The Authority began to receive sales tax revenues under Measure T in Fiscal Year 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 2022-23 budget:

- A. Projected an increase of 7% in sales tax receipts in 2022-23 compared to actual sales tax receipts in 2021-22.
- B. Estimated expenditures for capital projects in the amount of \$8,781,000.
- C. Bond Debt Service in the amount of \$2,275,276.

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, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 7,663,571
Measure T sales tax receivable	1,535,564
Restricted assets:	
Cash and investments	<u>3,120,553</u>
 Total assets	 <u>12,319,688</u>
 LIABILITIES	
Accounts payable	95,766
Interest payable	110,355
Due to trust funds	1,265,290
Due to other governments	200,988
Long-term liabilities:	
Portion due or payable within one year:	
Bonds payable	1,955,000
Portion due or payable after one year:	
Bonds payable	<u>4,058,597</u>
 Total liabilities	 <u>7,685,996</u>
 NET POSITION	
Restricted for:	
Debt service	761,817
Capital projects	2,358,736
Unrestricted	<u>1,513,139</u>
 Total net position	 <u>\$ 4,633,692</u>

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

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<u>Functions/Programs</u>				
Governmental activities:				
Public ways and facilities	\$ 5,659,037	\$ -	\$ 48,583	\$ (5,610,454)
Interest on long-term debt	<u>332,169</u>	<u>-</u>	<u>-</u>	<u>(332,169)</u>
Total governmental activities	<u>\$ 5,991,206</u>	<u>\$ -</u>	<u>\$ 48,583</u>	<u>(5,942,623)</u>
General revenues:				
Taxes:				
Sales taxes				8,006,734
Interest income				<u>27,496</u>
Total general revenues				<u>8,034,230</u>
Change in net position				2,091,607
Net position - beginning				<u>2,542,085</u>
Net position - ending				<u>\$ 4,633,692</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, 2022

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 2,020,650	\$ 5,642,921	\$ 7,663,571
Restricted cash and investments	-	3,120,553	3,120,553
Due from other funds	-	608,648	608,648
Receivables:			
Measure T sales tax	<u>31,499</u>	<u>1,504,065</u>	<u>1,535,564</u>
 Total assets	 <u>\$ 2,052,149</u>	 <u>\$ 10,876,187</u>	 <u>\$ 12,928,336</u>
LIABILITIES			
Accounts payable	\$ -	\$ 95,766	\$ 95,766
Due to other funds	1,873,938	-	1,873,938
Due to other governments	<u>160,988</u>	<u>40,000</u>	<u>200,988</u>
 Total liabilities	 <u>2,034,926</u>	 <u>135,766</u>	 <u>2,170,692</u>
FUND BALANCES			
Restricted:			
Debt service	-	761,817	761,817
Capital projects	-	2,358,736	2,358,736
Assigned:			
Road improvements	-	7,619,868	7,619,868
Unassigned	<u>17,223</u>	<u>-</u>	<u>17,223</u>
 Total fund balances	 <u>17,223</u>	 <u>10,740,421</u>	 <u>10,757,644</u>
 Total liabilities and fund balances	 <u>\$ 2,052,149</u>	 <u>\$ 10,876,187</u>	 <u>\$ 12,928,336</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, 2022**

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

Total fund balances - governmental funds	\$ 10,757,644
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:

Bonds payable	(6,013,597)
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Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.

<u>(110,355)</u>

Net position of governmental activities	<u><u>\$ 4,633,692</u></u>
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The accompanying notes are an integral part of these financial statements.

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Sales tax	\$ 590,165	\$ 7,416,569	\$ 8,006,734
Federal revenue	-	48,583	48,583
Interest revenue	<u>460</u>	<u>27,036</u>	<u>27,496</u>
Total revenues	<u>590,625</u>	<u>7,492,188</u>	<u>8,082,813</u>
EXPENDITURES			
Current:			
Public ways and facilities:			
Administration and planning	590,165	40,000	630,165
Debt service:			
Principal	-	1,865,000	1,865,000
Interest	-	417,482	417,482
Capital outlay - road improvements	<u>-</u>	<u>5,025,930</u>	<u>5,025,930</u>
Total expenditures	<u>590,165</u>	<u>7,348,412</u>	<u>7,938,577</u>
Net change in fund balances	460	143,776	144,236
Fund balances - beginning	<u>16,763</u>	<u>10,596,645</u>	<u>10,613,408</u>
Fund balances - ending	<u><u>\$ 17,223</u></u>	<u><u>\$ 10,740,421</u></u>	<u><u>\$ 10,757,644</u></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, 2022**

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

Net change in fund balances - total governmental funds	\$ 144,236
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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.

Repayment of long-term debt	1,865,000
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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.

51,198

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

31,173

Change in net position of governmental activities	<u>\$ 2,091,607</u>
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The accompanying notes are an integral part of these financial statements.

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
JUNE 30, 2022**

ASSETS

Cash and investments	\$ 1,289,592
Measure T sales tax receivable	1,614,311
Due from other funds	<u>1,265,290</u>
 Total assets	 <u>4,169,193</u>

LIABILITIES

Due to other governments	<u>4,167,479</u>
 Total liabilities	 <u>4,167,479</u>

NET POSITION

Restricted for:	
Other governments	<u>1,714</u>
 Total net position	 <u><u>\$ 1,714</u></u>

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, 2022**

ADDITIONS

Sales tax	\$ 7,960,193
Investment income	<u>11,008</u>
Total additions	<u>7,971,201</u>

DEDUCTIONS

Disbursements to local agencies	<u>7,970,679</u>
Total deductions	<u>7,970,679</u>

Net increase (decrease) in fiduciary net position	522
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Net position - beginning	<u>1,192</u>
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Net position - ending	<u><u>\$ 1,714</u></u>
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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, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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, California (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.

