



# **Comprehensive Annual Financial Report** *for the year ended June 30, 2019*

**Prepared by**  
*City of Madera Finance Department*



**City of Madera**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2019**  
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## Financial Services Department

March 30, 2020

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

It is with pleasure that I present to you the City of Madera Comprehensive Annual Financial Report (CAFR), the City's first in 10 years.

State law requires local governments prepare a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2019. This report was prepared by the City of Madera's (the City) Finance Department, which assumes responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures.

The accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as prescribed by the Governmental Account Standards Board (GASB).

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The City's financial statements have been audited by The Pun Group LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for the rendering of an unmodified opinion that the City of Madera's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit section of this comprehensive annual financial report.

The Management's Discussion and Analysis (MD&A) section of this report offers a more detailed discussion about the economic condition of the City, fund balance analysis and other management goals and achievements.

### ***Government Profile***

The City was incorporated on March 27, 1907, as a general law city. The City Council is comprised of six members who are elected by district, plus a Mayor who is elected at large. The Council Members and the Mayor are elected to alternating four-year terms staggered every two years. The City Council is responsible for making policy, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the ordinances and policies of the City Council and overseeing operations. All other department heads are appointed by the City Manager.

Madera is located in the center of California, twenty miles north of Fresno, and is the county seat of Madera County. The City has approximate population of 66,000 and its boundaries encompass 16.0 square miles. Madera is also

within close proximity to cherished world treasures such as Yosemite National Park, the Sierra Nevada Mountain Range and attractions that run along the Pacific coastline.

The City provides a full range of services that include public safety, public works, recreational and community services, community development and general administrative services. The City also operates a municipal golf course, water and wastewater utilities. A general aviation airport is also part of the City of Madera. Component units are legally separate entities for which the nature and significance of their relations with the City are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, the Housing Authority of the City of Madera is reported as a component unit in the City's financial statements.

### ***Local economy and local budget issues***

The local economy has experienced economic growth. Assessed property values experienced a 6% increase from the prior year and are expected to improve further during the next year. Sales taxes experienced increases from the prior year and are expected to grow at nearly 2% during the next year due to the improving economy. Building activity is continuing and has resulted in a growing assessed valuation for property.

Agriculture has been the mainstay of the local economy. Government also represents a growing part of the economy. Major employers in the City include Madera Unified School District, County of Madera, City of Madera and Madera Community Hospital. Major retail employers include Walmart, Lowe's and Home Depot. The City of Madera's unemployment rate was 6.7% in 2019.

The City is part of the Madera/Chowchilla Metropolitan Area, which includes City of Madera, City of Chowchilla and developed areas of Madera County.

The City Council adopted a balanced budget for fiscal year 2019-20 with proposed total expenditures of \$87,819,817 citywide. Key budget assumptions include the construction of a fire station with Measure K sales tax revenue and issuance of lease revenue bonds, which will be paid back with future Measure K sales tax revenue.

The City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. For the 2019 fiscal year, activities for the general fund, special revenue funds, debt service, enterprise, and capital project funds are included in the annual appropriated budget.

The level of budgetary control, i.e. the level where the expenditures cannot legally exceed the appropriated amount, is maintained at the departmental level for the General Fund and at the fund level for all other funds. The City also maintains an encumbrance accounting system as a method of maintaining budgetary control. Outstanding encumbrances at year-end are evaluated and, if deemed necessary by the City Manager, are carried forward as part of the following year's budget.

### ***Long-term financial planning***

The City maintains a five-year Capital Improvement Plan, which is updated annually. This plan includes major ongoing maintenance and rehabilitation costs to existing capital assets (land, land improvements, infrastructure, and equipment), as well as the costs of new facilities and improvements.

The City's annual budget document includes a five-year forecast of general fund revenue, including sales, use and property taxes, interfund charges, and other governmental revenues. Revenues are projected to increase 1.5% each year for the next five years. Budget policies require that budgets be balanced, and ongoing costs shall not exceed current revenues plus available fund balance that exceeds reserve fund requirements.

The City maintains a General Fund Contingency Reserve at a level of at least 30% of the general fund operating expenditures in order to protect essential service programs and funding requirements during periods of economic downturn or other unforeseen major costs not covered by the Contingency Reserve. A separate reserve has been established in the Measure K fund in the amount of \$130,000 each year for the Police Department and the Fire Department. Currently, each Measure K fund (Police and Fire) have a \$260,000 fund balance contingency reserve.



