

**MADERA COUNTY TRANSPORTATION
COMMISSION**

FINANCIAL STATEMENTS

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

MADERA COUNTY TRANSPORTATION COMMISSION

JUNE 30, 2020

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MADERA COUNTY TRANSPORTATION COMMISSION

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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 governmental activities, the General Fund, and the aggregate remaining fund information of the of Madera County Transportation Commission (the Commission) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission'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 Commission'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 Commission'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, the General Fund, and the aggregate remaining fund information of the Madera County Transportation Commission, 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.

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 4-9 and 36-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The fiduciary funds combining statements, and schedule of expenditures of federal awards (Supplementary Information), as required Title 2 U.S. Code of Federal Regulations *Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate 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 Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Other Information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2021, on our consideration of the Commission'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 Commission'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 Commission's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
January 6, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MADERA COUNTY TRANSPORTATION COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

As management of the Madera County Transportation Commission (the “Commission”), we offer readers of the Commission’s financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2020. We encourage the readers to consider the information presented here in conjunction with the Commission’s financial audit.

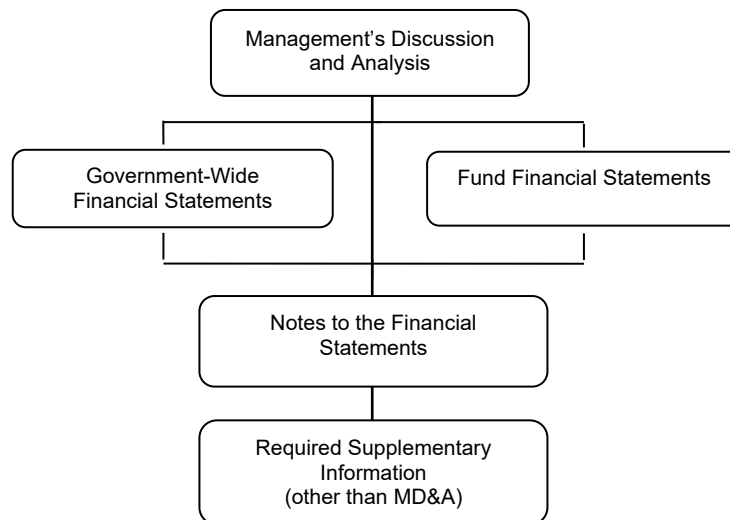
Financial Highlights

- ◆ The assets of the Commission exceeded its liabilities at the close of the fiscal year by \$1,019,858 (net position).
- ◆ The Commission’s total net position for the fiscal year ended June 30, 2020, decreased by \$226,391 primarily due to higher than expected expenditures.
- ◆ As of the close of the current fiscal year, the Commission’s governmental fund reported an ending fund balance of \$1,036,824, a decrease of \$247,488 in comparison with the prior year. Approximately \$1,021,733 is available for spending at the Commission’s discretion (assigned fund balance).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Commission’s basic financial statements. The Commission’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 (see Figure 1). This report also contains other supplementary information in addition to the basic financial statements themselves.

**Required Components of Annual Financial Report
Figure 1**



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

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 Commission's financial status.

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

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplementary information** is provided to show details about the Commission's non-major governmental funds which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Commission'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 Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 fiscal periods.

The government-wide financial statements report on the function of the Commission that is principally supported by local, state, and federal funding. The Commission's function is to foster intergovernmental coordination; undertake comprehensive regional planning with an emphasis on transportation issues; provide a forum for citizen input into the planning process; and to provide technical services to its member agencies (City of Madera, County of Madera, and the City of Chowchilla). In all these activities, the Commission works to develop a consensus among its members with regards to multi-jurisdictional transportation issues.

The government-wide financial statements can be found on pages 12 through 13 of this report.

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

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

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

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

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

Fiduciary Trust Funds. Trust funds are used to account for resources held for the benefit of parties outside the Commission. The Commission has six trust funds (STA, LTF, RSTP, PTMISEA, SGR, and LCTOP). Trust funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Commission's programs.

The basic trust fund financial statements can be found on pages 20 through 21 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 24 through 34 of this report.

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

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

Government-Wide Financial Analysis

Below is a summary of 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 Commission, assets exceeded liabilities by \$1,019,858 at the close of the fiscal year 2019-2020.

**MCTC Net Position
Figure 2**

| | <u>2020</u> | <u>2019</u> |
|----------------------------------|---------------------|---------------------|
| Current and other assets | \$ 1,263,489 | \$ 1,370,936 |
| Capital assets, net | <u>13,486</u> | <u>17,932</u> |
| Total assets | <u>1,276,975</u> | <u>1,388,868</u> |
| Long-term liabilities | 65,863 | 55,995 |
| Other liabilities | <u>191,254</u> | <u>86,624</u> |
| Total liabilities | <u>257,117</u> | <u>142,619</u> |
| Net position: | | |
| Net investment in capital assets | 13,486 | 17,932 |
| Unrestricted | <u>1,006,372</u> | <u>1,228,317</u> |
| Total net position | <u>\$ 1,019,858</u> | <u>\$ 1,246,249</u> |

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

**MCTC Changes in Net Position
Figure 3**

| | 2020 | 2019 |
|------------------------------------|--------------|--------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for Services | \$ 343,367 | \$ 357,638 |
| Operating grants and contributions | 1,055,400 | 938,409 |
| General revenues: | | |
| Investment income | 7,641 | 6,690 |
| Miscellaneous | 35,411 | 35,406 |
| Total revenues | 1,441,819 | 1,338,143 |
| Expenses: | | |
| Transportation planning | 1,668,210 | 1,307,717 |
| Total expenses | 1,668,210 | 1,307,717 |
| Change in net position | (226,391) | 30,426 |
| Net position - beginning | 1,246,249 | 1,215,823 |
| Net position - ending | \$ 1,019,858 | \$ 1,246,249 |

Governmental Activities: The Commission's net position decreased by \$226,391 for the fiscal year ended June 30, 2020. The Figure 3 table above indicates the changes in net position for governmental activities. The key element of this decrease is primarily attributable to higher than expected expenditures. 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 Commission'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 Commission's Fund

As the Commission completed this year, our governmental funds reported a combined liabilities and fund balance of \$1,263,489 which is a decrease of \$107,447 from last year due to higher than expected expenditures.

General Fund Budgetary Highlights

During the fiscal year, the Commission revised the budget on three occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

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

The Commission adopts an annual budget for its General Fund. The budget is a legally adopted document that incorporates input from the Technical Advisory Committee, the management of the Commission, and the decisions of the Policy Board about which services to provide and how to pay for them. It also authorizes the Commission to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Commission complied with the budget ordinance whether the Commission succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting.