B. 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.

PUC 180000 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, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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.

D. Measurement Focus, Basis of Accounting and Financial Statements

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 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 private-purpose trust funds. Separate statements for each fund category are presented. The balance sheet and the statement of revenues, expenditures and changes in fund balance 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, 2022 were made to the Cities of Madera, Chowchilla and the County of Madera.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statements (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.

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.

E. 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.

F. 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 some 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 the 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.

G. 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, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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.

I. 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.

J. 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.

K. 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.

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, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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 of Commissioners. These amounts cannot be used for any other purpose unless the Board of 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.

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 of Commissioners or through the Board of 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 generally uses 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.

L. Net Position

In government-wide financial statements, net position is reported in three categories as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvements of the assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

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

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Authority generally applies restricted net position first.

M. Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, Measure T renewal costs, and other expenses on behalf of the Authority. Expenses incurred by the Authority to the Commission during the fiscal year June 30, 2022 totaled to \$630,165. The total accounts payable to the Commission was \$200,988 for the year ended June 30, 2022.

NOTE 4 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 7,663,571
Restricted cash and investments	3,120,553
Statement of fiduciary net position:	
Cash and investments	<u>1,289,592</u>
 Total cash and investments	 <u><u>\$ 12,073,716</u></u>

Cash and investments as of June 30, 2022 consist of the following:

County investment pool	\$ 11,312,846
Investments	<u>760,870</u>
 Total cash and investments	 <u><u>\$ 12,073,716</u></u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 – CASH AND INVESTMENTS (Continued)

A. 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.

MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS (Continued)

B. 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
County investment pool	\$ 11,312,846	12 months or less
Held by bond trustee:		
BlackRock Treasury Trust Institutional	<u>760,870</u>	12 months or less
Total investments	<u>\$ 12,073,716</u>	

C. 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. The column marked "exempt from disclosure" identifies those investment types for which GASB No. 40 does not require disclosures as to credit risk.

Investment Type	Amount	Exempt from Disclosure	Rating as of Year-End AAAm
County investment pool	\$ 11,312,846	\$ 11,312,846	\$ -
Held by bond trustee:			
BlackRock Treasury Trust Institutional	<u>760,870</u>	<u>-</u>	<u>760,870</u>
Total investments	<u>\$ 12,073,716</u>	<u>\$ 11,312,846</u>	<u>\$ 760,870</u>

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools. The County of Madera issues a financial report that includes custodial risk disclosures for the County investment pool. The report may be obtained by writing to the Office of the Auditor-Controller/Treasurer-Tax Collector, 200 West 4th Street #2300, Madera, California 93637.

D. 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 \$760,870 in Blackrock Treasury Trust Institutional.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 – CASH AND INVESTMENTS (Continued)

E. Investment Valuation

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, 2022.

- Investment in the County's pooled investments: valued at \$11,312,846. 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 \$760,870, invested in BlackRock Treasury Trust Institutional, a Level 1 input.

NOTE 5 – INTERFUND BALANCES

A. Due From/Due To Other Funds

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, 2022 are as follows:

	<u>Due from</u>	<u>Due to</u>
Governmental Funds		
General Fund	\$ -	\$ 1,873,938
Capital Projects Fund	<u>608,648</u>	<u>-</u>
Total governmental funds	608,648	1,873,938
Private-Purpose Trust Funds	<u>1,265,290</u>	<u>-</u>
Total	<u>\$ 1,873,938</u>	<u>\$ 1,873,938</u>

The above balances reflect the sales tax allocations at June 30, 2022.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 – LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2022 consist of the following:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within One Year
General obligation bonds					
Sales Tax Revenue Bonds - Series 2010	\$ 5,615,000	\$ -	\$ (1,315,000)	\$ 4,300,000	\$ 1,365,000
Sales Tax Revenue Bonds Series 2010- premiums, net of amortization	204,795	-	(51,198)	153,597	-
Total general obligation bonds	5,819,795	-	(1,366,198)	4,453,597	1,365,000
Direct placement					
Sales Tax Revenue Bonds - Series 2009	2,110,000	-	(550,000)	1,560,000	590,000
Total direct placement	2,110,000	-	(550,000)	1,560,000	590,000
Total	\$ 7,929,795	\$ -	\$ (1,916,198)	\$ 6,013,597	\$ 1,955,000

Payments on the Sales Tax Revenue Bonds are made by the Capital Projects Fund.

A. 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%. Semiannual 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
2023	\$ 590,000	\$ 105,276	\$ 695,276
2024	635,000	60,636	695,636
2025	335,000	12,462	347,462
Total	\$ 1,560,000	\$ 178,374	\$ 1,738,374

B. 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
2023	\$ 1,365,000	\$ 215,000	\$ 1,580,000
2024	1,430,000	146,750	1,576,750
2025	1,505,000	75,250	1,580,250
Total	\$ 4,300,000	\$ 437,000	\$ 4,737,000

MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts: theft, 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.

NOTE 8 – COMMITMENTS

The Authority has entered into various cooperative agreements with governmental entities amounting to a total commitment of \$66,197,742. The Authority has made cumulative expenditures of \$56,102,046 on these commitments through June 30, 2022; therefore, the Authority's outstanding commitments at June 30, 2022, total \$10,096,696.