Additionally, the Fire department has established a fire engine replacement reserve of \$200,000, with the intent to add \$200,000 each year to that reserve.

Also, to finance current growth, the City has in place a variety of user and develops fees to pay for streets, parks, water wells and lines, and sewer lines. The City reviews these fees on an annual basis to assure that the fee structure is in line the cost of construction. For the combined fiscal years 2018-29 and 2019-20, the City implemented a 6% increase in water rates.

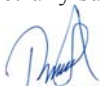
### ***Cash Management***

The City of Madera's investment policy prioritizes safety, liquidity and then yield on the City's investment. The highest priority of cash management and investments is to ensure adequate funds are available to meet the City of Madera's obligations and all investments are in safe instruments. Yield, while important, is considered in third priority after safety and liquidity. The City invests in the Local Agency Investment Fund "LAIF" operated by the State for the benefit of local governments. Bond proceeds, debt service monies, and debt service reserves are invested according to the bond covenants of each bond issue.

### ***Acknowledgements***

I would like to extend my thanks to the City Council for their interest in and suggestions to the financial reporting of the City. The preparation of the CAFR could not have been accomplished without the efforts and dedication of the staff of the City of Madera, Department of Finance. I extend my appreciation to my staff and other personnel from various departments, agencies and authorities who assisted in the preparation of this report.

Respectfully submitted,



Roger Sanchez Ruiz  
Director of Financial Services

**CITY COUNCIL MEMBERS** (as of 6/30/19)

Andrew J. Medellin, Mayor  
Mayor Pro Tem Steve Montes, District 3  
Council Member Cece Gallegos, District 1  
Council Member José Rodriguez, District 2  
Council Member Derek O. Robinson Sr., District 4  
Council Member Santos Garcia, District 5  
Council Member Donald E. Holley, District 6

**EXECUTIVE MANAGMENT**

Arnoldo Rodriguez, City Manager  
Hilda Cantu Montoy, City Attorney (contracted)  
Alicia Gonzales, City Clerk

**DEPARTMENT DIRECTORS**

Darrell Unruh, Interim Planning Manager  
Dino Lawson, Police Chief  
Ivette Iraheta, Grants Administrator  
Jim Howell, Interim Director of Public Works  
John Scarborough, Director of Parks and Community Services  
Keith Helmuth, City Engineer  
Mark Souders, Information Services Manager  
Mike van Loben Sels, Fire Chief (contracted)  
Roger Sánchez, Director of Financial Services  
Steve Woodworth, Chief Building Official  
Wendy Silva, Director of Human Resources

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Madera, California (the "City"), as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the City'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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Housing Authority of the City of Madera (the "Authority"), which represent 100%, 100%, and 100%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of Contributions, and Schedule of Changes in Total OPEB Liability and Related Ratios, on pages 5 through 21 and 129 through 139 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 City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are the responsibility of management and were 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 Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections 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.

To the Honorable Mayor and Members  
of the City Council of the City of Madera  
Madera, California  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Santa Ana, California  
March 30, 2020

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**City of Madera**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

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This narrative overview of the City of Madera's financial performance provides an analysis of the City's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements. Note that the 2018 figures presented are from the 2018 audited financial statements; they are not restated balances based on the 2018 prior period adjustments as listed in Note 17.

