



Regular Meeting of the Measure T Citizens' Oversight Committee

LOCATION

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

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

DATE

September 8, 2021

TIME

5:00 PM

Citizens' Oversight Committee Members

District 1 Tom Kellner
District 2 Vacant
District 3 Tim Riché
District 4 Vacant
District 5 John Reed
Member At Large Courtney Brown
Member At Large Terry Flanagan

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

SPECIAL NOTICE

Important Notice Regarding COVID 19

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

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

<https://www.gotomeet.me/MaderaCTC/citizens-oversight-committee-meeting-9821>

You can also dial in using your phone.

United States: [+1 \(224\) 501-3412](tel:+12245013412)

Access Code: 813-326-525

If you wish to make a comment on a specific agenda item during the meeting, please use the “Raise Hand” feature in GoToMeeting and you will be called on by the chair during the meeting. If you are participating via telephone only, you can submit your comments via email to publiccomment@maderactc.org or by calling 559-675-0721 **no later than 10:00 am on 9/8/2021**. Comments will be shared with the Citizens’ Oversight 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.

AGENDA

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

INTERPRETING SERVICES

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

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

MEETING CONDUCT

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

RECORD OF THE MEETING

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

Agenda

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

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

4. APPROVAL OF MINUTES

A. Meeting Minutes – August 12, 2020

Enclosure: Yes

Action: Approve Minutes

5. MEASURE T COMPLIANCE AUDITS

A. Measure T FY 2019-20 Compliance Audits for City of Chowchilla, City of Madera, County of Madera, and Madera County Transportation Authority

Enclosure: Yes

6. LOCAL AGENCY UPDATE

A. City of Chowchilla

B. City of Madera

C. County of Madera

Enclosure: Yes

7. REGIONAL UPDATE

A. Madera County Transportation Authority

8. MEASURE T RENEWAL UPDATE

9. ANNUAL REPORT TO THE PUBLIC

A. Citizens' Oversight Committee Annual Report to the Public

Enclosure: Yes

Action: Approve the 2020 Citizens' Oversight Committee Annual Report to the Public

10. OTHER ITEMS

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

11. ADJOURNMENT



**Measure T Citizens' Oversight Committee
Executive Minutes**

Date: Wednesday August 12, 2020

Time: 5:00 pm

Place: Virtual via GoTo Webinar

Members Present: Vice Chairman Terry Flannagan, At-Large
Emil Stagnaro, District 2
Wendy Fagan, District 3
Angie Cantu, District 4
Courtney Brown, Member At Large

Members Absent: Tom Kellner, District 1
John Reed, District 5

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

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

Welcome and Introductions

Committee Members and Agency Staff introduced themselves.

- 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.

None.

4. APPROVAL OF MINUTES

Upon motion by Mr. Stagnaro, seconded by Ms. Cantu, the February 12, 2020 Citizens' Oversight Committee Meeting Minutes were approved as written. A vote was called and the motion carried.

5. MEASURE T COMPLIANCE AUDITS

MCTA financial statements and Agency compliance audits for the FY 2018/19 were audited by Price Paige & Company. Henry Oum and Kristin Torres of Price Paige & Company presented and explained the audits to the Committee. No adverse findings were reported in the FY 2018/19 Measure T compliance audits.

6. LOCAL AGENCY UPDATES

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

Completed Projects:

- Wilson School Pedestrian Improvement Program
- Road 16/5th Street Curve
- Various Pothole Repairs/Patching

Current Projects

- Humboldt Storm Drainage and Road Rehabilitation Design
- Avenue 24 ½ Shoulder Paving
- SR 99/233 Interchange (roundabouts)
- General Street Maintenance and Repair

City of Madera –Ellen Bitter from the City of Madera presented the current Measure T Projects:

Completed Projects:

- Pavement Rehabilitation

Current Projects

- Pavement Rehabilitation
- Granada Drive/Howard Road Traffic Signal
- Howard Road/Westberry Traffic Signal
- Olive Avenue Widening-Gateway to Knox
- Fresno River Trail Gateway Drive/UPRR Undercrossings
- Alley Paving
- Schnoor Sidewalks, Washington School Sidewalks

- Bicycle Facilities

County of Madera –Troy McNeil from MCTC staff presented the County’s current Measure T Projects:

Current Projects

- Road 36 Overlay – Avenue 12 ½ to Avenue 15
- Road 400 Overlay – Road 415 to Yosemite Springs Parkway
- Avenue 12 Chip Seal – Topper to Road 38
- Avenue 12 Striping Reconfiguration
- Avenue 15 Overlay – Road 35 to Road 36
- Road 222 Chip Seal – SR 41 to Road 274
- Road 600 Bridge Replacement at Madera Canal
- Avenue 12 Sidewalk – Road 36 to Road 37
- Road 206 Rehab – Road 145 to San Joaquin River Bridge
- Road 235 Bridge Repair (below Redinger Lake)
- Road 434/Road 432 Rehabilitation
- Avenue 15 Chip Seal – Road 28 to Road 29
- School Pedestrian Push Button Crossing Signals
- Avenue 9 Rehabilitation – Road 33 ½ to Road 36
- Avenue 9 Rehabilitation – SR 99 to Road 29 ½
- Road 36 Rehabilitation – Avenue 9 to Avenue 12
- Road 36 Rehabilitation – Avenue 15 to SR 145
- Avenue 9 Chip Seal – Road 36 to Road 38
- Road 274 Chip Seal – Road 222 to Road 225
- Road 200 Chip Seal – Spring Valley School to Leprechaun Lane
- North Fork Roundabout

7. MADERA COUNTY TRANSPORTATION AUTHORITY OUTREACH EFFORTS

Amelia Davies from MCTC staff presented to the Committee the outreach plan for a possible extension of Measure T.

8. ANNUAL REPORT TO THE PUBLIC

The Annual Report to the Public, to be printed in the Madera Tribune and Sierra Star, was presented to the committee by Sandy Ebersole from MCTC staff. Upon motion by Mr. Stagnaro, seconded by Ms. Cantu, the Annual Report to the Public was approved as written. A vote was called and the motion carried.

9. Other Items

A. Meeting Schedule – the next scheduled meeting will be Wednesday, February 10, 2021.

B. Agenda Items for Next Meeting

10. Adjournment

Upon motion by Mr. Reed, the meeting adjourned at 6:26 pm.

MCTC Measure T

Presentation of the June 30, 2020 Financial
Statement Audits to the Oversight Committee

September 8 , 2021

Fausto Hinojosa, CPA, CFE

Kristin Torres, CPA



PRICE PAIGE & COMPANY
Accountancy Corporation

AGENDA

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



PPC Background

- Founded in 1976 – 40 years
- Top 5 firm in Fresno County
 - Deep specialization in serving governments
 - Over 80 audits of municipalities, special districts, counties and nonprofit organizations
- PPC consists of 40 dedicated employees, including 15 CPA's



Engagement Management Team

- Fausto Hinojosa, CPA, CFE – Engagement Partner
- Kristin Torres, CPA – Audit Supervisor
- This team of professionals has over 40 years of combined experience providing audit services



Audit Process

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



Key Audit Areas of Emphasis

- Revenues and Receivables
- Expenditures
- Compliance



Auditors Report on Financial Statements

- Audit performed in accordance with AICPA and Government Auditing Standards
- Financial statements are **fairly presented** in all **material** respects
- Unmodified opinions (clean opinions)
- Significant accounting policies have been consistently applied
- Disclosures are properly reflected in the financial statements
- No new accounting pronouncements adopted in FY2020



Financial Summary

	City of Chowchilla	City of Madera	County of Madera
Assets	\$ 1,364,389	\$ 10,764,969	\$ 13,550,335
Revenues	\$ 286,426	\$ 1,587,082	\$ 1,887,455
Expenses	(604,961)	(2,104,269)	(1,105,937)
Net Change	\$ (318,535)	\$ (517,187)	\$ 781,518



Government Auditing Standards Report

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



Required Communications

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



Questions?



PRICE PAIGE & COMPANY
Accountancy Corporation

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

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

**FOR THE YEAR ENDED
JUNE 30, 2020**

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure "T" Fund of the City of Chowchilla, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure "T" Fund of the City of Chowchilla, California as of June 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure "T" Fund of the City of Chowchilla and do not purport to, and do not present fairly the financial position of the City, as of June 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 10-11 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021, on our consideration of the City's internal control over financial reporting as it relates to the Measure "T" Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure "T" Fund.