As of June 30, 2022, the Authority had the following commitments with respect to the unfinished capital projects:

Project	Amount	Completion Date
SR 41 Passing Lanes	\$ 988,072	12/31/22
SR 99 - Ave 12 to Ave 17 Widening (E&P, PS&E, R/W)	87,348	12/31/22
Oakhurst Mid Town Connector	986,900	12/31/22
Road 200 Phase III	7,580,000	06/30/23
SR 233 Interchange Operational Improvements (Through E&P)	<u>454,376</u>	06/30/23
Total	<u>\$ 10,096,696</u>	

REQUIRED SUPPLEMENTARY INFORMATION

**MADERA COUNTY TRANSPORTATION AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Sales tax	\$ 568,000	\$ 592,000	\$ 590,165	\$ (1,835)
Interest revenue	<u>-</u>	<u>-</u>	<u>460</u>	<u>460</u>
Total revenues	<u>568,000</u>	<u>592,000</u>	<u>590,625</u>	<u>(1,375)</u>
EXPENDITURES				
Current:				
Public ways and facilities:				
Administration and planning	<u>568,000</u>	<u>592,000</u>	<u>590,165</u>	<u>1,835</u>
Total expenditures	<u>568,000</u>	<u>592,000</u>	<u>590,165</u>	<u>1,835</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	460	<u>\$ 460</u>
Fund balance - beginning			<u>16,763</u>	
Fund balance - ending			<u>\$ 17,223</u>	

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTE TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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 36. Its purpose is to demonstrate compliance with the approved budget for fiscal year 2021-2022. Actual expenditures appearing on the schedule are presented using the accrual method of accounting.

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SUPPLEMENTARY INFORMATION

**MADERA COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF MEASURE T SALES TAX RECEIPTS
JUNE 30, 2022**

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%
2019/20	10,534,761	1.31%
2020/21	12,872,191	22.19%
2021/22	15,723,648	22.15%

* Cash basis 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 Madera County Transportation Authority (the Authority), as of and for the year ended June 30, 2022, 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 12, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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*.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

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 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 Pange & Company

Clovis, California
January 12, 2023

FINDINGS AND QUESTIONED COSTS

**MADERA COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

_____ Yes X None Reported

Noncompliance material to financial
statements noted?

_____ Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

**MADERA COUNTY TRANSPORTATION AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENT FINDINGS

None reported.

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

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

**FOR THE YEAR ENDED
JUNE 30, 2022**

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE “T” FUND
JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure "T" Fund of the City of Chowchilla, California, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure "T" Fund of the City of Chowchilla, are intended to present the financial position and changes in financial position of the Measure "T" Fund of the City of Chowchilla. They do not purport to, and do not present fairly the financial position of the City, as of June 30, 2022, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Chowchilla's Measure "T" fund financial statements. The accompanying 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Balance Sheet by Funding Source and the Schedule of Revenues and Expenditures by Funding Source are 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 June 1, 2023, on our consideration of the City'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 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 City's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
June 1, 2023

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FINANCIAL STATEMENTS

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET
JUNE 30, 2022**

ASSETS

Current assets:

Cash and investments	\$ 1,443,405
Due from MCTA	<u>308,188</u>

Total assets	<u><u>\$ 1,751,593</u></u>
--------------	----------------------------

LIABILITIES

Current liabilities:

Accounts payable	\$ <u>-</u>
------------------	-------------

Total liabilities	<u>-</u>
-------------------	----------

DEFERRED INFLOWS OF RESOURCES

Unavailable revenues	<u>308,188</u>
----------------------	----------------

Total deferred inflows of resources	<u>308,188</u>
-------------------------------------	----------------

FUND BALANCE

Restricted for highway and streets	<u>1,443,405</u>
------------------------------------	------------------

Total fund balance	<u>1,443,405</u>
--------------------	------------------

Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 1,751,593</u></u>
--	----------------------------

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

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

REVENUES

Measure "T" sales tax	\$ 418,587
Interest	<u>4,661</u>
Total revenues	<u>423,248</u>

EXPENDITURES

Current:

Highway and streets	<u>50,123</u>
Total expenditures	<u>50,123</u>

Excess (deficiency) of revenues over (under) expenditures	<u>373,125</u>
---	----------------

OTHER FINANCING SOURCES (USES)

Transfers out	<u>(386,107)</u>
Total other financing sources (uses)	<u>(386,107)</u>

Net change in fund balance	(12,982)
----------------------------	----------

Fund balance - beginning	<u>1,456,387</u>
--------------------------	------------------

Fund balance - ending	<u>\$ 1,443,405</u>
-----------------------	---------------------

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

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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, and changes in financial position 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 received in cash within 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, 2022, the balance of \$308,189 is due to the third quarter, fourth quarter and excess disbursements of the fiscal year 2022 Measure "T" allocations.

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 third quarter, fourth quarter and excess allocations of fiscal year 2022 Measure "T" monies after the available period (60 days after year-end). As of June 30, 2022, the City's total unavailable revenues were \$308,189.