During the year there was a \$161,165 increase in revenue between the original budget and the final budget for the General Fund primarily as a result of higher planned expenditures. Actual revenues were less than the final budget by \$598,031 and expenditures were less than the final budget by \$350,543. The net effect of these differences results in a change in fund balance in the general fund of \$247,488.

Long-Term Obligations

At the end of 2020, the Commission had \$65,863 in debt outstanding. The debt consisted of compensated absences (see Note 5).

Contacting Madera County Transportation Commission's Financial Manager

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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**MADERA COUNTY TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2020**

| | Governmental Activities |
|----------------------------------|----------------------------|
| ASSETS | |
| Cash and investments | \$ 268,676 |
| Due from other governments | 979,722 |
| Prepaid expenses | 15,091 |
| Capital assets: | |
| Depreciable, net | 13,486 |
| Total assets | 1,276,975 |
| LIABILITIES | |
| Accounts payable | 171,838 |
| Accrued liabilities | 19,416 |
| Long-term liabilities: | |
| Portion payable within one year: | |
| Compensated absences | 4,199 |
| Portion payable after one year: | |
| Compensated absences | 61,664 |
| Total liabilities | 257,117 |
| NET POSITION | |
| Net investment in capital assets | 13,486 |
| Unrestricted | 1,006,372 |
| Total net position | \$ 1,019,858 |

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

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

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|-------------------------------|---------------------|----------------------------|--|--|
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Governmental activities: | | | | |
| Transportation planning | \$ 1,668,210 | \$ 343,367 | \$ 1,055,400 | \$ (269,443) |
| Total governmental activities | <u>\$ 1,668,210</u> | <u>\$ 343,367</u> | <u>\$ 1,055,400</u> | <u>(269,443)</u> |
| General revenue: | | | | |
| Investment income | | | | 7,641 |
| Miscellaneous | | | | <u>35,411</u> |
| Total general revenue | | | | <u>43,052</u> |
| Change in net position | | | | (226,391) |
| Net position - beginning | | | | <u>1,246,249</u> |
| Net position - ending | | | | <u>\$ 1,019,858</u> |

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

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FUND FINANCIAL STATEMENTS

**MADERA COUNTY TRANSPORTATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2020**

| | <u>General Fund</u> |
|---|---------------------|
| ASSETS | |
| Cash and investments | \$ 268,676 |
| Due from other governments | 979,722 |
| Prepaid expenses | <u>15,091</u> |
| Total assets | <u>\$ 1,263,489</u> |
| LIABILITIES | |
| Accounts payable | \$ 171,838 |
| Accrued liabilities | <u>19,416</u> |
| Total liabilities | <u>191,254</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenue | <u>35,411</u> |
| Total deferred inflows of resources | <u>35,411</u> |
| FUND BALANCE | |
| Nonspendable: | |
| Prepaid expenses | 15,091 |
| Assigned: | |
| Transportation planning | <u>1,021,733</u> |
| Total fund balance | <u>1,036,824</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 1,263,489</u> |

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

**MADERA COUNTY TRANSPORTATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUND 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:

| | | |
|---|----------|--------------|
| Fund balance - governmental fund | | \$ 1,036,824 |
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental fund. | | |
| Cost of capital assets | 43,696 | |
| Accumulated depreciation | (30,210) | 13,486 |
| Compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund. | | |
| | | (65,863) |
| Revenues which are deferred on the fund balance sheet, because they are not available currently, are taken into revenue in the statement of activities. | | |
| | | 35,411 |
| Net position of governmental activities | | \$ 1,019,858 |

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

**MADERA COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | <u>General Fund</u> |
|-----------------------------|---------------------|
| REVENUES | |
| Aid from federal government | \$ 888,275 |
| Aid from state government | 167,125 |
| Charges for services | 343,367 |
| Interest revenue | 7,641 |
| Total revenues | 1,406,408 |
| EXPENDITURES | |
| Current: | |
| Transportation: | |
| Salaries and benefits | 984,342 |
| Planning and administration | 408,017 |
| Supplies and services | 261,537 |
| Total expenditures | 1,653,896 |
| Net change in fund balance | (247,488) |
| Fund balance - beginning | 1,284,312 |
| Fund balance - ending | \$ 1,036,824 |

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

**MADERA COUNTY TRANSPORTATION COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND 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 balance - governmental fund | \$ (247,488) |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current year.</p> | (4,446) |
| <p>In the statement of activities, compensated absences expenses are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid).</p> | (9,868) |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p> | <u>35,411</u> |
| Change in net position of governmental activities | <u>\$ (226,391)</u> |

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

**MADERA COUNTY TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
JUNE 30, 2020**

| | Trust Fund |
|-------------------------------------|---------------|
| ASSETS | |
| Investments | \$ 19,489,366 |
| Due from other governments | 1,635,665 |
| Total assets | 21,125,031 |
| LIABILITIES | |
| Due to local agencies | 6,002,749 |
| Total liabilities | 6,002,749 |
| NET POSITION | |
| Held in trust for other governments | 15,122,282 |
| Total net position | \$ 15,122,282 |

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

**MADERA COUNTY TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | Trust Fund |
|--------------------------|---------------|
| ADDITIONS | |
| Sales tax | \$ 4,566,384 |
| Intergovernmental | 3,675,227 |
| Investment earnings | 303,249 |
| Total additions | 8,544,860 |
| DEDUCTIONS | |
| Administration expense | 232,400 |
| LTF claims paid | 4,590,324 |
| STA distributions | 1,364,574 |
| PTMISEA distributions | 592,432 |
| RSTP distributions | 1,187,991 |
| Total deductions | 7,967,721 |
| Change in net position | 577,139 |
| Net position - beginning | 14,545,143 |
| Net position - ending | \$ 15,122,282 |

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADERA COUNTY TRANSPORTATION COMMISSION
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 Commission (the Commission) is the Regional Transportation Planning Agency for Madera County. The Commission's members are the County of Madera, City of Madera, and the City of Chowchilla. The Commission's role is to foster intergovernmental coordination, undertake comprehensive regional planning with an emphasis on transportation issues, provide a forum for citizen input into the planning process and to provide technical services to its member agencies. In all these activities, the Commission works to develop a consensus among its members with regards to multijurisdictional transportation issues. The Commission is the Regional Transportation Planning Agency (RTPA) for Madera County. In addition, the Commission also serves as staff for the Madera County Transportation Authority, which administers funding collected as part of the Measure T transportation funding initiative. As the designated RTPA, the Commission is responsible for a wide variety of actions supporting a continuous, comprehensive and coordinated planning process. In this regard, the Commission is responsible for the development of a Regional Transportation Plan (RTP) and Regional Transportation Improvement Plan (RTIP). As the RTPA, the Commission is also responsible for administering Transportation Development Act (TDA) funds, State Transit Assistance (STA) funds, Local Transportation Funds (LTF), and other transportation-related funds, as well as identifying regionally significant projects and developing funding strategies to address them. As the RTPA, the Commission is responsible for outlining and implementing transit plans that align with the Regional Transportation Plan Guidelines so as to ensure the region continues to receive federal and state funding for ongoing public transportation development. The Commission Board of Commissioners is comprised of three members from the Madera County Board of Supervisors, two members from the Madera City Council, and one member from the Chowchilla City Council.