Price Pange & Company

Clovis, California
March 31, 2021

FINANCIAL STATEMENTS

**CITY OF CHOWCHILLA, CALIFORNIA
 MEASURE "T" FUND
 BALANCE SHEET
 JUNE 30, 2020**

ASSETS

Current Assets:

Cash and investments	\$ 1,146,633
Due from other funds	11,861
Due from MCTA	<u>205,895</u>

Total assets	<u>\$ 1,364,389</u>
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LIABILITIES

Current Liabilities:

Accounts payable	<u>\$ 83,926</u>
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Total liabilities	<u>83,926</u>
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenues	<u>205,895</u>
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Total deferred inflows of resources	<u>205,895</u>
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FUND BALANCE

Restricted for highway and streets	<u>1,074,568</u>
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Total fund balance	<u>1,074,568</u>
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Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,364,389</u>
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The accompanying notes are an integral part of this statement.

**CITY OF CHOWCHILLA, CALIFORNIA
 MEASURE "T" FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES	
Measure "T" sales tax	\$ 264,110
Interest	<u>22,316</u>
Total revenues	<u>286,426</u>
 EXPENDITURES	
Current:	
Highway and streets	<u>83,926</u>
Total expenditures	<u>83,926</u>
Excess of revenues over (under) expenditures	<u>202,500</u>
 OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(521,035)</u>
Total other financing sources (uses)	<u>(521,035)</u>
Net change in fund balance	(318,535)
Fund balance - beginning	<u>1,393,103</u>
Fund balance - ending	<u>\$ 1,074,568</u>

The accompanying notes are an integral part of this statement.

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE “T” FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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, 2020, the balance of \$205,895 is related to the fourth quarter and excess disbursements of the fiscal year 2020 Measure “T” allocations.

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION (Continued)

Unavailable Revenue

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations. The City received the third quarter, fourth quarter and excess allocations of fiscal year 2020 Measure "T" monies after the available period (60 days after year-end). As of June 30, 2020, the City's total unavailable revenues were \$205,895.

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, 2020**

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, 2020, 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, 2020 are summarized as follows:

	<u>Transfers Out</u>
Measure T Fund	\$ 521,035 ⁽¹⁾

⁽¹⁾ Measure T Fund transferred \$306,259 to Streets and Roads (LTF) for street maintenance and operational costs and \$197,929 and \$16,847 to the Capital Projects Fund for the Wilson School Project and the Sustainable Communities Plan Project, respectively.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California issued stay at home orders which include the temporary closure of all businesses deemed to be nonessential. Many stay at home orders have required individuals living in the San Joaquin Valley Region to stay at home, except as allowed, to maintain continuity of the federal critical infrastructure sectors. Accordingly, some functions of the City's operations have been limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Measure "T" sales tax	\$ 405,391	\$ 405,391	\$ 264,110	\$ (141,281)
Interest	<u>25,900</u>	<u>24,709</u>	<u>22,316</u>	<u>(2,393)</u>
Total revenues	<u>431,291</u>	<u>430,100</u>	<u>286,426</u>	<u>(143,674)</u>
EXPENDITURES				
Current:				
Highway and streets	<u>-</u>	<u>449,725</u>	<u>83,926</u>	<u>365,799</u>
Total expenditures	<u>-</u>	<u>449,725</u>	<u>83,926</u>	<u>365,799</u>
Excess of revenues over (under) expenditures	<u>431,291</u>	<u>(19,625)</u>	<u>202,500</u>	<u>222,125</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(545,262)</u>	<u>(570,188)</u>	<u>(521,035)</u>	<u>49,153</u>
Total other financing sources (uses)	<u>(545,262)</u>	<u>(570,188)</u>	<u>(521,035)</u>	<u>49,153</u>
Net change in fund balance	<u>\$ (113,971)</u>	<u>\$ (589,813)</u>	<u>(318,535)</u>	<u>\$ 271,278</u>
Fund balance - beginning			<u>1,393,103</u>	
Fund balance - ending			<u>\$ 1,074,568</u>	

**CITY OF CHOWCHILLA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Fund Total
ASSETS					
Current Assets:					
Cash and investments	\$ 308,787	\$ 600,458	\$ 120,103	\$ 117,285	\$ 1,146,633
Due from other funds	-	11,861	-	-	11,861
Due from MCTA	<u>100,437</u>	<u>89,389</u>	<u>8,034</u>	<u>8,035</u>	<u>205,895</u>
Total assets	<u>\$ 409,224</u>	<u>\$ 701,708</u>	<u>\$ 128,137</u>	<u>\$ 125,320</u>	<u>\$ 1,364,389</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ -	\$ 83,926	\$ -	\$ -	\$ 83,926
Total liabilities	<u>-</u>	<u>83,926</u>	<u>-</u>	<u>-</u>	<u>83,926</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>100,437</u>	<u>89,389</u>	<u>8,034</u>	<u>8,035</u>	<u>205,895</u>
Total deferred inflows of resources	<u>100,437</u>	<u>89,389</u>	<u>8,034</u>	<u>8,035</u>	<u>205,895</u>
FUND BALANCES					
Restricted for highway and streets	<u>308,787</u>	<u>528,393</u>	<u>120,103</u>	<u>117,285</u>	<u>1,074,568</u>
Total fund balances	<u>308,787</u>	<u>528,393</u>	<u>120,103</u>	<u>117,285</u>	<u>1,074,568</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 409,224</u>	<u>\$ 701,708</u>	<u>\$ 128,137</u>	<u>\$ 125,320</u>	<u>\$ 1,364,389</u>

**CITY OF CHOWCHILLA, CALIFORNIA
 MEASURE "T" FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BY FUNDING SOURCE
 FOR THE YEAR ENDED JUNE 30, 2020**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Fund Total
REVENUES					
Measure "T" sales tax	\$ 128,834	\$ 114,663	\$ 10,306	\$ 10,307	\$ 264,110
Interest	<u>6,323</u>	<u>12,688</u>	<u>1,673</u>	<u>1,632</u>	<u>22,316</u>
Total revenues	<u>135,157</u>	<u>127,351</u>	<u>11,979</u>	<u>11,939</u>	<u>286,426</u>
EXPENDITURES					
Current:					
Highway and streets	-	<u>83,926</u>	-	-	<u>83,926</u>
Total expenditures	-	<u>83,926</u>	-	-	<u>83,926</u>
Excess of revenues over (under) expenditures	<u>135,157</u>	<u>43,425</u>	<u>11,979</u>	<u>11,939</u>	<u>202,500</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(197,929)</u>	<u>(323,106)</u>	-	-	<u>(521,035)</u>
Total other financing sources (uses)	<u>(197,929)</u>	<u>(323,106)</u>	-	-	<u>(521,035)</u>
Net change in fund balances	(62,772)	(279,681)	11,979	11,939	(318,535)
Fund balances - beginning	<u>371,559</u>	<u>808,074</u>	<u>108,124</u>	<u>105,346</u>	<u>1,393,103</u>
Fund balances - ending	<u>\$ 308,787</u>	<u>\$ 528,393</u>	<u>\$ 120,103</u>	<u>\$ 117,285</u>	<u>\$ 1,074,568</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" Fund of the City of Chowchilla, California (the City), as of and for the year ended June 30, 2020, 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 March 31, 2021, which included an explanatory paragraph describing that the financial statements only present the City's Measure "T" Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as it relates to the Measure "T" Fund, 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's Measure "T" Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that allocations made and expended by the City were made

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in accordance with the Measure "T" Enabling Legislation. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Price Pange & Company

Clovis, California
March 31, 2021

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

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

**FOR THE YEAR ENDED
JUNE 30, 2020**

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure "T" Fund of the City of Madera, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure "T" Fund of the City as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure "T" Fund and do not purport to, and do not present fairly the financial position of the City as of June 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 10-11 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2021, on our consideration of the City's internal control over financial reporting as it relates to the Measure "T" Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance as it relates to the Measure "T" Fund.

Price Pange & Company

Clovis, California
July 9, 2021

FINANCIAL STATEMENTS

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET
JUNE 30, 2020**

ASSETS

Cash and investments	\$ 9,692,122
Due from other government	<u>1,072,847</u>
Total assets	<u><u>\$ 10,764,969</u></u>

LIABILITIES

Accounts payable	<u>\$ 17,337</u>
Total liabilities	<u>17,337</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenues	<u>1,072,847</u>
Total deferred inflows of resources	<u>1,072,847</u>

FUND BALANCE

Restricted for highway and streets	<u>9,674,785</u>
Total fund balance	<u>9,674,785</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 10,764,969</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF MADERA, CALIFORNIA
 MEASURE "T" FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES

Measure "T" sales tax	\$	1,384,545
Interest		<u>202,537</u>
 Total revenues		 <u>1,587,082</u>

EXPENDITURES

Current:		
Highway and streets		<u>1,275,009</u>
 Total expenditures		 <u>1,275,009</u>

Excess (deficiency) of revenues over (under) expenditures		 <u>312,073</u>
--	--	--------------------

OTHER FINANCING SOURCES (USES)

Transfers out		<u>(829,260)</u>
 Total other financing sources (uses)		 <u>(829,260)</u>

Net change in fund balance		(517,187)
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Fund balance - beginning		<u>10,191,972</u>
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Fund balance - ending	\$	<u><u>9,674,785</u></u>
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The accompanying notes are an integral part of this statement.