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

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

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

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

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, 2022**

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, 2022, 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 – TRANSFERS

Transfers for the year ended June 30, 2022 are summarized as follows:

	<u>Transfers Out</u>
Measure T Fund	\$ 386,107

Measure T Fund transferred \$386,107 to Streets and Roads (LTF) for street maintenance and operational costs.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Measure "T" sales tax	\$ 465,080	\$ 465,080	\$ 418,587	\$ (46,493)
Interest	<u>6,902</u>	<u>6,902</u>	<u>4,661</u>	<u>(2,241)</u>
Total revenues	<u>471,982</u>	<u>471,982</u>	<u>423,248</u>	<u>(48,734)</u>
EXPENDITURES				
Current:				
Highway and streets	<u>450,000</u>	<u>450,000</u>	<u>50,123</u>	<u>399,877</u>
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>50,123</u>	<u>399,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,982</u>	<u>21,982</u>	<u>373,125</u>	<u>351,143</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(532,849)</u>	<u>(532,849)</u>	<u>(386,107)</u>	<u>146,742</u>
Total other financing sources (uses)	<u>(532,849)</u>	<u>(532,849)</u>	<u>(386,107)</u>	<u>146,742</u>
Net change in fund balance	<u>\$ (510,867)</u>	<u>\$ (510,867)</u>	<u>(12,982)</u>	<u>\$ 497,885</u>
Fund balance - beginning			<u>1,456,387</u>	
Fund balance - ending			<u>\$ 1,443,405</u>	

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – 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, 2022**

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Fund Total
ASSETS					
Current assets:					
Cash and investments	\$ 588,422	\$ 534,433	\$ 161,693	\$ 158,857	\$ 1,443,405
Due from MCTA	<u>150,336</u>	<u>133,799</u>	<u>12,027</u>	<u>12,027</u>	<u>308,189</u>
Total assets	<u>\$ 738,758</u>	<u>\$ 668,232</u>	<u>\$ 173,720</u>	<u>\$ 170,884</u>	<u>\$ 1,751,594</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>150,336</u>	<u>133,799</u>	<u>12,027</u>	<u>12,027</u>	<u>308,189</u>
Total deferred inflows of resources	<u>150,336</u>	<u>133,799</u>	<u>12,027</u>	<u>12,027</u>	<u>308,189</u>
FUND BALANCES					
Restricted for highway and streets	<u>588,422</u>	<u>534,433</u>	<u>161,693</u>	<u>158,857</u>	<u>1,443,405</u>
Total fund balances	<u>588,422</u>	<u>534,433</u>	<u>161,693</u>	<u>158,857</u>	<u>1,443,405</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 738,758</u>	<u>\$ 668,232</u>	<u>\$ 173,720</u>	<u>\$ 170,884</u>	<u>\$ 1,751,594</u>

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BY FUNDING SOURCE
FOR THE YEAR ENDED JUNE 30, 2022**

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Fund Total
REVENUES					
Measure "T" sales tax	\$ 204,189	\$ 181,728	\$ 16,335	\$ 16,335	\$ 418,587
Interest	<u>1,992</u>	<u>1,817</u>	<u>430</u>	<u>422</u>	<u>4,661</u>
Total revenues	<u>206,181</u>	<u>183,545</u>	<u>16,765</u>	<u>16,757</u>	<u>423,248</u>
EXPENDITURES					
Current:					
Highway and streets	<u>-</u>	<u>50,123</u>	<u>-</u>	<u>-</u>	<u>50,123</u>
Total expenditures	<u>-</u>	<u>50,123</u>	<u>-</u>	<u>-</u>	<u>50,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>206,181</u>	<u>133,422</u>	<u>16,765</u>	<u>16,757</u>	<u>373,125</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(232,105)</u>	<u>(154,002)</u>	<u>-</u>	<u>-</u>	<u>(386,107)</u>
Total other financing sources (uses)	<u>(232,105)</u>	<u>(154,002)</u>	<u>-</u>	<u>-</u>	<u>(386,107)</u>
Net change in fund balances	(25,924)	(20,580)	16,765	16,757	(12,982)
Fund balances - beginning	<u>614,346</u>	<u>555,013</u>	<u>144,928</u>	<u>142,100</u>	<u>1,456,387</u>
Fund balances - ending	<u>\$ 588,422</u>	<u>\$ 534,433</u>	<u>\$ 161,693</u>	<u>\$ 158,857</u>	<u>\$ 1,443,405</u>

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COMPLIANCE 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" financial statements of the City of Chowchilla, California (the City), as of and for the year ended June 30, 2022, 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 1, 2023.

Report on 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 a basis for designing 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 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 or significant deficiencies may exist that were not identified.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
June 1, 2023

City of Madera Measure “T” Fund

Madera, California

Independent Auditors’ Reports and Financial Statements

For the Year Ended June 30, 2022



City of Madera
Measure “T” Fund
For the Year Ended June 30, 2022

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200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707



INDEPENDENT AUDITORS' REPORT

www.pungroup.cpa



To the Honorable Mayor and Members
of the City Council of the City of Madera
Madera, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure "T" Fund (the "Measure "T" Fund") of the City of Madera, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure "T" Fund of the City as of June 30, 2022, 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.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure "T" Fund and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2022, the change in financial position, or, where applicable, its cash flows, for the years 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure "T" Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of the Measure "T" Fund. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure "T" Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, as listed in the accompanying table of contents, 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.

To the Honorable Mayor and Members of the City Council
of the City of Madera
Madera, California
Page 3

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements are 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 financial statements. The Balance Sheet by Funding Source and the Schedule of Revenues, Expenditures and Changes in Fund Balance by Funding Source are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Balance Sheet by Funding Source and the Schedule of Revenues, Expenditures and Changes in Fund Balance by Funding Source are 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 April 21, 2023, on our consideration of the City'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 Measure "T" Fund'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 Measure "T" Fund's internal control over financial reporting and compliance.