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 and its component units if applicable. 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 financial statements distinguish functions of the Commission 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 the General Fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**MADERA COUNTY TRANSPORTATION COMMISSION
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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary 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 Commission considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related liability is incurred, except for compensated absences and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

The fund financial statements provide information about the Commission's individual funds including the general fund 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 a major governmental fund, the General Fund. These two statements are used to report information regarding the Commission'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, aid from the State Government, and related disbursements. Disbursements of the trust funds during the fiscal year ended June 30, 2020, were made to the Cities of Madera and Chowchilla and the County of Madera.

The accounts of the Commission are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Commission reports the following major governmental fund:

General Fund – the Commission's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the Commission except those required to be accounted for in other specialized funds.

Additionally, the Commission reports the following fiduciary fund:

Private-purpose Trust Fund – used to account for Local Transportation Funds, State Transit Assistance Funds, Regional Surface Transportation Funds, State of Good Repair Fund, Low Carbon Transit Operations Program Fund, and Public Transportation Modernization, Improvement, and Service Enhancement Account Funds held by the Commission in a trustee capacity.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

The Commission deposits all funds received in the County of Madera (The County) Treasury and advances funds monthly from the Treasury to a commercial checking account to cover expenditures.

Deposits with Financial Institutions

Deposits with financial institutions are fully insured or collateralized by securities in the government's name.

Deposits with the Madera County Treasury

Funds in the County Treasury participate in the County's pooled investments, an external investment pool. The County Treasurer invests the Commission's excess cash in an external investment pool on behalf of the Commission 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 Commission 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 Oversight Committee consisting of the County Treasurer and 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.

Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an estimated useful life in excess of one year. The Commission's policy has set the capitalization threshold at \$5,000.

When purchased, such assets are recorded as expenditures in the governmental fund. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | |
|--------------------------------|---------------|
| Computer equipment | 5 to 10 years |
| Office furniture and equipment | 5 to 10 years |
| Traffic monitoring equipment | 5 to 10 years |
| Computer software | 5 years |

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net position.

Accounts Payable

Accounts payable reported on the financial statements of the Commission are amounts that are due and payable at year-end and, thereby, accrued as an expense and liability. Accounts payable primarily consist of professional and specialized services and office expenses.

Unearned Revenue

Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Commission typically records unearned revenues related to intergovernmental revenues (primarily grants and subventions) received but not earned (qualifying expenditures not yet incurred).

Unavailable Revenue

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

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. Earned compensated absences are made up of accrued vacation payable and vested accrued sick leave payable as determined by policy established by the Board of Commissioners. The Commission's policy states that accrued vacation must be paid in full, up to a maximum accrual amount ranging from 240 to 360 hours, depending on the number of years of service. Accrued sick leave is paid on a percentage basis on number of years in service.

Overhead

Administrative and office overhead is allocated to each project on the basis of the Commission's approved indirect cost rate. Professional and specialized services are charged directly to the applicable project.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Commission 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.
- **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 remove or change 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 Commission'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 Commission 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 Commission.

The Commission 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 Commission generally applies restricted net position first.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Management Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – 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 | \$ 268,676 |
| Fiduciary Funds Statement of Net Position: | |
| Investments | <u>19,489,366</u> |
| Total cash and investments | <u>\$ 19,758,042</u> |

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

| | |
|--------------------------------------|----------------------|
| Deposits with financial institutions | \$ 239,691 |
| Investments | <u>19,518,351</u> |
| Total cash and investments | <u>\$ 19,758,042</u> |

Investments Authorized by the California Government Code and the Commission’s Investment Policy

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

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|-------------------------------------|------------------|---------------------------------|----------------------------------|
| 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 | None | 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 | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |

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

NOTE 2 – 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 Commission’s investments to market rate fluctuations is provided by the following table that shows the distribution of the Commission’s investments by maturity:

| <u>Investment Type</u> | <u>Amount</u> | <u>Remaining Maturity (in Months) 12 Months or Less</u> |
|--------------------------|----------------------|---|
| Governmental Activities: | | |
| County Investment Pool | \$ 19,518,351 | \$ 19,518,351 |
| Total | <u>\$ 19,518,351</u> | <u>\$ 19,518,351</u> |

Disclosures Relating 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 Commission’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 40 does not require disclosures as to credit risk.

| <u>Investment Type</u> | <u>Amount</u> | <u>Exempt from Disclosure</u> |
|--------------------------|----------------------|-----------------------------------|
| Governmental Activities: | | |
| County Investment Pool | \$ 19,518,351 | \$ 19,518,351 |
| Total | <u>\$ 19,518,351</u> | <u>\$ 19,518,351</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.

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

NOTE 2 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Commission's potential losses from credit risk are increased if a significant portion of its resources are invested in a single issuer. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from these limitations. At June 30, 2020, the Commission did not have any investments in any one issuer that is not exempt that represents 5% or more of the total investments.

Custodial Credit Risk

The carrying amount of the Commission's cash deposit was \$239,691 at June 30, 2020. The bank balance at June 30, 2020 was \$256,349 the total amount of which was insured and/or collateralized with securities held by the pledging financial institutions in the Commission's name as described below.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Investment Valuation

The Commission categorizes the 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.