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION

Description of Reporting Entity

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

Basis of Accounting and Measurement Focus

The financial statements of the Measure "T" Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies associated to the Measure "T" Fund are described below.

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

The City considers revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end for all revenues except grants, which use a six-month availability period. The primary revenue sources, which have been treated as susceptible to accrual by the Measure "T" Fund are intergovernmental revenues. Expenditures are recorded in the accompanying period in which the related fund liability is incurred.

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

Unavailable Revenue

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

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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

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

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council 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 City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the Finance Director 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 City.

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.

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS

Cash is pooled in the City's cash and investments. Income from the investment of pooled cash is allocated to the City on a monthly basis, based upon the actual daily balance of the fund as a percentage of the total pooled cash balance. Cash and investments consist of U.S. government-backed securities and investments in the State of California Local Agency Investment Fund, as well as banker acceptances, commercial paper and money market funds, and are not identified with any single fund of the City. The City values 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.

Investments are stated at fair value. The increase in the fair value of investments is recognized as an increase to the interest income revenue. The City normally holds investments to term; therefore, no realized gain/loss is recognized.

City-wide information concerning cash and investments for the years ended June 30, 2020 and 2019, including authorized investments, custodial credit risk, credit and interest rate risk for debt securities and concentration of investments, carrying amount and market value of deposits and investments, may be found in the notes to the City's Financial Statements.

NOTE 3 – 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 balance sheet will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Measure "T" Fund has one type of deferred inflows, unavailable revenues, which totaled \$1,072,847 as of June 30, 2020.

NOTE 4 – TRANSFERS

Transfers for the year ended June 30, 2020 are summarized as follows:

	<u>Transfers Out</u>
Measure "T" Fund	\$ 829,260

The Measure "T" Fund transferred amount was to supplement the streets operations.

NOTE 5 – CONTINGENCY

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus, COVID-19, a pandemic. Accordingly, some functions of the City's operations were limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MADERA, CALIFORNIA
 MEASURE "T" FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Measure "T" sales tax	\$ 2,113,275	\$ 2,113,275	\$ 1,384,545	\$ (728,730)
Interest	<u>-</u>	<u>-</u>	<u>202,537</u>	<u>202,537</u>
Total revenues	<u>2,113,275</u>	<u>2,113,275</u>	<u>1,587,082</u>	<u>(526,193)</u>
EXPENDITURES				
Highway and streets	<u>1,437,446</u>	<u>8,126,130</u>	<u>1,275,009</u>	<u>6,851,121</u>
Total expenditures	<u>1,437,446</u>	<u>8,126,130</u>	<u>1,275,009</u>	<u>6,851,121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>675,829</u>	<u>(6,012,855)</u>	<u>312,073</u>	<u>6,324,928</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(897,474)</u>	<u>(897,474)</u>	<u>(829,260)</u>	<u>68,214</u>
Total other financing sources (uses)	<u>(897,474)</u>	<u>(897,474)</u>	<u>(829,260)</u>	<u>68,214</u>
Net change in fund balance	(221,645)	(6,910,329)	(517,187)	6,393,142
Fund balance - beginning	<u>10,191,972</u>	<u>10,191,972</u>	<u>10,191,972</u>	<u>-</u>
Fund balance - ending	<u>\$ 9,970,327</u>	<u>\$ 3,281,643</u>	<u>\$ 9,674,785</u>	<u>\$ 6,393,142</u>

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

BUDGETARY INFORMATION

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

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

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

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

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OTHER SUPPLEMENTARY INFORMATION

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET BY FUNDING SOURCE
JUNE 30, 2020**

	Commute Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
ASSETS					
Cash and investments	\$ 7,518,386	\$ 1,542,552	\$ 379,044	\$ 252,140	\$ 9,692,122
Due from other government	<u>523,341</u>	<u>465,773</u>	<u>41,866</u>	<u>41,867</u>	<u>1,072,847</u>
Total assets	<u>\$ 8,041,727</u>	<u>\$ 2,008,325</u>	<u>\$ 420,910</u>	<u>\$ 294,007</u>	<u>\$ 10,764,969</u>
LIABILITIES					
Accounts payable	\$ 6,328	\$ -	\$ 4,449	\$ 6,560	\$ 17,337
Total liabilities	<u>6,328</u>	<u>-</u>	<u>4,449</u>	<u>6,560</u>	<u>17,337</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>523,341</u>	<u>465,773</u>	<u>41,866</u>	<u>41,867</u>	<u>1,072,847</u>
Total deferred inflows of resources	<u>523,341</u>	<u>465,773</u>	<u>41,866</u>	<u>41,867</u>	<u>1,072,847</u>
FUND BALANCES					
Restricted for highway and streets	<u>7,512,058</u>	<u>1,542,552</u>	<u>374,595</u>	<u>245,580</u>	<u>9,674,785</u>
Total fund balances	<u>7,512,058</u>	<u>1,542,552</u>	<u>374,595</u>	<u>245,580</u>	<u>9,674,785</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,041,727</u>	<u>\$ 2,008,325</u>	<u>\$ 420,910</u>	<u>\$ 294,007</u>	<u>\$ 10,764,969</u>

**CITY OF MADERA, CALIFORNIA
MEASURE "T" FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BY FUNDING SOURCE
FOR THE YEAR ENDED JUNE 30, 2020**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
REVENUES					
Measure "T" sales tax	\$ 675,389	\$ 601,096	\$ 54,029	\$ 54,031	\$ 1,384,545
Interest	<u>149,561</u>	<u>38,880</u>	<u>7,603</u>	<u>6,493</u>	<u>202,537</u>
Total revenues	<u>824,950</u>	<u>639,976</u>	<u>61,632</u>	<u>60,524</u>	<u>1,587,082</u>
EXPENDITURES					
Current:					
Highway and streets	<u>742,441</u>	<u>254,215</u>	<u>109,303</u>	<u>169,050</u>	<u>1,275,009</u>
Total expenditures	<u>742,441</u>	<u>254,215</u>	<u>109,303</u>	<u>169,050</u>	<u>1,275,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>82,509</u>	<u>385,761</u>	<u>(47,671)</u>	<u>(108,526)</u>	<u>312,073</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(2,344)</u>	<u>(826,916)</u>	<u>-</u>	<u>-</u>	<u>(829,260)</u>
Total other financing sources (uses)	<u>(2,344)</u>	<u>(826,916)</u>	<u>-</u>	<u>-</u>	<u>(829,260)</u>
Net change in fund balances	80,165	(441,155)	(47,671)	(108,526)	(517,187)
Fund balances - beginning	<u>7,431,893</u>	<u>1,983,707</u>	<u>422,266</u>	<u>354,106</u>	<u>10,191,972</u>
Fund balances - ending	<u>\$ 7,512,058</u>	<u>\$ 1,542,552</u>	<u>\$ 374,595</u>	<u>\$ 245,580</u>	<u>\$ 9,674,785</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 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 Measure "T" Fund of the City of Madera, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund financial statements, and have issued our report thereon dated July 9, 2021.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure "T" Fund 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 City's internal control or on compliance as it relates to the Measure "T" Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
July 9, 2021

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

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

**FOR THE YEAR ENDED
JUNE 30, 2020**

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Madera County Transportation Authority's pass-through Measure "T" Fund (Measure "T" Fund) of the County of Madera, California (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure "T" Fund of the County as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure “T” Fund of the County are intended to present the financial position and the changes in financial position of only that portion of the Measure “T” Fund of the County that is attributable to the transactions related to Madera County Transportation Authority’s pass-through Measure “T” Fund. They do not purport to, and do not present fairly the financial position of the County as of June 30, 2020, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s Measure “T” Fund’s financial statements. The Balance Sheet by Funding Source and the Statement of Revenues, Expenditures and Changes in Fund Balance by Funding Source (the Schedules) are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2021 on our consideration of the County’s internal control over financial reporting as it relates to the Measure “T” Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance as it relates to the Measure “T” Fund.

Price Pange & Company

Clovis, California
April 19, 2021

FINANCIAL STATEMENTS

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET
JUNE 30, 2020**

ASSETS

Cash	\$ 12,253,222
Due from other government	<u>1,297,113</u>
Total assets	<u>\$ 13,550,335</u>

LIABILITIES

Due to other funds	<u>\$ 81,788</u>
Total liabilities	<u>81,788</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	<u>1,297,113</u>
Total deferred inflows of resources	<u>1,297,113</u>

FUND BALANCE

Restricted	<u>12,171,434</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 13,550,335</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES	
Measure "T" sales tax	\$ 1,673,001
Interest	<u>214,454</u>
Total revenues	<u>1,887,455</u>
EXPENDITURES	
Highway and streets	<u>1,105,937</u>
Total expenditures	<u>1,105,937</u>
Net change in fund balance	781,518
Fund balance - beginning	<u>11,389,916</u>
Fund balance - ending	<u><u>\$ 12,171,434</u></u>

The accompanying notes are an integral part of this statement.