The PwC Group, LLP

Walnut Creek, California
April 21, 2023

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FINANCIAL STATEMENTS

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City of Madera
Measure "T" Fund
Balance Sheet
June 30, 2022

	Measure "T" Fund
ASSETS	
Cash and investments	\$ 11,849,629
Intergovernmental receivable	1,609,202
Total assets	\$ 13,458,831
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 91,983
Total liabilities	91,983
Deferred inflows of resources:	
Unavailable revenue	528,330
Total deferred inflows of resources	528,330
Fund Balance:	
Restricted	12,838,518
Total fund balance	12,838,518
Total liabilities, deferred inflows of resources, and fund balance	\$ 13,458,831

City of Madera
Measure "T" Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022

	Measure "T" Fund
REVENUES:	
Measure "T" sales tax	\$ 3,273,345
Investment income	42,533
Total revenues	<u>3,315,878</u>
EXPENDITURES:	
Current:	
Highways and streets	768,113
Total expenditures	<u>768,113</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,547,765</u>
OTHER FINANCING SOURCES (USES):	
Transfers out	(897,474)
Total other financing sources (uses)	<u>(897,474)</u>
NET CHANGES IN FUND BALANCE	1,650,291
FUND BALANCE:	
Beginning of year	11,188,227
End of year	<u><u>\$ 12,838,518</u></u>

NOTES TO THE FINANCIAL STATEMENTS

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City of Madera
Measure “T” Fund
Index to the Notes to the Financial Statements
For the Year Ended June 30, 2022

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City of Madera
Measure “T” Fund
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies

The Reporting Entity

The Measure “T” Sales Tax Program (“Measure “T””) is administered by the Madera County Transportation Authority (the “Authority”) was created by the approval of Measure “T” by the voters of Madera County, California (the “County”) in November 2006. Measure “T” authorized the imposition of a one half percent (1/2%) 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.

The financial statements of the Measure “T” Sales Tax Fund (the “Measure “T” Fund”), a Special Revenue Fund of the City of Madera, California (the “City”) have been prepared in conformity with accounting principles generally accepted of the United States of America (“U.S. GAAP”) as applied to governmental 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.

Financial Statements

The Measure “T” enabling legislation provides funding of highway and streets projects. Funds are allocated to the City through the county transportation planning agency, the Madera County Transportation Authority. The Measure “T” Funds account for the City’s share of the Measure “T” sales tax allocations, which are legally restricted for specific purposes as detailed in Section 99245 of the Public Utilities Code.

The accompanying financial statements present only the Measure “T” Fund of the City and are not intended to present fairly the financial position, changes in financial position, or cash flows of the City in conformity with accounting principles generally accepted in the United States of America.

City of Madera
Measure “T” Fund
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Accounting

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

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.

Measurement Focus and Basis of Accounting

The **Measure “T” Fund** is reported using “*current financial resources*” measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available and expenditures are recognized when the fund liabilities are incurred. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City uses an availability period of 60 days. Revenues that are susceptible to accrual include Measure “T” sales tax allocations and investment earnings. 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.

Cash and Cash Equivalents

The cash is held by the Measure “T” Fund as part of the City’s pooled cash and investments. The pooled funds are invested in accordance with the City’s investment policy established pursuant to state law. All monies not required for immediate expenses are invested or deposited to earn maximum yield consistent with safety and liquidity. Interest earnings is allocated to the fund based on its proportionate share of the pool. Refer to the City’s Basic Financial Statements for disclosures of cash and investments and related risk categorization.

Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of 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 Measure “T” Fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position 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 items that qualifies for reporting in this category that is related to unavailable revenue. 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 Measure “T” Fund had unavailable revenue in the amount of \$528,330 as of June 30, 2022.

City of Madera
Measure “T” Fund
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Balances

The Measure “T” Fund reports fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent. Fund balances are categorized as follows:

Nonspendable - This amount indicated the portion of funds balances which cannot be spent because they are either not in spendable form, such as prepaid items, inventories or loans receivable, or legally or contractually required to be maintained intact, such as the principal portion of an endowment.

Restricted - This amount indicates the portion of fund balances which has been restricted; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; b) imposed by law through constitutional provisions or enabling legislation.

Committed - This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to formal resolution or ordinance of the City Council.

Assigned - This amount indicates the portion of fund balances which is constrained by the City’s intent to be used for specific purpose, but is neither restricted nor committed. The City’s Finance Director is authorized to determine and define the amount of assigned fund balances.

Unassigned - This amount indicates the portion of fund balance that does not fall into one of the above categories.

The City Council establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City’s policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City’s policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Madera
Measure “T” Fund
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Deposits in the City’s Pool

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The balance of the Measure “T” Funds’ cash and investments, as of June 30, 2022 was \$11,849,629.

The Measure “T” Fund’s cash is deposited in the City’s internal investment pool, which is reported at fair value. The Measure “T” Fund does not own specifically identifiable securities in the City’s pool. The balance of cash deposited in the City’s pool was \$11,849,629 as of June 30, 2022.

Investments earnings is allocated based on average cash balances. Investment policies and associated risk factors applicable to the Measure “T” Fund are those of the City and are included in the City’s basic financial statements.

Note 3 – Transfers

For the year ended June 30, 2022, \$897,474 was transferred out of the Measure “T” Fund to the City’s General Fund’s Public Works Streets department to supplement qualifying street-related operating costs.