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

NOTE 3 – SUMMARY OF RELATED PARTY TRANSACTIONS

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

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

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in capital assets:

| | <u>Balance July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2020</u> |
|--|---------------------------------|-----------------------|---------------------|----------------------------------|
| Capital assets being depreciated: | | | | |
| Computer equipment | \$ 6,672 | \$ - | \$ - | \$ 6,672 |
| Computer software | 16,500 | - | - | 16,500 |
| Leasehold improvements | 10,868 | - | (10,868) | - |
| Office furniture and equipment | 16,636 | - | (30) | 16,606 |
| Traffic monitoring equipment | <u>3,918</u> | <u>-</u> | <u>-</u> | <u>3,918</u> |
| Total capital assets being depreciated | <u>54,594</u> | <u>-</u> | <u>(10,898)</u> | <u>43,696</u> |
| Less accumulated depreciation for: | | | | |
| Computer equipment | (6,672) | - | - | (6,672) |
| Computer software | - | (3,300) | - | (3,300) |
| Leasehold improvements | (10,868) | - | 10,868 | - |
| Office furniture and equipment | (15,204) | (1,146) | 30 | (16,320) |
| Traffic monitoring equipment | <u>(3,918)</u> | <u>-</u> | <u>-</u> | <u>(3,918)</u> |
| Total accumulated depreciation | <u>(36,662)</u> | <u>(4,446)</u> | <u>10,898</u> | <u>(30,210)</u> |
| Total capital assets, net | <u>\$ 17,932</u> | <u>\$ (4,446)</u> | <u>\$ -</u> | <u>\$ 13,486</u> |

Depreciation expense of \$4,446 was charged to transportation planning function on the statement of activities.

NOTE 5 – COMPENSATED ABSENCES

As of June 30, 2020, compensated absences payable are as follows:

| | <u>Balance July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2020</u> | <u>Due Within One Year</u> |
|----------------------|---------------------------------|------------------|--------------------|----------------------------------|--------------------------------|
| Compensated absences | <u>\$ 55,995</u> | <u>\$ 54,058</u> | <u>\$ (44,190)</u> | <u>\$ 65,863</u> | <u>\$ 4,199</u> |

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

NOTE 6 – OPERATING LEASES

The Commission conducts its operations from a leased facility under a non-cancelable operating lease expiring in January 31, 2023. The Commission also leases certain office equipment under a non-cancelable operating lease expiring in February 2022.

The following is a schedule of future minimum operating lease payments:

| <u>Year ending June 30</u> | |
|----------------------------|-----------------------|
| 2021 | \$ 75,923 |
| 2022 | 73,711 |
| 2023 | <u>40,418</u> |
| Total | <u>\$ 190,052</u> |

Total rental expense for all operating leases for the year ended June 30, 2020 was \$78,315.

NOTE 7 – DEFINED CONTRIBUTION EMPLOYEE RETIREMENT BENEFIT PLAN

The Commission provides retirement benefits for all of its full-time employees through a defined contribution plan created in accordance with Internal Revenue Code (IRC) Section 401(a), which is being administered by I.C.M.A. Retirement Corporation (The Plan). In addition to the employer-defined contribution, the employees may elect to make contributions to a deferred compensation plan created in accordance with IRC Section 457. The Plan permits employees to defer a minimum of 7.5% of the salaries until future years. The maximum amount an employee may defer is the lesser of 100% of annual gross salary or \$18,000. Under the 401(a) plan the employer contributes 15% of the employee's gross salary. Vesting in the 401(a) plan occurs immediately. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees, though, may obtain loans from the 401(a) plans secured by their individual contributions and accumulated earnings.

The Commission's total payroll eligible for pension benefits for the year ended June 30, 2020 was \$673,353. The Commission's contributions were calculated using the base salary amount of \$673,353 for the fiscal year ended June 30, 2020. The Commission recognized pension expense of \$100,201 for the year ended June 30, 2020.

The Commission had no liability to The Plan at June 30, 2020.

NOTE 8 – CONTINGENCIES

Grants

Grants have been received by the Commission for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to a request for reimbursement for costs disallowed under the terms of the grants. The amount, if any, of costs that may be disallowed by the granting agencies cannot be determined at this time.

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

NOTE 8 – CONTINGENCIES (Continued)

COVID-19

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 Commission'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.

NOTE 9 – PROPOSITION 1B (PTMISEA) FUNDING

The Commission receives Proposition 1B (PTMISEA) funding on behalf of transit agencies for approved capital projects. During the fiscal year ended June 30, 2020, the Commission did not receive Proposition 1B funds and expended \$592,432 from prior year allocations. These funds are held in an interest-bearing account and have earned interest of \$60,104 for the year ended June 30, 2020.

NOTE 10 – LCTOP FUNDING

The Commission receives funding from the Low Carbon Transit Operations Program (LCTOP) on behalf of transit agencies to provide operating and capital assistance to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. During the fiscal year ended June 30, 2020, the Commission received LCTOP funds of \$298,667 and did not have any expenditures. These funds are held in an interest-bearing account and have earned interest of \$10,792 for the year ended June 30, 2020.

NOTE 11 – RSTP FUNDING

The Commission receives Regional Surface Transportation Program (RSTP) funding on behalf of local agencies for enhancing, repairing, maintaining, rebuilding, and rehabilitating the transportation infrastructure. During the fiscal year ended June 30, 2020, the Commission received RSTP funds of \$1,783,912 and expended \$1,187,991. These funds are held in an interest-bearing account and have earned interest of \$55,277 for the year ended June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

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

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------|-------------------------|---------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Aid from federal government | \$ 1,055,939 | \$ 1,105,243 | \$ 888,275 | \$ (216,968) |
| Aid from state government | 246,579 | 318,793 | 167,125 | (151,668) |
| Fees | 28,000 | 28,000 | - | (28,000) |
| Charges for services | 512,756 | 552,403 | 343,367 | (209,036) |
| Interest revenue | <u>-</u> | <u>-</u> | <u>7,641</u> | <u>7,641</u> |
| Total revenues | <u>1,843,274</u> | <u>2,004,439</u> | <u>1,406,408</u> | <u>(598,031)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Transportation: | | | | |
| Salaries and benefits | 985,138 | 982,688 | 984,342 | (1,654) |
| Planning and administration | 654,136 | 728,751 | 408,017 | 320,734 |
| Supplies and services | <u>204,000</u> | <u>293,000</u> | <u>261,537</u> | <u>31,463</u> |
| Total expenditures | <u>1,843,274</u> | <u>2,004,439</u> | <u>1,653,896</u> | <u>350,543</u> |
| Net change in fund balance | - | - | (247,488) | (247,488) |
| Fund balance - beginning | <u>1,284,312</u> | <u>1,284,312</u> | <u>1,284,312</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,284,312</u> | <u>\$ 1,284,312</u> | <u>\$ 1,036,824</u> | <u>\$ (247,488)</u> |

**MADERA COUNTY TRANSPORTATION COMMISSION
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2020**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to the beginning of the fiscal year, management prepares a budget for the next succeeding fiscal year. The proposed budget is brought to the Board of Commissioners for their review and approval. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Board of Commissioners.