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION

Description of Reporting Entity

The accompanying financial statements present only the Madera County Transportation Authority's pass-through Measure "T" Fund (Measure "T" Fund) of the County of Madera, California (the County) and are not intended to present fairly the financial position and changes in financial position of the County with accounting principles generally accepted in the United States of America.

Basis of Accounting and Measurement Focus

The financial statements of the Measure "T" Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County's significant accounting policies are described below.

The Measure "T" Fund is a governmental fund specifically categorized as a special revenue fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Governmental funds are accounted for on a "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. The County considers certain revenues reported in the governmental fund to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded in the period in which the related fund liability is incurred.

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

Unavailable Revenue

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

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION (Continued)

Fund Balance Classification

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

Nonspendable

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

Assigned

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

Unassigned

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

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

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS

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

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

Countywide information concerning cash and investments for the year ended June 30, 2020, including authorized investments, custodial credit risk, credit and interest rate risk for debt securities and concentration of investments, carrying amount and market value of deposits and investments, may be found in the notes of the County's Financial Statements.

NOTE 3 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

In addition to liabilities, the statement of net position will sometimes report a section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows is comprised of unavailable revenues, which totaled \$1,297,113 as of June 30, 2020.

NOTE 4 – CONTINGENCY

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California issued stay at home orders which include the temporary closure of all businesses deemed to be nonessential. Many stay at home orders have required individuals living in the San Joaquin Valley Region to stay at home, except as allowed, to maintain continuity of the federal critical infrastructure sectors. Accordingly, some functions of the County's operations have been limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

SUPPLEMENTARY INFORMATION

**COUNTY OF MADERA, CALIFORNIA
MEASURE "T" FUND
BALANCE SHEET
BY FUNDING SOURCE
JUNE 30, 2020**

	<u>Commute Corridors/ Farm to Market</u>	<u>Safe Routes to School and Jobs</u>	<u>Transit Enhancement</u>	<u>Environmental Enhancement</u>	<u>Total</u>
ASSETS					
Cash	\$ 7,386,719	\$ 3,885,581	\$ 100,416	\$ 880,506	\$ 12,253,222
Due from other government	<u>632,737</u>	<u>609,454</u>	<u>4,303</u>	<u>50,619</u>	<u>1,297,113</u>
Total assets	<u>\$ 8,019,456</u>	<u>\$ 4,495,035</u>	<u>\$ 104,719</u>	<u>\$ 931,125</u>	<u>\$ 13,550,335</u>
LIABILITIES					
Due to other funds	\$ 18,241	\$ 63,547	\$ -	\$ -	\$ 81,788
Total liabilities	<u>18,241</u>	<u>63,547</u>	<u>-</u>	<u>-</u>	<u>81,788</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>632,737</u>	<u>609,454</u>	<u>4,303</u>	<u>50,619</u>	<u>1,297,113</u>
Total deferred inflows of resources	<u>632,737</u>	<u>609,454</u>	<u>4,303</u>	<u>50,619</u>	<u>1,297,113</u>
FUND BALANCES					
Restricted	<u>7,368,478</u>	<u>3,822,034</u>	<u>100,416</u>	<u>880,506</u>	<u>12,171,434</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,019,456</u>	<u>\$ 4,495,035</u>	<u>\$ 104,719</u>	<u>\$ 931,125</u>	<u>\$ 13,550,335</u>

**COUNTY OF MADERA, CALIFORNIA
 MEASURE "T" FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES BY FUNDING SOURCE
 FOR THE YEAR ENDED JUNE 30, 2020**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Total
REVENUES					
Measure "T" sales tax	\$ 816,097	\$ 786,067	\$ 5,549	\$ 65,288	\$ 1,673,001
Interest	123,509	74,353	1,719	14,873	214,454
Total revenues	<u>939,606</u>	<u>860,420</u>	<u>7,268</u>	<u>80,161</u>	<u>1,887,455</u>
EXPENDITURES					
Highway and streets	<u>58,690</u>	<u>1,047,247</u>	-	-	<u>1,105,937</u>
Total expenditures	<u>58,690</u>	<u>1,047,247</u>	-	-	<u>1,105,937</u>
Net change in fund balances	880,916	(186,827)	7,268	80,161	781,518
Fund balances - beginning	<u>6,487,562</u>	<u>4,008,861</u>	<u>93,148</u>	<u>800,345</u>	<u>11,389,916</u>
Fund balances - ending	<u>\$ 7,368,478</u>	<u>\$ 3,822,034</u>	<u>\$ 100,416</u>	<u>\$ 880,506</u>	<u>\$ 12,171,434</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 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 Madera County Transportation Authority's pass-through Measure "T" Fund (Measure "T" Fund) of the County of Madera, California (the County), as of and for the year ended June 30 2020, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund's financial statements, and have issued our report thereon dated April 19, 2021.

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 opinion 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's Measure "T" Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 County's internal control or on compliance as it relates to the Measure "T" Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
April 19, 2021

**MADERA COUNTY TRANSPORTATION
AUTHORITY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2020**

MADERA COUNTY TRANSPORTATION AUTHORITY

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madera County Transportation Authority (the "Authority") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2020, 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.

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

tel 559.299.9540
fax 559.299.2344

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 34-35, respectively, 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.

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
December 18, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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, 2020. 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 \$2,501,395 (net position).
2. The Authority's total net position for the fiscal year ended June 30, 2020, increased by \$2,449,273 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 \$12,423,364, an increase of \$680,095 in comparison with the prior year. The amount of \$2,341,032 is restricted for specific regional capital projects and \$9,276,477 is assigned for road improvements.

Overview of the Financial Statements

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

Basic Financial Statements

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

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Authority's government. These financial statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental fund statements and 2) the fiduciary 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, 2020**

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

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

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

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

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

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

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

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

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

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

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Government-Wide Financial Analysis

Following are the government-wide financial statements for the fiscal year ended June 30, 2020:

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 \$2,501,395 at the close of the fiscal year 2019-2020.

**MCTA Net Position
Figure 1**

	<u>2020</u>	<u>2019</u>
Assets:		
Current assets	\$ 12,713,008	\$ 10,133,767
Noncurrent assets	<u>3,129,520</u>	<u>3,070,422</u>
Total assets	<u>15,842,528</u>	<u>13,204,189</u>
Liabilities:		
Current liabilities	5,360,140	1,659,876
Long-term liabilities	<u>7,980,993</u>	<u>11,492,191</u>
Total liabilities	<u>13,341,133</u>	<u>13,152,067</u>
Net position:		
Restricted	3,130,029	3,070,911
Unrestricted	<u>(628,634)</u>	<u>(3,018,789)</u>
Total net position	<u>\$ 2,501,395</u>	<u>\$ 52,122</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

**MCTA Changes in Net Position
Figure 2**

	2020	2019
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 72,839	\$ 83,882
General revenues:		
Sales taxes	5,312,120	5,203,253
Interest income	220,466	208,555
Total revenues	5,605,425	5,495,690
Expenses:		
Public ways and facilities	2,647,204	4,820,909
Interest on long-term debt	508,948	590,563
Total expenses	3,156,152	5,411,472
Change in net position	2,449,273	84,218
Net position - beginning	52,122	(32,096)
Net position - ending	\$ 2,501,395	\$ 52,122

Governmental Activities: The Authority's net position increased by \$2,449,273 for the fiscal year ended June 30, 2020. The Figure 2 table above indicates the change in net position for governmental activities. The key elements of this increase are primarily attributable to lower capital project expenditures 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 \$12,423,364, which is an increase of \$680,095 from last year.

The primary reason for this change is:

1. The capital projects fund increased by \$680,095 due to lower expenditures on capital projects this fiscal year.

**MADERA COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

General Fund Budgetary Highlights

During the year there was no change between the original budget and the final budget for the General Fund. Actual revenues were more than the final budget by \$11,811 and expenditures were more than the final budget by \$11,808. The net effect of these differences results in \$3 in the fund balance in the general fund.