Note 4 – Restrictions

Funds received pursuant to the Measure “T” enabling legislation in the Measure “T” Fund Fund may only be used for highways and streets.

Note 5 – Contingencies

The Measure “T” funds are subject to program compliance audits by the grantors and their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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City of Madera
Measure “T” Fund
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

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.
5. 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.
6. 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.

City of Madera
Measure "T" Fund
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Measure "T" sales tax	\$ 5,037,273	\$ 5,037,273	\$ 3,273,345	\$ (1,763,928)
Investment income	-	-	42,533	42,533
Total revenues	<u>5,037,273</u>	<u>5,037,273</u>	<u>3,315,878</u>	<u>(1,721,395)</u>
EXPENDITURES:				
Current:				
Highways and streets	<u>1,196,617</u>	<u>2,209,377</u>	<u>768,113</u>	<u>1,441,264</u>
Total expenditures	<u>1,196,617</u>	<u>2,209,377</u>	<u>768,113</u>	<u>1,441,264</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,840,656</u>	<u>2,827,896</u>	<u>2,547,765</u>	<u>(280,131)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(2,890,722)</u>	<u>(2,890,722)</u>	<u>(897,474)</u>	<u>1,993,248</u>
Total other financing sources (uses)	<u>(2,890,722)</u>	<u>(2,890,722)</u>	<u>(897,474)</u>	<u>1,993,248</u>
Net change in fund balance	<u>\$ 949,934</u>	<u>\$ (62,826)</u>	<u>1,650,291</u>	<u>\$ 1,713,117</u>
FUND BALANCE:				
Beginning of year			<u>11,188,227</u>	
End of year			<u>\$ 12,838,518</u>	

SUPPLEMENTARY INFORMATION

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City of Madera
Measure "T" Fund
Balance Sheet By Funding Source
June 30, 2022

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
ASSETS					
Cash and investments	\$ 8,961,500	\$ 2,066,653	\$ 566,524	\$ 254,952	\$ 11,849,629
Intergovernmental receivable	784,976	698,630	62,798	62,798	1,609,202
Total assets	\$ 9,746,476	\$ 2,765,283	\$ 629,322	\$ 317,750	\$ 13,458,831
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 26,208	\$ 64,049	\$ 1,006	\$ 720	\$ 91,983
Total liabilities	26,208	64,049	1,006	720	91,983
Deferred inflows of resources:					
Unavailable revenue	257,722	229,372	20,618	20,618	528,330
Total deferred inflows of resources	257,722	229,372	20,618	20,618	528,330
Fund Balances:					
Restricted	9,462,546	2,471,862	607,698	296,412	12,838,518
Total fund balances	9,462,546	2,471,862	607,698	296,412	12,838,518
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,746,476	\$ 2,765,283	\$ 629,322	\$ 317,750	\$ 13,458,831

City of Madera
Measure "T" Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances By Funding Source
For the Year Ended June 30, 2022

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
REVENUES:					
Measure "T" sales tax	\$ 1,596,755	\$ 1,421,111	\$ 127,739	\$ 127,740	\$ 3,273,345
Investment income	31,055	8,684	1,915	879	42,533
Total revenues	<u>1,627,810</u>	<u>1,429,795</u>	<u>129,654</u>	<u>128,619</u>	<u>3,315,878</u>
EXPENDITURES:					
Current:					
Highways and streets	582,732	102,909	17,352	65,121	768,114
Total expenditures	<u>582,732</u>	<u>102,909</u>	<u>17,352</u>	<u>65,121</u>	<u>768,114</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,045,078</u>	<u>1,326,886</u>	<u>112,302</u>	<u>63,498</u>	<u>2,547,764</u>
OTHER FINANCING SOURCES (USES):					
Transfers out	-	(897,474)	-	-	(897,474)
Total other financing sources (uses)	<u>-</u>	<u>(897,474)</u>	<u>-</u>	<u>-</u>	<u>(897,474)</u>
NET CHANGES IN FUND BALANCES	<u>1,045,078</u>	<u>429,412</u>	<u>112,302</u>	<u>63,498</u>	<u>1,650,290</u>
FUND BALANCES:					
Beginning of year	8,417,468	2,042,450	495,396	232,914	11,188,228
End of year	<u>\$ 9,462,546</u>	<u>\$ 2,471,862</u>	<u>\$ 607,698</u>	<u>\$ 296,412</u>	<u>\$ 12,838,518</u>

COMPLIANCE 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**

Independent Auditors' Report

To the Honorable Mayor and Members of the City Council
of the City of Madera
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" Special Revenue Fund (the "Measure "T" Fund") of the City of Madera, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund financial statements, and have issued our report thereon dated April 21, 2023.

Report on 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, as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

To the Honorable Mayor and Members of the City Council
of the City of Madera
Madera, California
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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 Measure “T” Fund’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 Measure “T” Fund’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
April 21, 2023

County of Madera Measure “T” Fund

Madera, California

Independent Auditors’ Reports and Financial Statements

For the Year Ended June 30, 2022

County of Madera
Measure “T” Fund
For the Year Ended June 30, 2022

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**INDEPENDENT AUDITORS' REPORT**www.pungroup.cpa

To the Board of Supervisors
of the County of Madera
Madera, California

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying financial statements of the Measure "T" Fund (the "Measure "T" Fund") of the County of Madera, California (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure "T" Fund of the County as of June 30, 2022, 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.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure "T" Fund and do not purport to, and do not, present fairly the financial position of the County as of June 30, 2022, the change in financial position, or, where applicable, its cash flows, for the years 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure "T" Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of the Measure "T" Fund. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure "T" Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements are not affected by this missing information.