The budget of the Commission represents a financial plan to undertake the work program of the Commission and includes proposed expenditures and the means of financing them.

All transfers, modifications, and supplemental appropriations to the budget must be approved by the Commission through resolution. Actual expenditures may not legally exceed “budget” appropriations at the individual fund level. Budgetary control, however, is maintained at the department level.

Appropriations lapse at the end of the year to the extent that they have not been expended or encumbered.

The Commission prepares its budget on a basis of accounting in accordance with accounting principles generally accepted in the United States of America.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2020, expenditures exceeded appropriations in the general fund as follows:

| <u>Appropriations Category</u> | <u>Excess Expenditures</u> |
|--------------------------------|--------------------------------|
| Salaries and benefits | \$ 1,654 |

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SUPPLEMENTARY INFORMATION

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FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the government in a trustee capacity.

Trust Funds:

State Transit Assistance Fund – This fund is used to account for the state fund, derived from statewide sales tax on gasoline and diesel fuel, apportioned to Madera County for transportation planning and mass transportation purposes.

Local Transportation Fund – This fund is used to account for 1/4 cent sales tax revenues collected by the State under the Transportation Development Act (TDA) and distributed to Madera County Transportation Commission for allocation to eligible claimants for transit streets and roads and pedestrian/bicycle facilities, as well as regional transportation planning and TDA administration.

Proposition 1B (PTMISEA) Fund – This fund is used to account for funds received from the Public Transportation, Improvement and Service Enhancement Account (PTMISEA) on behalf of transit agencies for approved capital projects. This fund is available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement.

Low Carbon Transit Operations Program (LCTOP) Fund – This fund is used to account for funds received from the Low Carbon Transit Operations Program (LCTOP) on behalf of transit agencies to provide operating and capital assistance to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Approved projects will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

State of Good Repair Fund - This fund is used to account for the SB-1 funds that have been allocated to the State of Good Repair (SGR) Program and then distributed to local agencies by the Madera County Transportation Commission. It provides funding annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects.

Regional Surface Transportation Fund – This fund was established by California State Statute utilizing Surface Transportation Program Funds. This program provides funding for enhancing, repairing, maintaining, rebuilding, and rehabilitating the transportation infrastructure.

**MADERA COUNTY TRANSPORTATION COMMISSION
 COMBINING STATEMENT OF NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2020**

| | State Transit Assistance Fund | Local Transportation Fund | Proposition 1B (PTMISEA) Fund | Low Carbon Transit Operations Program (LCTOP) Fund | State of Good Repair Fund | Regional Surface Transportation Fund | Total |
|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|---|---------------------------------|---|----------------------|
| ASSETS | | | | | | | |
| Investments | \$ 1,143,571 | \$ 10,191,151 | \$ 2,910,133 | \$ 647,196 | \$ 620,323 | \$ 3,976,992 | \$ 19,489,366 |
| Due from other governments | <u>346,147</u> | <u>952,423</u> | <u>-</u> | <u>298,667</u> | <u>38,428</u> | <u>-</u> | <u>1,635,665</u> |
| Total assets | <u>1,489,718</u> | <u>11,143,574</u> | <u>2,910,133</u> | <u>945,863</u> | <u>658,751</u> | <u>3,976,992</u> | <u>21,125,031</u> |
| LIABILITIES | | | | | | | |
| Due to local agencies | <u>1,089,714</u> | <u>4,227,689</u> | <u>98,720</u> | <u>-</u> | <u>-</u> | <u>586,626</u> | <u>6,002,749</u> |
| Total liabilities | <u>1,089,714</u> | <u>4,227,689</u> | <u>98,720</u> | <u>-</u> | <u>-</u> | <u>586,626</u> | <u>6,002,749</u> |
| NET POSITION | | | | | | | |
| Held in trust for other governments | <u>400,004</u> | <u>6,915,885</u> | <u>2,811,413</u> | <u>945,863</u> | <u>658,751</u> | <u>3,390,366</u> | <u>15,122,282</u> |
| Total net position | <u>\$ 400,004</u> | <u>\$ 6,915,885</u> | <u>\$ 2,811,413</u> | <u>\$ 945,863</u> | <u>\$ 658,751</u> | <u>\$ 3,390,366</u> | <u>\$ 15,122,282</u> |

**MADERA COUNTY TRANSPORTATION COMMISSION
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

| | State Transit Assistance Fund | Local Transportation Fund | Proposition 1B (PTMISEA) Fund | Low Carbon Transit Operations Program (LCTOP) Fund | State of Good Repair Fund | Regional Surface Transportation Fund | Total |
|--------------------------|-------------------------------|---------------------------|-------------------------------|--|---------------------------|--------------------------------------|----------------------|
| ADDITIONS | | | | | | | |
| Sales tax | \$ - | \$ 4,566,384 | \$ - | \$ - | \$ - | \$ - | \$ 4,566,384 |
| Intergovernmental | 1,370,009 | - | - | 298,667 | 222,639 | 1,783,912 | 3,675,227 |
| Investment earnings | 8,084 | 160,520 | 60,104 | 10,792 | 8,472 | 55,277 | 303,249 |
| Total additions | <u>1,378,093</u> | <u>4,726,904</u> | <u>60,104</u> | <u>309,459</u> | <u>231,111</u> | <u>1,839,189</u> | <u>8,544,860</u> |
| DEDUCTIONS | | | | | | | |
| Administration expense | - | 232,400 | - | - | - | - | 232,400 |
| LTF claims paid | - | 4,590,324 | - | - | - | - | 4,590,324 |
| STA distributions | 1,364,574 | - | - | - | - | - | 1,364,574 |
| PTMISEA distributions | - | - | 592,432 | - | - | - | 592,432 |
| RSTP distributions | - | - | - | - | - | 1,187,991 | 1,187,991 |
| Total deductions | <u>1,364,574</u> | <u>4,822,724</u> | <u>592,432</u> | <u>-</u> | <u>-</u> | <u>1,187,991</u> | <u>7,967,721</u> |
| Change in net position | 13,519 | (95,820) | (532,328) | 309,459 | 231,111 | 651,198 | 577,139 |
| Net position - beginning | <u>386,485</u> | <u>7,011,705</u> | <u>3,343,741</u> | <u>636,404</u> | <u>427,640</u> | <u>2,739,168</u> | <u>14,545,143</u> |
| Net position - ending | <u>\$ 400,004</u> | <u>\$ 6,915,885</u> | <u>\$ 2,811,413</u> | <u>\$ 945,863</u> | <u>\$ 658,751</u> | <u>\$ 3,390,366</u> | <u>\$ 15,122,282</u> |

**MADERA COUNTY TRANSPORTATION COMMISSION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2020**

| Federal Grantor Pass-Through Grantor/Program Title | Federal CFDA Number | | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|---------------------------|---|--|-------------------------|
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | | |
| Passed through the State of California Department of Transportation: | | | | |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505 | * | 74A0812 | <u>\$ 888,275</u> |
| Total Department of Transportation | | | | <u>\$ 888,275</u> |

* Denotes a major program per Uniform Guidance.