Long-Term Obligations

At the end of 2020, the Authority had \$9,750,993 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 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 2020-21 budget:

- Projected a decrease of 20% in sales tax receipts in 2020-21 compared to actual sales tax receipts in 2019-20 due to the COVID-19 pandemic. As of the date of the issuance of this report, the projected decrease has not materialized. Receipts have been the same or better than the previous fiscal year.
- Estimated expenditures for capital projects in the amount of \$11,445,000
- Bond Debt Service in the amount of \$2,208,658

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, 2020**

	Governmental Activities
ASSETS	
Cash and investments	\$ 11,611,484
Measure T sales tax receivable	1,101,524
Restricted assets:	
Cash and investments	3,129,520
Total assets	15,842,528
LIABILITIES	
Accounts payable	728,479
Interest payable	170,976
Due to trust funds	2,574,652
Due to other governments	116,033
Long-term liabilities:	
Portion due or payable within one year:	
Bond payable	1,770,000
Portion due or payable after one year:	
Bond payable	7,980,993
Total liabilities	13,341,133
NET POSITION	
Restricted for:	
Debt service	788,997
Capital projects	2,341,032
Unrestricted	(628,634)
Total net position	\$ 2,501,395

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

**MADERA COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs			
Governmental activities:			
Public ways and facilities	\$ 2,647,204	\$ -	\$ 72,839
Interest on long-term debt	<u>508,948</u>	<u>-</u>	<u>(508,948)</u>
Total governmental activities	<u>\$ 3,156,152</u>	<u>\$ -</u>	<u>\$ 72,839</u>
General revenues:			
Taxes:			
Sales taxes			5,312,120
Interest income			<u>220,466</u>
Total general revenues			<u>5,532,586</u>
Change in net position			2,449,273
Net position - beginning			<u>52,122</u>
Net position - ending			<u>\$ 2,501,395</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, 2020**

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 3,983,490	\$ 7,627,994	\$ 11,611,484
Restricted cash and investments	-	3,129,520	3,129,520
Due from other funds	-	1,298,542	1,298,542
Receivables:			
Measure T sales tax	22,595	1,078,929	1,101,524
Total assets	\$ 4,006,085	\$ 13,134,985	\$ 17,141,070
LIABILITIES			
Accounts payable	\$ -	\$ 728,479	\$ 728,479
Due to other funds	3,873,194	-	3,873,194
Due to other governments	116,033	-	116,033
Total liabilities	3,989,227	728,479	4,717,706
FUND BALANCES			
Restricted:			
Debt service	-	788,997	788,997
Capital projects	-	2,341,032	2,341,032
Assigned:			
Road improvements	-	9,276,477	9,276,477
Unassigned	16,858	-	16,858
Total fund balances	16,858	12,406,506	12,423,364
Total liabilities and fund balances	\$ 4,006,085	\$ 13,134,985	\$ 17,141,070

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, 2020**

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

Total fund balances - governmental funds	\$ 12,423,364
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds:	
Bonds payable	(9,750,993)
Unmatured interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	<u>(170,976)</u>
Net position of governmental activities	<u><u>\$ 2,501,395</u></u>

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, 2020**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Sales tax	\$ 108,967	\$ 5,203,153	\$ 5,312,120
Federal revenue	-	72,839	72,839
Interest revenue	<u>1,844</u>	<u>218,622</u>	<u>220,466</u>
Total revenues	<u>110,811</u>	<u>5,494,614</u>	<u>5,605,425</u>
EXPENDITURES			
Current:			
Public ways and facilities:			
Administration and planning	110,808	-	110,808
Debt service:			
Principal	-	1,690,000	1,690,000
Interest	-	590,776	590,776
Capital outlay - road improvements	<u>-</u>	<u>2,533,746</u>	<u>2,533,746</u>
Total expenditures	<u>110,808</u>	<u>4,814,522</u>	<u>4,925,330</u>
Net change in fund balances	3	680,092	680,095
Fund balances - beginning of year	<u>16,855</u>	<u>11,726,414</u>	<u>11,743,269</u>
Fund balances - end of year	<u>\$ 16,858</u>	<u>\$ 12,406,506</u>	<u>\$ 12,423,364</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, 2020**

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

Net change in fund balances - total governmental funds	\$	680,095
Repayment of long-term debt		1,690,000
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
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in interest payable		<u>27,980</u>
Change in net position of governmental activities	\$	<u>2,449,273</u>

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, 2020**

	Trust Fund
ASSETS	
Cash and investments	\$ 1,901
Measure T sales tax receivable	1,158,013
Due from other funds	2,574,652
Total assets	3,734,566
LIABILITIES	
Due to other governments	3,732,667
Total liabilities	3,732,667
NET POSITION	
Held in trust	1,899
Total net position	\$ 1,899

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, 2020**

	Trust Fund
ADDITIONS	
Sales tax	\$ 5,584,536
Investment income	24,428
Total additions	5,608,964
DEDUCTIONS	
Disbursements to local agencies	5,610,668
Total deductions	5,610,668
Change in net position	(1,704)
Net position - beginning of year	3,603
Net position - end of year	\$ 1,899

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, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Financial Reporting Entity

The Madera County Transportation Authority (the “Authority”) was created by the approval of Measure T by the voters of Madera County, 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:

Commuter 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 commuter corridors.

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

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

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

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

Madera County Transportation Authority Structure Under the Measure T Program

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

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

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

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements

The basic financial statements consist of the following:

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial 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 enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred. However, debt service expenditures and claims and judgments, are recorded only when payment is due and payable.

The fund financial statements provide information about the Authority's individual funds including governmental and trust funds. Separate statements for each fund category are presented. The balance sheet and the statement of revenues, expenditures and changes in fund balances focus on the presentation of major governmental funds – the general fund and capital projects funds. These two statements are used to report information regarding the Authority's own operations and programs. The statement of fiduciary net position and the statement of changes in fiduciary net position provide information regarding the sales tax proceeds and related disbursements, which are exclusively restricted for local agencies for the support of regional public transit, local transportation and regional transportation within the County. Disbursements of Measure T funds during the fiscal year ended June 30, 2020 were made to the Cities of Madera and Chowchilla and the County of Madera.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Additionally, the Authority reports the following fiduciary fund:

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

Cash and Cash Equivalents

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

Deposits with the Madera County Treasury

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

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

Interfund Balances

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

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Payable

Accounts payable reported in the financial statements of the Authority are amounts that are due and payable at year-end and, thereby, accrued as an expense and liability.

Interest Payable

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

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

Long-Term Obligations

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

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

Fund Balance Classification

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

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

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, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board 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.

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

Unrestricted Net Position – 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.

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, 2020**

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

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

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

NOTE 3 – SUMMARY OF RELATED PARTY TRANSACTIONS

Madera County Transportation Commission (the "Commission") maintains the Madera County Transportation Authority's accounting records and incurs various administrative and other expenses on behalf of the Authority. Expenses incurred by the Authority to the Commission in the 2019-2020 fiscal year totaled to \$110,808. The total accounts payable to the Commission was \$116,033 for the year ended June 30, 2020.

NOTE 4 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 11,611,484
Restricted cash and investments	3,129,520
Statement of Fiduciary Net Position:	
Cash and investments	<u>1,901</u>
Total cash and investments	<u>\$ 14,742,905</u>

Cash and investments as of June 30, 2020 consist of the following:

County investment pool	\$ 13,954,417
Investments	<u>788,488</u>
Total cash and investments	<u>\$ 14,742,905</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 – CASH AND INVESTMENTS (Continued)

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

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

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

Investments Authorized by Debt Agreements

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, in accordance with the provisions of the Government Code of the State of California.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

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

Investment Type	Amount	Remaining Maturity Date
Governmental Activities:		
County investment pool	\$ 13,954,417	12 months or less
Held by bond trustee:		
BlackRock Treasury Trust Institutional	<u>788,488</u>	12 months or less
Total	<u>\$ 14,742,905</u>	

Disclosures Related to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority’s investment policy, and the actual rating as of year-end for each investment type. 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
Governmental Activities:			
County investment pool	\$ 13,954,417	\$ 13,954,417	\$ -
Held by bond trustee:			
BlackRock Treasury Trust Institutional	<u>788,488</u>	<u>-</u>	<u>788,488</u>
Total	<u>\$ 14,742,905</u>	<u>\$ 13,954,417</u>	<u>\$ 788,488</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.

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 \$788,488 in Blackrock Treasury Trust Institutional.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 – CASH AND INVESTMENTS (Continued)

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, 2020.

- Investment in the County's pooled investments: valued at \$13,954,417. 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 \$788,488, invested in BlackRock Treasury Trust Institutional, a Level 1 input.

NOTE 5 – INTERFUND BALANCES

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, 2020 are as follows:

	Due from	Due to
General Fund	\$ -	\$ 3,873,194
Capital Projects Fund	1,298,542	-
Total Governmental Funds	1,298,542	3,873,194
Trust Funds	2,574,652	-
Total	\$ 3,873,194	\$ 3,873,194

The above balances reflect the sales tax allocations at June 30, 2020.