To the Board of Supervisors
of the County of Madera
Madera, California
Page 3

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure "T" Fund financial statements. The Balance Sheet by Funding Source and the Schedule of Revenues, Expenditures and Changes in Fund Balance by Funding Source are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Balance Sheet by Funding Source and the Schedule of Revenues, Expenditures and Changes in Fund Balance by Funding Source are 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 November 22, 2023, on our consideration of the County'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 Measure "T" Fund'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 Measure "T" Fund's internal control over financial reporting and compliance.

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Santa Ana, California
November 22, 2023

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FINANCIAL STATEMENTS

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County of Madera
Measure "T" Fund
Balance Sheet
June 30, 2022

	Measure "T" Fund
ASSETS	
Cash and investments	\$ 16,802,661
Intergovernmental receivable	635,773
Total assets	\$ 17,438,434
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Due to the County	\$ 1,226,041
Total liabilities	1,226,041
Deferred inflows of resources:	
Unavailable revenue	635,776
Total deferred inflows of resources	635,776
Fund Balance:	
Restricted	15,576,617
Total fund balance	15,576,617
Total liabilities, deferred inflows of resources, and fund balance	\$ 17,438,434

See accompanying Notes to the Basic Financial Statements.

County of Madera
Measure "T" Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022

	Measure "T" Fund
REVENUES:	
Measure "T" sales tax	\$ 3,951,706
Investment income	54,147
Total revenues	<u>4,005,853</u>
EXPENDITURES:	
Current:	
Highways and streets	2,626,201
Total expenditures	<u>2,626,201</u>
NET CHANGES IN FUND BALANCE	1,379,652
FUND BALANCE:	
Beginning of year	14,196,965
End of year	<u><u>\$ 15,576,617</u></u>

See accompanying Notes to the Basic Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

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County of Madera
Measure “T” Fund
Index to the Notes to the Financial Statements
For the Year Ended June 30, 2022

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County of Madera
Measure “T” Fund
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies

The Reporting Entity

The Measure “T” Sales Tax Program (“Measure “T””) is administered by the Madera County Transportation Authority (the “Authority”) was created by the approval of Measure “T” by the voters of the County in November 2006. Measure “T” authorized the imposition of a one half percent (1/2%) 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 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.

The financial statements of the Measure “T” Sales Tax Fund (the “Measure “T” Fund”), a Special Revenue Fund of the County of Madera, California (the “County”) have been prepared in conformity with accounting principles generally accepted of the United States of America (“U.S. GAAP”) as applied to governmental 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.

Financial Statements

The Measure “T” enabling legislation provides funding of highway and streets projects. Funds are allocated to the County through the county transportation planning agency, the Madera County Transportation Authority. The Measure “T” Funds account for the County’s share of the Measure “T” sales tax allocations, which are legally restricted for specific purposes as detailed in Section 99245 of the Public Utilities Code.

The accompanying financial statements present only the Measure “T” Fund of the County and are not intended to present fairly the financial position, changes in financial position, or cash flows of the County in conformity with accounting principles generally accepted in the United States of America.

County of Madera
Measure “T” Fund
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Accounting

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

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.

Measurement Focus and Basis of Accounting

The **Measure “T” Fund** is reported using “*current financial resources*” measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available and expenditures are recognized when the fund liabilities are incurred. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County uses an availability period of 60 days. Revenues that are susceptible to accrual include Measure “T” sales tax allocations and investment earnings. 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.

Cash and Cash Equivalents

The cash is held by the Measure “T” Fund as part of the County’s pooled cash and investments. The pooled funds are invested in accordance with the County’s investment policy established pursuant to state law. All monies not required for immediate expenses are invested or deposited to earn maximum yield consistent with safety and liquidity. Interest earnings is allocated to the fund based on its proportionate share of the pool. Refer to the County’s Basic Financial Statements for disclosures of cash and investments and related risk categorization.

Deferred Outflows/Inflows of Resources

In addition to assets, the Measure “T” Fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of 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 Measure “T” Fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position 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 items that qualifies for reporting in this category that is related to unavailable revenue. 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. The Measure “T” Fund had unavailable revenue in the amount of \$635,776 as of June 30, 2022.

County of Madera
Measure “T” Fund
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Balances

The Measure “T” Fund reports fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent. Fund balances are categorized as follows:

Nonspendable - This amount indicated the portion of funds balances which cannot be spent because they are either not in spendable form, such as prepaid items, inventories or loans receivable, or legally or contractually required to be maintained intact, such as the principal portion of an endowment.

Restricted - This amount indicates the portion of fund balances which has been restricted; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; b) imposed by law through constitutional provisions or enabling legislation.

Committed - This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to formal resolution or ordinance of the Board of Supervisors.

Assigned - This amount indicates the portion of fund balances which is constrained by the County’s intent to be used for specific purpose, but is neither restricted nor committed. The County’s Finance Director is authorized to determine and define the amount of assigned fund balances.

Unassigned - This amount indicates the portion of fund balance that does not fall into one of the above categories.

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the County’s policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the County’s policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Deposits in the County’s Pool

The County has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The balance of the Measure “T” Funds’ cash and investments, as of June 30, 2022 was \$16,802,661.

County of Madera
Measure “T” Fund
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Deposits in the County’s Pool (Continued)

The Measure “T” Fund’s cash is deposited in the County’s internal investment pool, which is reported at fair value. The Measure “T” Fund does not own specifically identifiable securities in the County’s pool. The balance of cash deposited in the County’s pool was \$16,802,661 as of June 30, 2022.