**Financial Highlights**

- The City's government-wide total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of the fiscal year by \$286.9 million. Of this amount, \$4.4 million is in unrestricted net position and available to meet the City's ongoing commitments to citizens and creditors. In addition, the City's restricted net position totals \$49.2 million and is dedicated to specific purposes. Lastly, net position of \$233.3 million is the City's net investment in capital assets.
- The City's total net position increased by \$8.3 million or 3.0% during 2018-2019 to \$286.9 million from \$278.5 million.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$63.6 million, an increase of \$9.5 million or 17.7% in comparison with the prior year. Approximately \$3.0 million or 4.8% of this amount is available for spending at the City's discretion (unassigned fund balance).
- The City's General Fund, Measure K Sales Tax, Code Enforcement, Insurance Reserve, Payroll Clearing, Community Development and LEA Tire Grants, ended the year with a fund balance of \$24.2 million, which represents a net increase of approximately \$6.2 million from the previous year. The unassigned balance of \$3.0 million is available for carryover to fund future general fund expenditures.
- Net Pension Liability increased by \$0.5 million or 1.6% during 2018-2019 to \$45.9 million from \$45.4 million. Deferred outflows of resources related to pensions decreased by \$1.6 million or 11.4% and deferred inflows of resources related to pensions increased by \$2.2 million or 524.4%. The changes to net pension liability were mainly due to an overall increase in the net pension liability of the CalPERS safety risk pool, of which the City's proportionate share increased, and the service cost and interest accumulated on the City's total pension liability in its miscellaneous risk pool agent plan exceeded contributions and investment income in the City's fiduciary net position. The changes to the City's deferred outflows were mainly due to an increase in contributions to the Plan made by the City in 2018-2019 and actual earnings on the plan exceeding the projected earnings, which will be applied as a reduction to net pension liability over the next five years. Finally, the changes to deferred inflows of resources were mainly the result of the amortization of prior year deferred inflows resulting from previous changes in actuarial assumptions and differences in between expected and actual experience that did not meet the previous actuarial expectations.
- During the year, 10% and 10% rate increases were implemented for water and sewer services, respectively. Incremental rate increases over the subsequent five years were approved by Council during the second quarter of calendar year 2015. Those rate increases took effect in fiscal year 2016 and were projected to increase water revenues by 10% and sewer revenues by 10% in fiscal year 2019. The water rate increases are projected to further increase water revenues by 3% in fiscal year 2020. Sewer rate increases are projected to further increase sewer revenues by 10% in fiscal year 2020.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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## **Overview of the Financial Statements**

This annual report consists of a series of financial statements. These statements include all activities of the City of Madera, using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services are financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the Government.

## **Reporting the City as a Whole**

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid out.

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

The *statement of activities* presents information showing how the City's net position changed in the most recent fiscal year. All changes of net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported on this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The government-wide financial statements of the City are divided as follows:

***Governmental Activities:*** Most of the City's basic services are included here such as public safety, transportation (street and roads), community development, culture and recreation and general government. These services are primarily financed by property and sales taxes and federal and state grants.

***Business-type Activities:*** The City charges fees to customers to cover the costs of services provided. The City's utilities, water, sewer, community sanitation (refuse and street cleaning), golf course, and airport, as well as public transit services are included here.

The government-wide financial statements can be found on pages 26-29 of this report.

**Fund financial statements.** The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. 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. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the City can be classified into three categories: governmental funds, proprietary funds and fiduciary funds.



**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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**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, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a government's near-term financing requirement.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the 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 reconciliations between governmental funds and governmental activities. This reconciliation explains the relationship (or differences) between the fund statements and the government-wide statements.

The City of Madera maintains nineteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, General Development Impact Fee Fund, and Special Gas Tax Fund all of which are considered to be major funds. Data from the other sixteen funds are combined into a single aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance to this budget.

The basic governmental fund financial statements can be found on pages 34-39 of this report.

**Proprietary funds.** The City has two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for those activities that are supported primarily by user charges to external users, and includes community sanitation, sewer disposal, water and transit. Internal service funds are used to account for activities that are supported by user charges primarily to the City's other programs and activities and include fleet management, facility maintenance, and computer replacement. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sewer, Solid Waste, and Drainage Operations funds since they are all major funds. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All of the internal service funds are combined into a single, aggregated presentation in the fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 42-47 of this report.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefits of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the City cannot use these funds to finance its operations.

The fiduciary fund financial statements can be found on pages 50-51 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the basic financial statements can be found on pages 59-126 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees, and budgetary comparison schedules. Required supplementary information can be found on pages 139-150 of this report.

**Individual Fund Statements.** Individual fund statements in connection with non-major governmental and enterprise funds are presented immediately the required supplementary information, which can be found on pages 144-170 of this report.

**Government-wide Financial Analysis**

Below is a table showing the City's net position for the fiscal year ended June 30, 2019, with comparative data for the fiscal year ended June 30, 2018.