**MADERA COUNTY TRANSPORTATION COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the Madera County Transportation Commission (the Commission). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included in the schedule. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

BASIS OF ACCOUNTING

The accompanying SEFA and is presented using the modified accrual basis of accounting, which is described in Note 1 of the Commission's basic financial statements.

RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal award expenditures agree or can be reconciled with the amounts reported in the Commission's basic financial statements.

INDIRECT COST RATE

The Commission has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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OTHER INFORMATION

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF APPORTIONMENTS BY PURPOSE
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | Public Utilities Code | | |
|-------------------------------------|---|---|--------------|
| | Article 6.5 99314 (Transit Operations) | Article 6.5 99313 (Transit Population) | Total |
| City of Chowchilla | \$ 15,081 | \$ 698,613 | \$ 713,694 |
| City of Madera | 13,033 | 606,031 | 619,064 |
| County of Madera | 3,358 | 125,462 | 128,820 |
| Total apportionments by purpose | \$ 31,472 | \$ 1,430,106 | \$ 1,461,578 |

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS BY PURPOSE
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | Article 3 99234 (Bicycle and Pedestrian) | Article 4 and 8 99260/99400(a)(b)(c)(d) (Streets and Roads/ Transit Operations/ Planning) | MCTC RTP 99402/99233.1 (Planning and Administration) | Total |
|--|---|---|---|----------------------------|
| City of Chowchilla | \$ 43,549 | \$ 721,316 | \$ 10,576 | \$ 775,441 |
| City of Madera | 136,949 | 5,358,718 | 55,122 | 5,550,789 |
| Madera County | 753,987 | 2,156,714 | 66,702 | 2,977,403 |
| Madera County Transportation Commission | - | - | 100,000 | 100,000 |
| Total apportionments by purpose | <u>\$ 934,485</u> | <u>\$ 8,236,748</u> | <u>\$ 232,400</u> | <u>\$ 9,403,633</u> |

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF DISBURSEMENTS BY PURPOSE
STATE TRANSIT ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | Public Utilities Code | | |
|------------------------------------|---|---|--------------|
| | Article 6.5 99314 (Transit Operations) | Article 6.5 99313 (Transit Population) | Total |
| City of Chowchilla | \$ 15,081 | \$ 113,739 | \$ 128,820 |
| City of Madera | 13,033 | 606,031 | 619,064 |
| County of Madera | 3,358 | 613,332 | 616,690 |
| Total net disbursements by purpose | \$ 31,472 | \$ 1,333,102 | \$ 1,364,574 |

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF DISBURSEMENTS BY PURPOSE
LOCAL TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | Article 3 99233.3 (Bicycle and Pedestrian) | Article 4 99260(a) (Transit Operations) | Article 8 99400(c) (Transit Operations) | Article 8 99400(b) (Rail) | Article 8 99400(a) (Streets and Roads) | MCTC RTPA 99402/99233.1 (Planning and Administration) | Total |
|--|---|--|--|---------------------------------|---|--|---------------------|
| City of Chowchilla | \$ - | \$ 257,887 | \$ - | \$ - | \$ 372,433 | \$ 10,576 | \$ 640,896 |
| City of Madera | 30,381 | - | 703,609 | - | 1,095,769 | 55,122 | 1,884,881 |
| County of Madera | - | - | 285,020 | 9,769 | 1,835,456 | 66,702 | 2,196,947 |
| Madera County Transportation Commission | - | - | - | - | - | 100,000 | 100,000 |
| Total net disbursements by purpose | <u>\$ 30,381</u> | <u>\$ 257,887</u> | <u>\$ 988,629</u> | <u>\$ 9,769</u> | <u>\$ 3,303,658</u> | <u>\$ 232,400</u> | <u>\$ 4,822,724</u> |

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS, DISBURSEMENTS
AND UNEXPENDED ALLOCATIONS
STATE TRANSIT ASSISTANCE FUND
JUNE 30, 2020**

| Claimant/Claim | New/Unused Allocations | Reprogramming | Disbursements | Unexpended Allocations |
|---------------------------|---------------------------|---------------------|---------------------|---------------------------|
| COUNTY OF MADERA | | | | |
| Senior/Escort | | | | |
| 18/19 | \$ 18,904 | \$ (18,904) | \$ - | \$ - |
| 17/18 | 8,520 | (8,520) | - | - |
| CATX | | | | |
| 17/18 | 200 | (200) | - | - |
| MCC | | | | |
| 19/20 | 779,275 | (65,581) | 616,690 | 97,004 |
| CITY OF MADERA | | | | |
| MAX, DAR, Intermodal | | | | |
| 19/20 | 649,581 | (30,517) | 619,064 | - |
| 08/09 - Capital | 12,944 | (12,944) | - | - |
| FTA Sec 5307 Intermodal | | | | |
| 08/09 - Capital Match | 11,528 | (11,528) | - | - |
| CITY OF CHOWCHILLA | | | | |
| CATX | | | | |
| 19/20 | 125,247 | 3,573 | 128,820 | - |
| | <u>\$ 1,606,199</u> | <u>\$ (144,621)</u> | <u>\$ 1,364,574</u> | <u>\$ 97,004</u> |
| Total disbursed | | | <u>\$ 1,364,574</u> | |