Investments earnings is allocated based on average cash balances. Investment policies and associated risk factors applicable to the Measure “T” Fund are those of the County and are included in the County’s basic financial statements.

Note 3 – Restrictions

Funds received pursuant to the Measure “T” enabling legislation in the Measure “T” Fund may only be used for highways and streets.

Note 4 – Contingencies

The Measure “T” funds are subject to program compliance audits by the grantors and their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 5 – Due to County

At June 30, 2022, the Funds owes the County in the amount of \$1,226,041 to cover a reimbursement for a project paid for by other County funds.

SUPPLEMENTARY INFORMATION

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County of Madera
Measure "T" Fund
Balance Sheet By Funding Source
June 30, 2022

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
ASSETS					
Cash and investments	\$ 9,739,864	\$ 6,780,684	\$ 127,684	\$ 154,429	\$ 16,802,661
Intergovernmental receivable	310,133	298,721	2,109	24,810	635,773
Total assets	\$ 10,049,997	\$ 7,079,405	\$ 129,793	\$ 179,239	\$ 17,438,434
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Due to County	\$ 1,210,835	\$ 15,206	\$ -	\$ -	\$ 1,226,041
Total liabilities	1,210,835	15,206	-	-	1,226,041
Deferred inflows of resources:					
Unavailable revenue	310,134	298,722	2,109	24,811	635,776
Total deferred inflows of resources	310,134	298,722	2,109	24,811	635,776
Fund Balances:					
Restricted	8,529,028	6,765,477	127,684	154,428	15,576,617
Total fund balances	8,529,028	6,765,477	127,684	154,428	15,576,617
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,049,997	\$ 7,079,405	\$ 129,793	\$ 179,239	\$ 17,438,434

County of Madera
Measure "T" Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances By Funding Source
For the Year Ended June 30, 2022

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
REVENUES:					
Measure "T" sales tax	\$ 1,927,660	\$ 1,856,725	\$ 13,108	\$ 154,213	\$ 3,951,706
Investment income	33,345	19,048	408	1,346	54,147
Total revenues	<u>1,961,005</u>	<u>1,875,773</u>	<u>13,516</u>	<u>155,559</u>	<u>4,005,853</u>
EXPENDITURES:					
Current:					
Highways and streets	<u>2,585,201</u>	<u>41,000</u>	<u>-</u>	<u>-</u>	<u>2,626,201</u>
Total expenditures	<u>2,585,201</u>	<u>41,000</u>	<u>-</u>	<u>-</u>	<u>2,626,201</u>
NET CHANGES IN FUND BALANCES	(624,196)	1,834,773	13,516	155,559	1,379,652
FUND BALANCES:					
Beginning of year	<u>9,153,224</u>	<u>4,930,704</u>	<u>114,168</u>	<u>(1,131)</u>	<u>14,196,965</u>
End of year	<u>\$ 8,529,028</u>	<u>\$ 6,765,477</u>	<u>\$ 127,684</u>	<u>\$ 154,428</u>	<u>\$ 15,576,617</u>



**INDEPENDENT AUDITORS' 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**

Independent Auditors' Report

To the Board of Supervisors
of the County of Madera
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" Special Revenue Fund (the "Measure "T" Fund") of the County of Madera, California (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund financial statements, and have issued our report thereon dated November 22, 2023.

Report on 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, as a basis for designing 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 County'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. Our audit was further made to determine that allocations made and 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 Measure “T” Fund’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 Measure “T” Fund’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
November 22, 2023

To the Residents of Madera County

The Measure T Citizens' Oversight Committee is pleased to announce the findings of the review of fiscal year 2022 Measure T revenues and expenditures. In the fifteenth year of the Measure T program, **revenues totaled \$15.966 million**. Construction and engineering work continued on many regional and local projects. The local agencies spent over **\$3.444 million on local projects** including road rehabilitation, maintenance, transit, and pedestrian/bicycle facility projects. Expenditures on **regional projects totaled \$5.026 million**. The City of Madera continued to spend funds on the Fresno River Trail Undercrossing project as well as on funds to install sidewalks on Schnoor Avenue and around Washington Elementary. The City of Chowchilla began work on the Humboldt Storm Drainage and Street Rehab project as well as continued preliminary environmental work on the SR 233 Interchange Operational Improvement project in partnership with Caltrans. The County of Madera continued construction work on the Oakhurst Midtown Connector (River Parkway Road) project as well as began construction work on the Road 200 Finegold Creek Bridge project. In partnership with the Army Corp of Engineers, the County began construction work on the Avenue 26 Rehab project.

The Measure T financial statements for the fiscal year 2022 were audited by independent firms with no significant deficiencies identified. The audited financial statements can be viewed at the [Madera County Transportation Authority website](#).

The Committee has reviewed the audited Measure T Financial Statements and reports of the independent auditor from July 2021 to June 2022 and concurs that Measure T expenditures are in accordance with the Measure T program.

Measure T continues to serve as a crucial source of local infrastructure investment including leveraging state and federal funds for the Madera County region. The Committee looks forward to continue working with the community to ensure the ongoing success of the Measure T Program.

Measure T Citizens' Oversight Committee

District 1 Janice Gomes

District 2 Wayne Chapman

District 3 Vacant

District 4 Max Rodriguez

District 5 Vacant

Member At Large Terry Flanagan

Member At Large April Molina