<b>City of Madera's Net Position</b>						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$ 71,289,086	\$ 60,803,203	\$ 34,349,967	\$ 31,400,760	\$ 105,639,053	\$ 92,203,963
Capital Assets	178,073,835	178,001,695	106,144,171	102,307,394	284,218,006	280,309,089
Total assets	249,362,921	238,804,898	140,494,138	133,708,154	389,857,059	372,513,052
<b>Deferred outflows of resources</b>	9,895,201	11,385,568	2,286,895	2,285,596	12,182,096	13,671,164
<b>Liabilities:</b>						
Current and other liabilities	6,982,273	3,209,607	6,845,010	4,478,541	13,827,283	7,688,148
Noncurrent liabilities	46,689,186	43,565,647	51,291,378	55,560,510	97,980,564	99,126,157
Total liabilities	53,671,459	46,775,254	58,136,388	60,039,051	111,807,847	106,814,305
<b>Deferred inflows of resources</b>	2,054,016	395,604	1,319,784	445,930	3,373,800	841,534
<b>Net position:</b>						
Net investment in capital assets	172,189,172	176,114,816	61,048,060	58,537,120	233,237,232	234,651,936
Restricted	44,311,906	37,033,179	4,940,553	1,125,151	49,252,459	38,158,330
Unrestricted	(12,968,431)	(10,128,387)	17,336,248	15,846,498	4,367,817	5,718,111
Total net position	\$ 203,532,647	\$ 203,019,608	\$ 83,324,861	\$ 75,508,769	\$ 286,857,508	\$ 278,528,377

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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As of June 30, 2019, the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$286.9 million. Governmental activities finished the year with a positive net position balance of \$203.5 million, an increase of \$0.5 million, or 0.3% compared to 2018. Business-type activities finished the year with a positive balance of \$83.3 million, an increase of \$7.8 million or 10.4% compared to 2018. Net position, as noted earlier, may serve over time as a useful indicator of the City's financial position. Of the total net position, \$233.3 million or 81.3% is the City's net investment in capital assets (e.g. land, buildings and improvements, machinery and equipment and the road network) less any related debt used to acquire those assets that is still outstanding.

The City's net investment in capital assets increased by \$3.9 million, restricted net position increased by \$10.6 million and unrestricted net position decreased by \$0.8 million, accounting for the increase in total net position of nearly \$1.3 million. The increase in net investment in capital assets is due to additions to capital assets of \$16.7 million and an increase in liabilities of \$5.0 million, offset by depreciation expense of \$12.4 million. The increase to restricted net position represents the change in resources that are subject to external restrictions on their use. Net position restricted for public works and transportation increased by \$3.1 million compared to prior year. The decrease to unrestricted net position is due to a change in resources available to fund City programs for citizens and debt obligations to creditors.

Restricted net position represents \$49.3 million or 17.2% of the total. Restricted net position represents those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds are set forth by state or federal regulations.

Unrestricted net position represents those resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government-wide unrestricted net position represents \$4.4 million or 1.5% of the total net position, which is an decrease of \$1.4 million or 23.6% from the previous year. Governmental activities account for a negative \$12.9 million of the total unrestricted net position and decreased by \$2.8 million or 28.0% compared to last year. Business-type activities account for \$17.3 million of the total unrestricted net position and increased by \$1.5 million or 9.4% compared to last year.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

The following table indicates the changes in net position for governmental and business-type activities:

<b>Statement of Activities</b>						
<b>For the Year Ended June 30, 2019</b>						
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5,442,865	\$ 5,096,044	\$ 28,885,515	\$ 27,912,340	\$ 34,328,380	\$ 33,008,384
Operating grants and contributions	14,117,178	11,716,048	2,056,654	1,469,267	16,173,832	13,185,315
Capital grants and contributions	2,968,306	261,357	3,554,740	1,309,161	6,523,046	1,570,518
Total program revenues	22,528,349	17,073,449	34,496,909	30,690,768	57,025,258	47,764,217
General revenues:						
Property taxes	4,332,639	3,824,185	209,374	182,390	4,542,013	4,006,575
Sales and use taxes	13,399,196	12,923,918	-	-	13,399,196	12,923,918
Franchise taxes	649,666	666,238	-	-	649,666	666,238
Other taxes	1,964,472	1,707,452	-	-	1,964,472	1,707,452
Total taxes	20,345,973	19,121,793	209,374	182,390	20,555,347	19,304,183
Investment earnings	1,910,967	265,581	407,450	68,049	2,318,417	333,630
Gain (loss) on sale of capital assets	43,791	-	-	12,990	43,791	12,990
Miscellaneous	829,050	1,147,727	76,531	3,956	905,581	1,151,683
Total general revenues and transfers	23,129,781	20,535,101	693,355	267,385	23,823,136	20,802,486
<b>Total revenues</b>	45,658,130	37,608,550	35,190,264	30,958,153	80,848,394	68,566,703
<b>Expenses:</b>						
General government	9,703,723	8,697,525	-	-	9,703,723	8,697,525
Public safety	18,983,486	18,425,675	-	-	18,983,486	18,425,675
Social services	330,498	346,863	-	-	330,498	346,863
Public ways and facilities	5,478,070	5,081,612	-	-	5,478,070	5,081,612
Culture and recreation	4,525,133	4,744,555	-	-	4,525,133	4,744,555
Community development	4,492,799	4,022,163	-	-	4,492,799	4,022,163
Interest on long-term debt	210,504	74,490	-	-	210,504	74,490
Water	-	-	7,654,315	9,262,549	7,654,315	9,262,549
Sewer	-	-	9,924,665	9,854,304	9,924,665	9,854,304
Solid waste	-	-	6,056,309	5,811,095	6,056,309	5,811,095
Drainage operations	-	-	1,149,676	887,698	1,149,676	887,698
Local transit	-	-	2,321,063	2,166,293	2,321,063	2,166,293
Golf course	-	-	120,763	199,012	120,763	199,012
Airport	-	-	842,652	1,163,134	842,652	1,163,134
<b>Total expenses</b>	43,724,213	41,392,883	28,069,443	29,344,085	71,793,656	70,736,968
<b>Change in net position</b>	1,933,917	(3,784,333)	7,120,821	1,614,068	9,054,738	(2,170,265)
Transfers	275,116	374,407	(275,116)	(372,671)	-	1,736
<b>Increase (decrease) in net position</b>	2,209,033	(3,409,926)	6,845,705	1,241,397	9,054,738	(2,168,529)
Net position, beginning of year	203,019,608	203,422,144	75,508,769	73,835,943	278,528,377	277,258,087
Prior period adjustments	(1,695,994)	3,007,390	970,387	431,429	(725,607)	3,438,819
Net position, beginning of year, as restated	201,323,614	206,429,534	76,479,156	74,267,372	277,802,770	280,696,906
<b>Net position, end of year</b>	<u>\$ 203,532,647</u>	<u>\$ 203,019,608</u>	<u>\$ 83,324,861</u>	<u>\$ 75,508,769</u>	<u>\$ 286,857,508</u>	<u>\$ 278,528,377</u>

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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**Governmental activities.** Governmental activities account for \$203 million or 73.0% of the total government- wide net position. This is an increase of \$0.5 million or 0.3% compared to June 30, 2018.

Total governmental revenues for the year were \$45.7 million, which is \$8.0 million or 21.4% more than in 2018.

- Operating grants and contributions decreased by \$2.4 million or 20.5% from the previous year primarily due to increases in Measure T revenue.
- Capital grants and contributions increased by \$2.7 million or 1035.7% from the previous year due to increase of \$1.9 million in RSTP grant funding and \$0.9 million in developer contributed capital assets.
- Taxes, including property, sales, franchise, and other taxes account for approximately \$20.3 million or 44.6% of the City's governmental activities revenue. Total tax revenue increased \$1.2 million or 10.5% from the previous year primarily due to increases in property taxes and sales and use taxes, including Measure K.
- Investment earnings increased by \$1.8 million or 682.8% from the previous year due primarily to higher rates of return on investments and a \$8.0 million or 18.1% increase in cash and investments compared to the prior fiscal year.