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2020 consist of the following:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within One Year
Sales Tax Revenue Bonds:					
Series 2009	\$ 3,095,000	\$ -	\$ (475,000)	\$ 2,620,000	\$ 510,000
Series 2010	8,090,000	-	(1,215,000)	6,875,000	1,260,000
Series 2010-premiums, net of amortization	307,191	-	(51,198)	255,993	-
Total	\$ 11,492,191	\$ -	\$ (1,741,198)	\$ 9,750,993	\$ 1,770,000

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

SERIES 2009

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

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

Fiscal Years Ending June 30	Principal	Interest	Total
2021	510,000	185,628	695,628
2022	550,000	146,940	696,940
2023	590,000	105,276	695,276
2024	635,000	60,636	695,636
2025	335,000	12,462	347,462
Total	\$ 2,620,000	\$ 510,942	\$ 3,130,942

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
2021	1,260,000	318,000	1,578,000
2022	1,315,000	267,600	1,582,600
2023	1,365,000	215,000	1,580,000
2024	1,430,000	146,750	1,576,750
2025	1,505,000	75,250	1,580,250
Total	\$ 6,875,000	\$ 1,022,600	\$ 7,897,600

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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 in any of the past three years.

NOTE 8 – COMMITMENTS

The Authority has entered into various cooperative agreements with governmental entities amounting to a total commitment of approximately \$46,873,743. The Authority has made cumulative expenditures of \$45,018,564 on these commitments through June 30, 2020; therefore, the Authority’s outstanding commitments at June 30, 2020, total \$1,855,179.

As of June 30, 2020, the Authority had the following commitments with respect to the unfinished capital projects:

<u>Project</u>	<u>Amount</u>	<u>Completion Date</u>
SR 41 Passing Lanes	\$ 988,072	12/31/21
SR 99 Widening, Ave 12 to 17 (Through R/W)	96,569	12/31/20
Oakhurst Mid Town Connector (Through R/W)	170,538	12/31/20
Reconstruct SR 233 Interchange (Environmental phase)	<u>600,000</u>	06/30/21
Total	<u>\$ 1,855,179</u>	

NOTE 9 – CONTINGENCIES

On March 11, 2020 the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California issued Stay At Home Orders which include the temporary closure of all businesses deemed to be nonessential. The most recent Regional Stay At Home Order, effective December 7, 2020 for Madera County, requires individuals living in the San Joaquin Valley Region to stay home, except as allowed, to maintain continuity of the federal critical infrastructure sectors. Accordingly, some functions of the Authority’s operations have been limited to protect the health and safety of its employees. The Authority is dependent on sales taxes, the financial impact that could occur as a result of the pandemic is unknown at this time.

NOTE 10 – SUBSEQUENT EVENTS

On July 22, 2020, the Board of Commissioners approved \$11,445,000 of construction allocation to the Oakhurst Midtown Connector project.

REQUIRED SUPPLEMENTARY INFORMATION

**MADERA COUNTY TRANSPORTATION AUTHORITY
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 99,000	\$ 99,000	\$ 108,967	\$ 9,967
Interest revenue	<u>-</u>	<u>-</u>	<u>1,844</u>	<u>1,844</u>
Total revenues	<u>99,000</u>	<u>99,000</u>	<u>110,811</u>	<u>11,811</u>
EXPENDITURES				
Administration and planning	<u>99,000</u>	<u>99,000</u>	<u>110,808</u>	<u>(11,808)</u>
Total expenditures	<u>99,000</u>	<u>99,000</u>	<u>110,808</u>	<u>(11,808)</u>
Net change in fund balances	-	-	3	3
Fund balance - beginning of year	<u>16,855</u>	<u>16,855</u>	<u>16,855</u>	<u>-</u>
Fund balance - end of year	<u>\$ 16,855</u>	<u>\$ 16,855</u>	<u>\$ 16,858</u>	<u>\$ 3</u>

**MADERA COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

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 34. Its purpose is to demonstrate compliance with the approved budget for fiscal year 2019-2020. Actual expenditures appearing on the schedule are presented using the accrual method of accounting.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2020, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Administration and planning	\$ 11,808

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SUPPLEMENTARY INFORMATION

**MADERA COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF MEASURE T SALES TAX RECEIPTS
JUNE 30, 2020**

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%

* Net of State Board of Equalization fees

OTHER AUDITOR'S REPORT

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madera County Transportation Authority (the "Authority") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) 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 may exist that have not been identified.

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

tel 559.299.9540
fax 559.299.2344

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

Price Pange & Company

Clovis, California
December 18, 2020

**MADERA COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 <u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None Reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

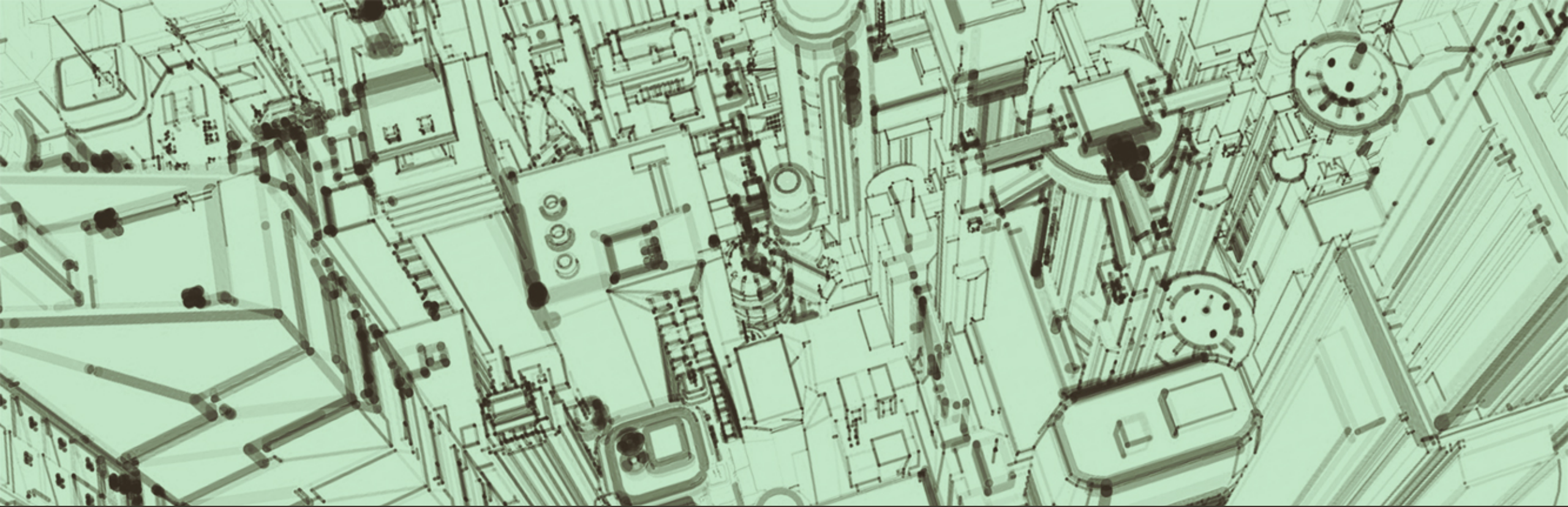
SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

**MADERA COUNTY TRANSPORTATION AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENT FINDINGS

None reported.