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF ALLOCATIONS, DISBURSEMENTS
AND UNEXPENDED ALLOCATIONS
LOCAL TRANSPORTATION FUND
JUNE 30, 20202020**

| Claimant/Claim | New/Unused Allocations | Reprogramming | Disbursements | Unexpended Allocations |
|-------------------------------------|---------------------------|---------------|---------------------|---------------------------|
| COUNTY OF MADERA | | | | |
| Street Maintenance | | | | |
| 19/20 | \$ 1,879,122 | \$ (43,666) | \$ 1,835,456 | \$ - |
| Pedestrian/Bicycle Facilities | | | | |
| 19/20 | 44,467 | 628,651 | - | 673,118 |
| 18/19 | 80,869 | - | - | 80,869 |
| 17/18 | 628,651 | (628,651) | - | - |
| MCC | | | | |
| 19/20 | 210,719 | 74,301 | 285,020 | - |
| DAR - City of Madera | | | | |
| 17/18 | 16,738 | (16,738) | - | - |
| Amtrak Station Maintenance | | | | |
| 19/20 | 22,387 | - | 9,769 | 12,618 |
| 18/19 | 13,851 | - | - | 13,851 |
| 17/18 | 13,897 | (13,897) | - | - |
| CITY OF MADERA | | | | |
| MAX, DAR, Intermodal | | | | |
| 18/19 | 756,399 | (756,399) | - | - |
| MAX, Intermodal | | | | |
| 19/20 | 750,281 | 342,368 | 703,608 | 389,041 |
| Pedestrian & Bicycle | | | | |
| 19/20 | 36,748 | 100,201 | 30,381 | 106,568 |
| 18/19 | 95,200 | (95,200) | - | - |
| Transportation Improvement Projects | | | | |
| 19/20 | 995,230 | 3,270,839 | 1,095,769 | 3,170,300 |
| 18/19 | 2,861,809 | (2,861,809) | - | - |
| CITY OF CHOWCHILLA | | | | |
| Street Maintenance | | | | |
| 19/20 | 194,572 | - | 194,572 | - |
| 18/19 | 93,283 | - | 93,283 | - |
| 17/18 | 84,578 | - | 84,578 | - |
| Chowchilla Transit System (CATX) | | | | |
| 19/20 | 140,345 | - | 140,345 | - |
| 18/19 | 192,653 | - | 117,542 | 75,111 |
| Pedestrian & Bicycle | | | | |
| 19/20 | 7,051 | - | - | 7,051 |
| 18/19 | 6,354 | - | - | 6,354 |
| 17/18 | 6,154 | - | - | 6,154 |
| 16/17 | 23,990 | - | - | 23,990 |
| UNALLOCATED | | | | |
| 18/19 | 15,885 | - | - | 15,885 |
| | <u>\$ 9,171,233</u> | <u>\$ -</u> | <u>\$ 4,590,323</u> | <u>\$ 4,580,910</u> |
| Administration | | | 100,000 | |
| Planning | | | <u>132,400</u> | |
| Total disbursed | | | <u>\$ 4,357,923</u> | |

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF GRANT RECEIPTS AND EXPENDITURE CLAIMS
JUNE 30, 2020**

| | Total | Local Resources | FHWA (PL 021) | FTA (FTA 5303) | SB 1 Sustainable Communities Grant |
|---|---------------------|--------------------|-------------------|-------------------|---|
| Revenues: | | | | | |
| Federal grants | \$ 888,275 | \$ - | \$ 819,772 | \$ 68,503 | \$ - |
| Non-federal revenue: | | | | | |
| State revenue | 167,125 | - | - | - | 167,125 |
| Local revenue sources | 376,778 | 376,778 | - | - | - |
| Other revenue sources | 2,000 | 2,000 | - | - | - |
| Interest revenue | 7,642 | 7,642 | - | - | - |
| Total Revenues | <u>1,441,820</u> | <u>386,420</u> | <u>819,772</u> | <u>68,503</u> | <u>167,125</u> |
| Expenditures: | | | | | |
| 100 Regional Transportation Plan | 95,789 | 10,987 | 84,802 | - | - |
| 101 Performance Measures | 19,052 | 3,380 | 15,672 | - | - |
| 110 Regional Planning Database | 45,094 | 5,172 | 39,922 | - | - |
| 111 Traffic Monitoring Program | 16,289 | 1,868 | 14,421 | - | - |
| 112 Regional Transportation Modeling | 88,175 | 10,114 | 78,061 | - | - |
| 112.1 Model Update | 122,129 | 14,008 | 108,121 | - | - |
| 113 Air Quality Transportation Planning | 68,588 | 7,867 | 60,721 | - | - |
| 120 Streets and Highways Planning | 102,411 | 11,747 | 90,664 | - | - |
| 122 Project Coordination & Fin. Programming | 60,228 | 60,228 | - | - | - |
| 130 Public Transportation | 77,378 | 8,875 | - | 68,503 | - |
| 140 Other Modal Elements | 94,271 | 10,813 | 83,458 | - | - |
| 150 Public Information and Participation | 47,810 | 5,484 | 42,326 | - | - |
| 151 Alternative Transportation Activities | 49,546 | 49,546 | - | - | - |
| 200 Transportation Program Development | 180,104 | 20,658 | 159,446 | - | - |
| 901 Local Transportation Funds Admin. | 118,444 | 118,444 | - | - | - |
| 902 Overall Work Program and Budget | 52,055 | 9,898 | 42,157 | - | - |
| 903.1 SR 233 Corridor Study Phase 1 | 133,503 | 15,313 | - | - | 118,190 |
| 903.2 SR 233 Corridor Study Phase 2 | 55,120 | 6,322 | - | - | 48,798 |
| 905 Project Prioritization Study | 154 | 18 | - | - | 136 |
| 907 Board Costs & Other Costs | 54,937 | 54,937 | - | - | - |
| 910 MCTA Administration | 148,287 | 148,287 | - | - | - |
| Total expenditures | <u>\$ 1,629,364</u> | <u>\$ 573,966</u> | <u>\$ 819,771</u> | <u>\$ 68,503</u> | <u>\$ 167,124</u> |
| Depreciation | 4,446 | | | | |
| Under-recovery of indirect expenses - 17/18 | (3,379) | | | | |
| Under-recovery of indirect expenses - 19/20 | (40,885) | | | | |
| Compensated Absences | 9,868 | | | | |
| Net Gain (Loss) | <u>\$ (226,386)</u> | | | | |

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF INSURANCE COVERAGE
FOR THE YEAR ENDED JUNE 30, 2020**

Insurance coverage for the Commission at June 30, 2020 is as follows:

Liability coverage:

| | |
|---|-------------|
| All-inclusive (combined single limit): | |
| Bodily injury | \$1,000,000 |
| Office personal property 90% co-insurance | \$100,000 |
| Workers' compensation insurance | Statutory |