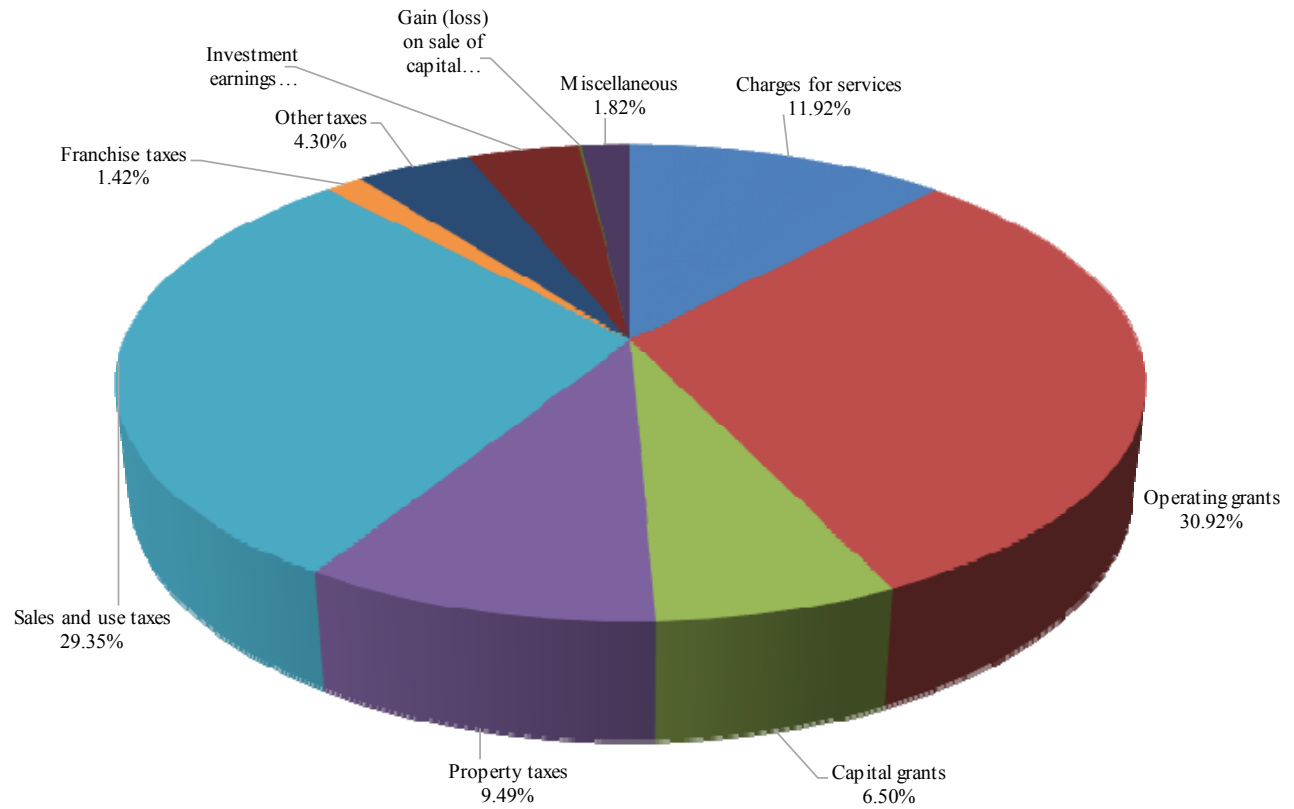
Total governmental expenses for the year were \$43.7 million, which is \$2.3 million or 5.6% more than in 2018.

- General governmental expenses increased by \$1.0 million or 11.6% from the previous year.
- Public safety expenses increased by \$.5 million or 3.0% from the previous year.
- Public ways and facilities expenses increased by \$0.4 million or 7.8% from the previous year.
- Culture and recreation expenses decreased by \$0.2 million or 4.6% from the previous year.
- Community development expenses increased by \$0.5 million or 11.7% from the previous year.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

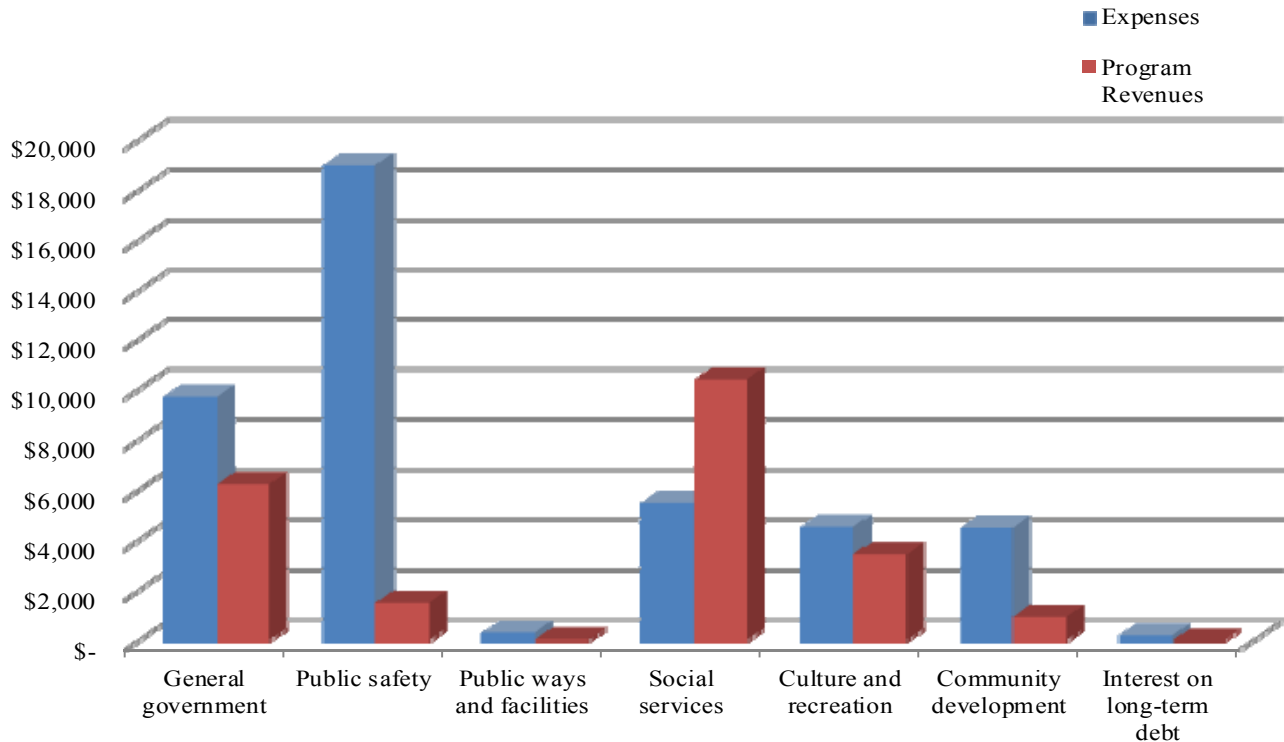
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**Revenues by Source - Governmental Activities**