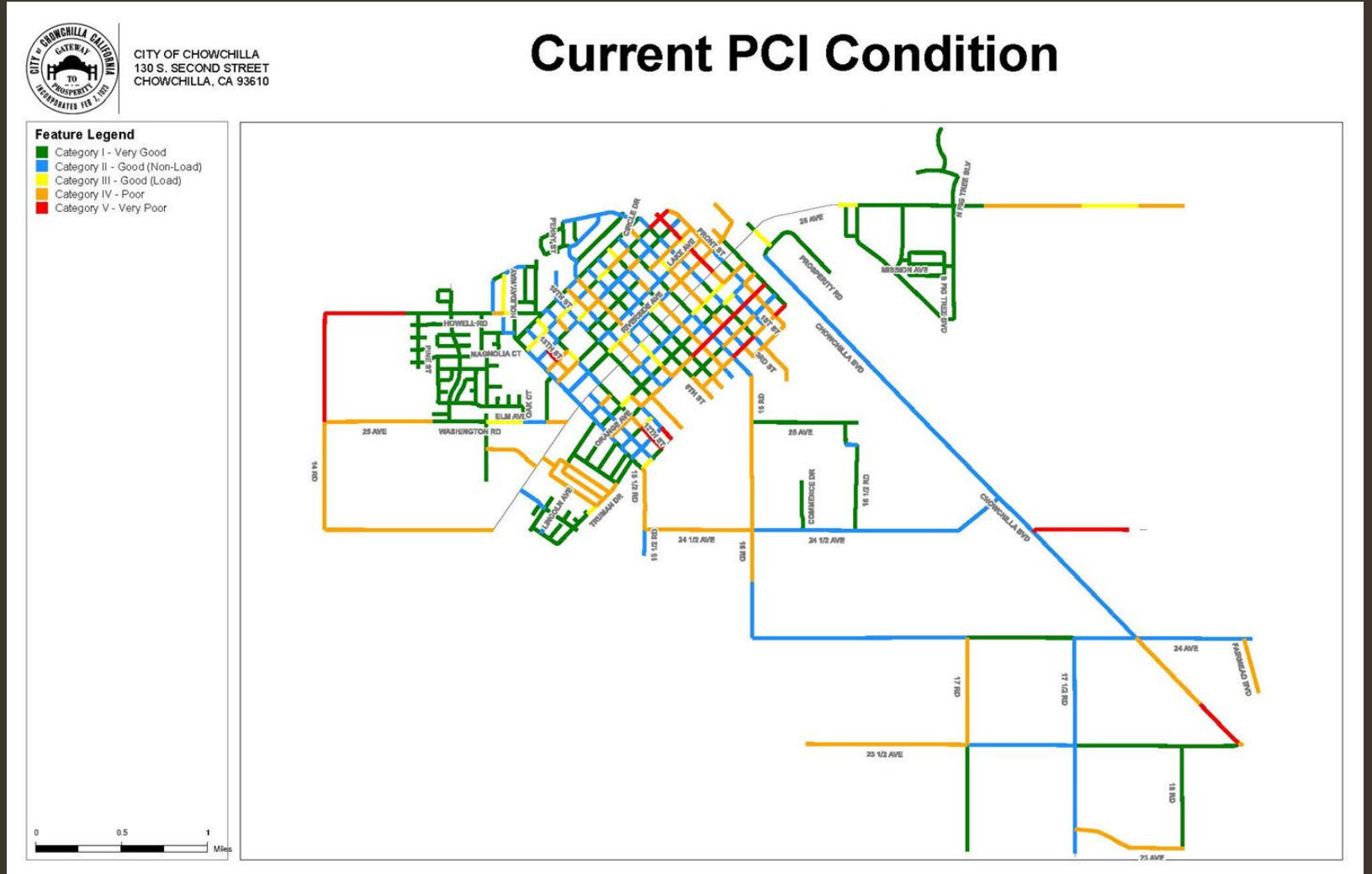
City of Chowchilla

Citizen's Oversight Committee, September 8, 2021



Chowchilla Streets Overview

- 62.9 miles
- Current PCI – 65, unchanged from 2020



Chowchilla Measure T 2021-22 Allocations

MEASURE T CATEGORY	AMOUNT
Commute Corridors/Farm to Market (Regional)	
Rehab, Reconstruct, Maintenance Program	\$226,867
Safe Routes to School & Jobs (Local)	
Street Maintenance Program	\$117,971
Supplemental Street Maintenance Program	\$ 79,403
Flexible Program (Impounded by MCTC)	\$184,368
ADA Compliance	\$ 4,537
Transit Enhancement Program (Public)	\$ 16,610
ADA / Seniors / Paratransit	\$ 1,543
Environmental Enhancement Program	\$ 18,149
Total	\$465,080

Flexible Program Funds not included in total

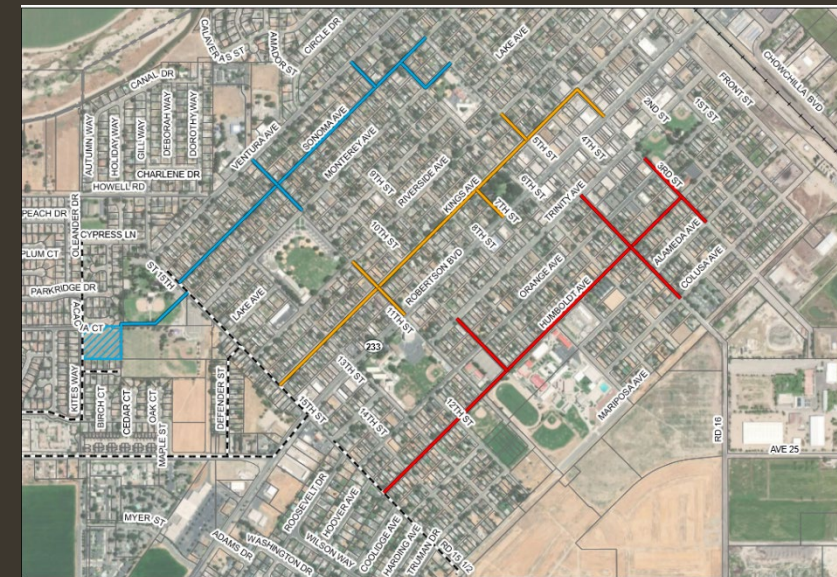
Projects Completed in 2020-21

- Road 16 Reconstruction Project Completed to State Route 152 with Madera County
- Total project costs of approx. \$532,105
- Total Measure T used on this projects was \$232,105.
- Various Pothole repairs/patching



Upcoming Projects 2021-22

- Humboldt Storm Drainage and Road Rehabilitation Design – Est. \$79,000 of Measure T allocated for total project. Design and environmental completed. Construction estimated for 2022.
- Design and Environmental reconstruction of Chowchilla Blvd. from Ave 24 to Ave 24 1/2 Construction estimated in Summer 2023.
- SR 99/233 Interchange Project (Roundabouts) - \$600,000 currently being used for completion of Environmental. Unknown construction date.
- Additionally, Measure T will continue to be used for general street maintenance and repair.



Conclusion

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



CITIZEN'S OVERSIGHT COMMITTEE



Measure T Projects

September 8, 2021



Measure T (County Regional Projects):

Road 23 Bridge Replacement

Road 30 Improvements (north of Avenue 12)

Avenue 26 Rehabilitation

Road 200 Phase 3 Bridge

Avenue 7 Rehabilitation (west of SR 99)

Measure T (General Road Maintenance):

Pothole patching, shouldering, drainage maintenance

Supplement road maintenance funds

Measure T (Road Maintenance Districts):

Various treatments (overlays, seals, etc.)

Matched with MD funds

Road 23 Bridge at Dry Creek

- Full bridge replacement
- Approach roadway tie-ins
- Total Cost: \$3.1M
 - Federal Highway Bridge Program: \$2.7M (87%)
 - Measure T: \$400K (13%)
- **Opened to traffic April 2021**



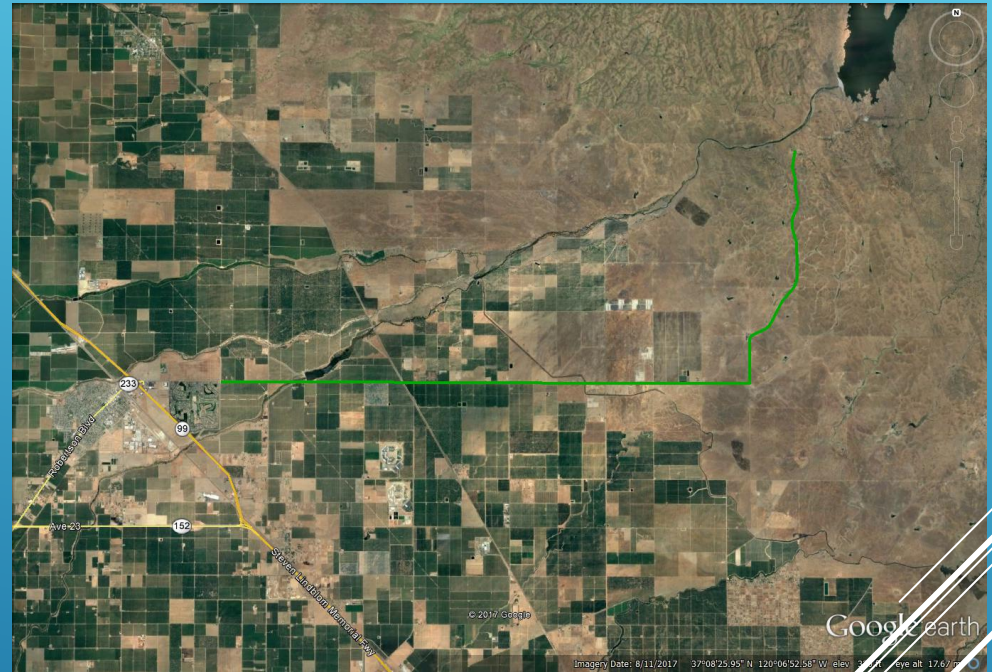
Road 30 Improvements (north of Avenue 12)

- Road rehabilitation including bike and pedestrian facilities
- Eliminated dirt shoulder being used for parking (air quality improvement)
- Total Cost: \$266K
 - Federal Congestion Mitigation Air Quality: \$142K (54%)
 - SB-1 Local Partnership Program (Formula): \$62K (23%)
 - Measure T: \$62K (23%)
- **Opened to traffic April 2021**