**MADERA COUNTY TRANSPORTATION COMMISSION
SCHEDULE OF COST ALLOCATION PLAN RECONCILIATION
AND FIXED RATE OVERHEAD CARRYOVER
FOR THE YEAR ENDED JUNE 30, 2020**

| Budget Item | Basic | | Adjustments Allocated to Other Programs | Cost Allocation Plan | |
|---|----------------------|--------------------------|--|----------------------|---------------------|
| | Financial Statements | | | Direct Expense | Indirect Expense |
| | Actual Expense | Eligible Depreciation | | | |
| Salaries and benefits: | | | | | |
| Direct | \$ 531,310 | \$ - | \$ (3,811) | \$ 527,499 | \$ - |
| Indirect | <u>462,900</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>462,900</u> |
| Total salaries and benefits | <u>994,210</u> | <u>-</u> | <u>(3,811)</u> | <u>527,499</u> | <u>462,900</u> |
| Indirect overhead: | | | | | |
| Bank fee | 450 | - | - | - | 450 |
| Bldg/Equipment Maintenance & Repair | 2,038 | - | - | - | 2,038 |
| Conference/training/education | 1,758 | - | - | - | 1,758 |
| Contracts | 9,028 | - | - | - | 9,028 |
| Insurance and bonds | 689 | - | - | - | 689 |
| Outside services | 1,980 | - | - | - | 1,980 |
| Legal Services | 9,212 | - | - | - | 9,212 |
| Audits | 21,090 | - | - | - | 21,090 |
| Membership fees | 3,500 | - | - | - | 3,500 |
| Miscellaneous | 3,909 | - | - | - | 3,909 |
| Office furniture and equipment | 536 | - | - | - | 536 |
| Office supplies | 5,849 | - | - | - | 5,849 |
| Postage | 701 | - | - | - | 701 |
| Rent | 69,287 | - | - | - | 69,287 |
| Technology related costs | 97,574 | - | - | - | 97,574 |
| Telephone/internet/website | 18,348 | - | - | - | 18,348 |
| Travel, cell and auto allowance | 7,677 | - | - | - | 7,677 |
| Utilities | 5,745 | - | - | - | 5,745 |
| Valley Coordination | 3,923 | - | - | - | 3,923 |
| Depreciation | - | 4,446 | - | - | 4,446 |
| Board cost and other costs | <u>29,945</u> | <u>-</u> | <u>(29,945)</u> | <u>-</u> | <u>-</u> |
| Total indirect overhead | <u>293,239</u> | <u>4,446</u> | <u>(29,945)</u> | <u>-</u> | <u>267,740</u> |
| Total costs | <u>\$ 1,287,449</u> | <u>\$ 4,446</u> | <u>\$ (33,756)</u> | <u>\$ 527,499</u> | <u>\$ 730,640</u> |
| Direct expenses - year ended June 30, 2020 | | | | | \$ 527,499 |
| Approved indirect cost rate - year ended June 30, 2020 | | | | | <u>131.40%</u> |
| Total allocable indirect expenses - year ended June 30, 2020 | | | | | <u>\$ 693,134</u> |
| Actual indirect expenses - year ended June 30, 2020 | | | | | \$ 730,640 |
| (Over)/Under recovery of indirect expenses - year ended June 30, 2018 | | | | | <u>3,379</u> |
| Net eligible indirect expenses - year ended June 30, 2020 | | | | | <u>\$ 734,019</u> |
| (Over)/Under recovery of indirect expenses - year ended June 30, 2020 | | | | | <u>\$ 40,885</u> |
| (Over)/Under recover of indirect expenses - year ended June 30, 2019 | | | | | <u>\$ (7,091)</u> |

OTHER AUDITOR'S REPORTS

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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 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 governmental activities, the General Fund, and the aggregate remaining fund information of the Madera County Transportation Commission (the Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated January 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as the 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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

tel 559.299.9540
fax 559.299.2344

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Madera County Transportation Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
January 6, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Madera County Transportation Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2020. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Madera County Transportation Commission, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Price Pange & Company

Clovis, California
January 6, 2021



INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE LOCAL TRANSPORTATION FUND

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

Report on Compliance

Opinion on Local Transportation Fund

We have audited Madera County Transportation Commission's (the Commission) compliance with *Transportation Development Act (TDA) Statutes and California Codes of Regulations, updated April 2013*, published by the California Department of Transportation, Division of Mass Transportation applicable to the Commission's Local Transportation Fund for the year ended June 30, 2020.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that are applicable to the Local Transportation Fund for the year ended June 30, 2020.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *Transportation Development Act (TDA) Statutes and California Codes of Regulations*, published by the California Department of Transportation, Division of Mass Transportation. Our responsibilities under those standards and *Transportation Development Act (TDA) Statutes and California Codes of Regulations*, published by the California Department of Transportation, Division of Mass Transportation are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's government programs.

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Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *Transportation Development Act (TDA) Statutes and California Codes of Regulations*, published by the California Department of Transportation, Division of Mass Transportation will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *Transportation Development Act (TDA) Statutes and California Codes of Regulations*, published by the California Department of Transportation, Division of Mass Transportation, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses responsibility is to express an opinion on the Commission's compliance based on our audit.

Other Matters

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the *Transportation Development Act (TDA) Statutes and California Codes of Regulations*, published by the California Department of Transportation, Division of Mass Transportation. Accordingly, this report is not suitable for any other purpose.

Price Pange & Company

Clovis, California
January 6, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT
AND SERVICE ENHANCEMENT ACCOUNT FUND

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

Report on Compliance

Opinion on Public Transportation Modernization Improvement and Service Enhancement Account Fund

We have audited Madera County Transportation Commission's (the Commission) compliance with *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission applicable to the Commission's Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) for the year ended June 30, 2020.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that are applicable to the PTMISEA for the year ended June 30, 2020.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission. Our responsibilities under those standards and *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's government programs.

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Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses responsibility is to express an opinion on the Commission's compliance based on our audit.

Other Matters

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on *Section 6666 of the Rules and Regulations of the California Administrative Code* in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Commission. Accordingly, this report is not suitable for any other purpose.

Price Pange & Company

Clovis, California
January 6, 2021

FINDINGS AND QUESTIONED COSTS

**MADERA COUNTY TRANSPORTATION COMMISSION
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 X no

Significant deficiencies identified -
 not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:
 Material weaknesses identified? _____ yes X no

Significant deficiencies identified -
 not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance
 for major programs: Unmodified

Any audit findings disclosed that are required
 to be reported in accordance with
 2CFR 200, Section 200.516(a)? _____ yes X no

Identification of Major Programs

| | |
|---|--|
| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
| 20.505 | Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research |
| Dollar threshold used to distinguish between Type A and Type B programs: \$750,000 | |
| Auditee qualified as a low-risk auditee? | <u> X </u> yes _____ no |

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

SECTION II –FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARDS FINDINGS

None reported.

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

FINANCIAL STATEMENT FINDINGS

None reported.

FEDERAL AWARD FINDINGS

None reported.