**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**Expenditures and Program Revenues - Governmental Activities**



Governmental program revenues that include charges for services and grants specific to certain programs account for \$22.5 million or 49.3% of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up of "general" revenues such as taxes, interest, and grants and contributions.

**Business-type Activities.** Business-type activities account for \$83.3 million or 29.0% of the total government-wide net position. This is an increase of \$7.8 million from the prior year. Net investment in capital assets accounts for \$61.1 million or 73.4% of the total net position and is an increase of \$2.6 million from 2018. Restricted net position accounts for \$4.9 million, or 5.9% of total net position, represents an increase of \$3.8 million from 2018. Unrestricted net position of \$17.3 million, or 20.8% of total net position, represents an increase of \$1.5 million from 2018.

Total business-type revenue for the year was \$35.2 million, which is \$4.2 million or 13.7% more than in 2018.

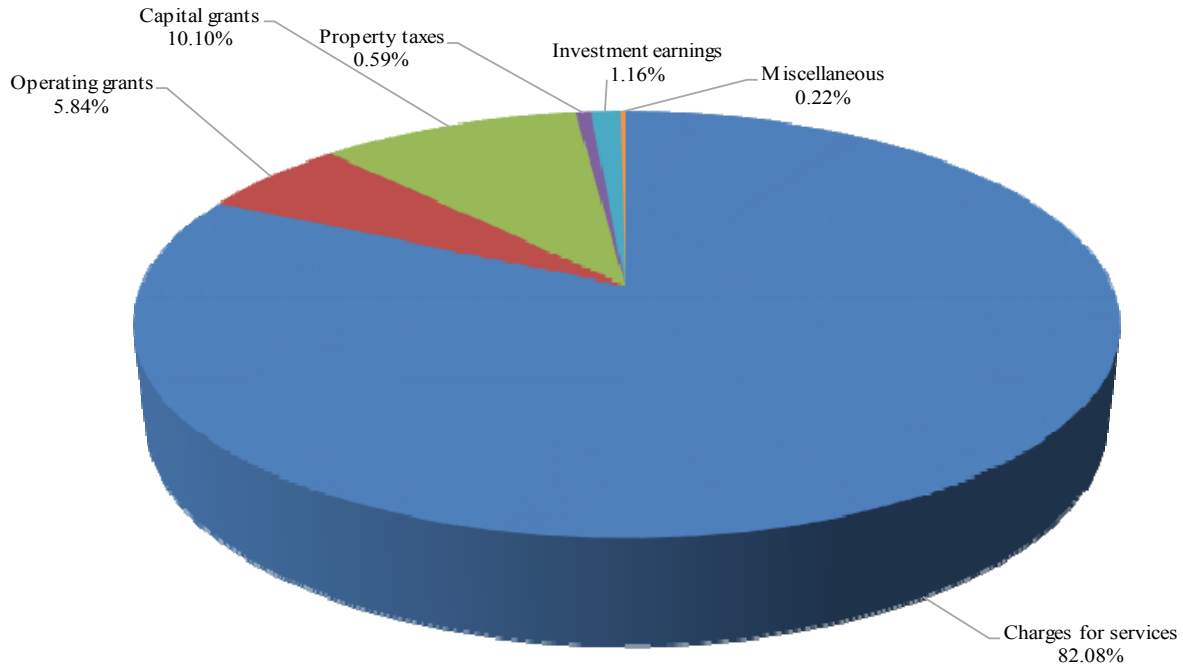
Charges for services increased by \$1.0 million or 3.5% from the prior year primarily due to a 10% increase in sewer rates that took effect July 1, 2018. Additional water meters were installed where there were previously no meters. This change resulted in moving some customers from flat rates to metered rates, which typically increases charges for services.