Avenue 26/Road 29 Rehabilitation

- 16 miles of road rehabilitation
- Avenue 26 from Chowchilla City Limit to Road 29; Road 29 from Avenue 26 to Eastman Lake entrance
- Project Cost Estimate: \$24.8M
 - Federal Land Access Program (FLAP): \$22M (88.7%)
 - Measure T: \$2.8M (11.3%)
- **UPDATE (per FHWA Project Manager):**
 - Advertise for bids end of September 2021**
 - Award contract by Mid-November 2021**
 - Construction in Spring 2022**



Road 200 Phase 3 Bridge

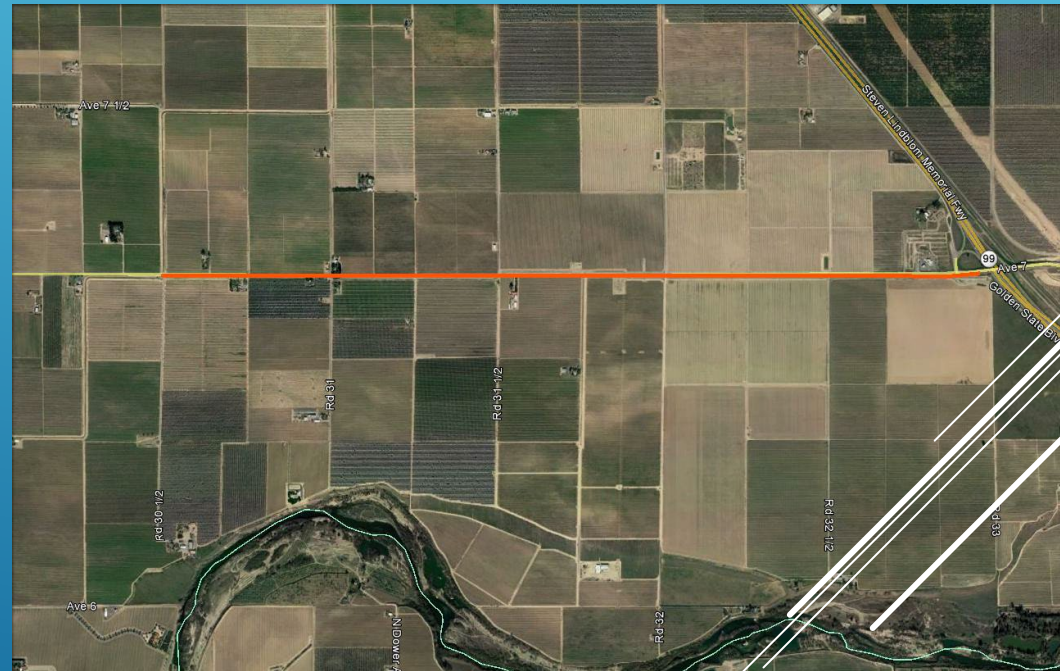
- Project design is complete
- Project permits are being extended
- Project cost estimate (updated): \$9.8M
- MCTC Regional \$'s programmed for 2023
- County has been banking local agency regional Measure T funds to supplement MCTC Regional \$'s for construction (currently \$4M banked)



Avenue 7 Rehabilitation (west of SR 99)

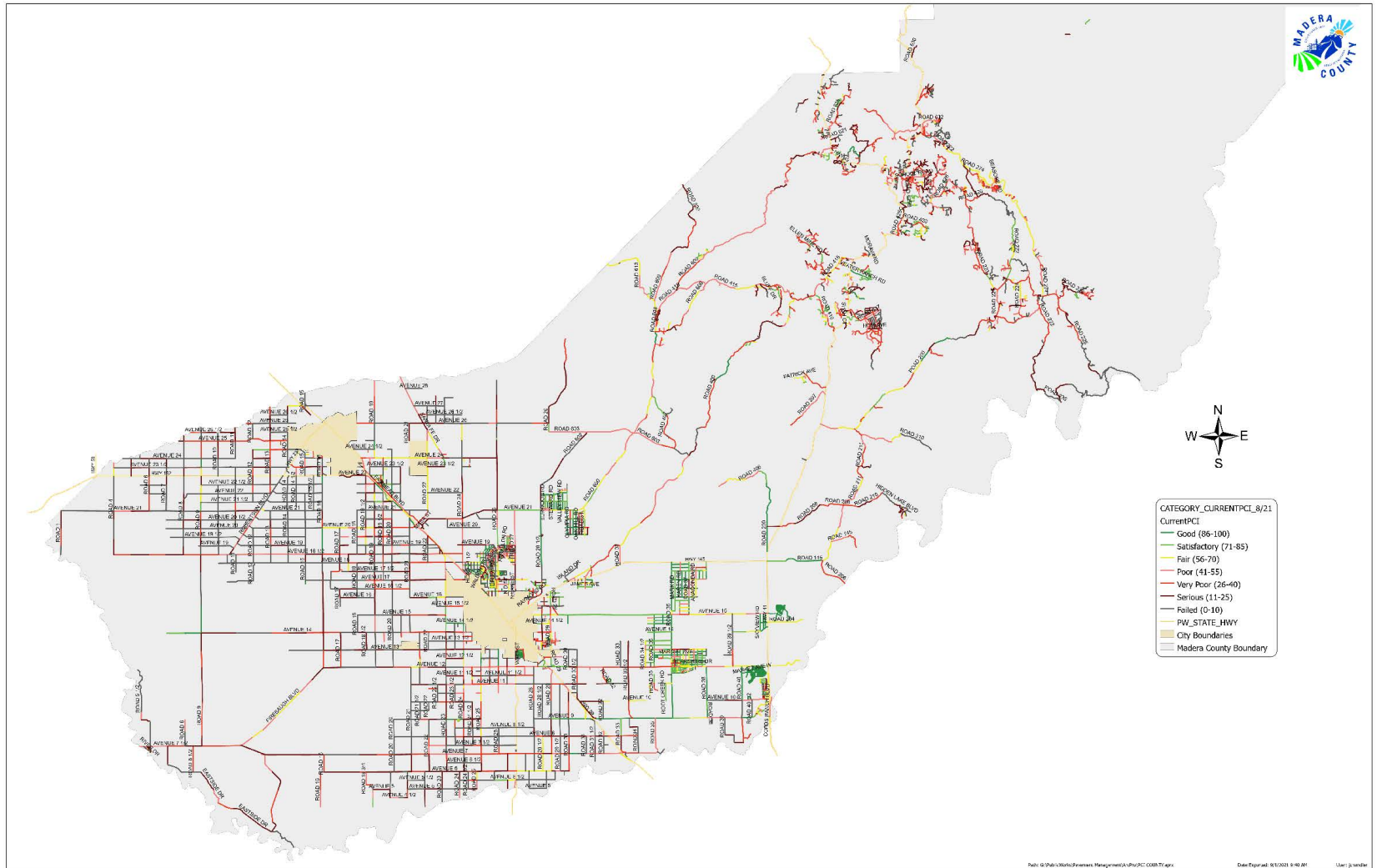
- 2 miles of road rehabilitation (SR 99 to Road 30-1/2)
- Full depth reclamation and wearing surface
- Project Cost Estimate: \$2.1M:
 - SB-1 Local Partnership Program: \$340K
 - Measure T: \$1.76M
- **In-design; anticipate construction in Spring 2022**

(grouped with SB 1 projects for cost savings benefit)



Pavement Management System

- Continual evaluation and update of database of all county road conditions (1,503 county-maintained miles)



Pavement Management System

- Continual evaluation and update of database of all county road conditions (1,503 county-maintained miles)



DISCLAIMER: For display purposes only, graphs with an asterisk () show Condition Category colors based on default PCI Breakpoint values of 70, 50 and 25. Please Note: Historical PCI values are calculated as of 12/31 of the year shown.



CONTACT PUBLIC WORKS
(559) 675-7811

Questions?



To the Residents of Madera County

The Measure T Citizens' Oversight Committee is pleased to announce the findings of the fiscal year 2020 Measure T compliance audits. In the thirteenth year of the Measure T program, construction work began on the State Route 99 Ave 12 to Ave 17 widening and safety project as well as the Oakhurst Midtown Connector project. The local agencies spent over \$3.1 million on road rehabilitation and maintenance projects. The City of Madera also spent funds to help complete their new Transit Facility.

The Measure T financial statements for the fiscal year 2020 were audited by an independent firm 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 2019 to June 2020 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 continuing working with the community to ensure the ongoing success of the Measure T Program.

Measure T Oversight Committee

District 1 Tom Kellner

District 3 Tim Riché

District 5 John Reed

Member At Large Courtney Brown

Member At Large Terry Flanagan