Operating grants and contributions increased by \$0.6 million or 40.0% from the prior year in local transit primarily due to a \$0.4 million Caltrans grant received for the purpose of transit rehabilitation, purchase buses and building new transit center. The center was completed in 2020.

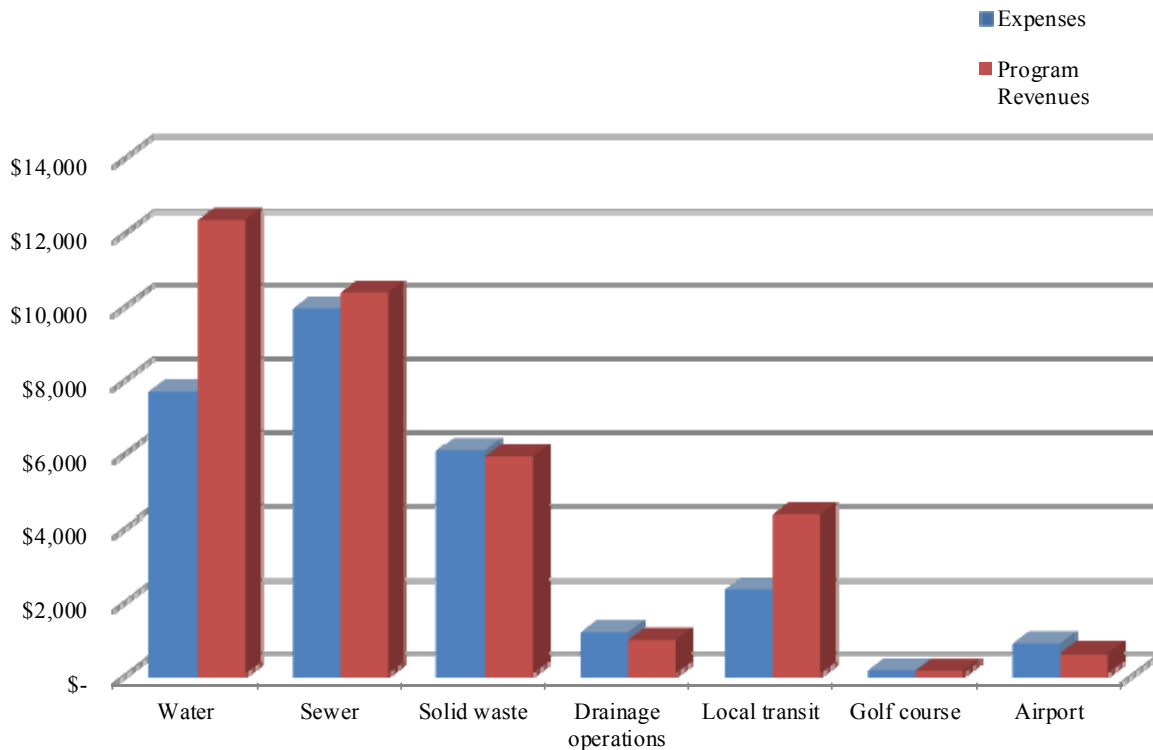
Capital grants and contributions increased by \$2.3 million or 171.5% from the prior year primarily due to a \$1.9 million in federal grant funding for the new transit facility and \$160 thousand for two new transit buses. The water fund recognized \$.06 million and sewer fund recognized \$0.5 million in capital contributions from developers who developed new communities and installed water and sewer infrastructure.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**Revenues by Source - Business-Type Activities**



**Expenses and Program Revenues-Business-Type Activities**



Included in charges for services are user fees relating to the water, sewer, solid waste, drainage, transit, golf course, and airport operations.



**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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Total business-type expenses for the year were \$28.1 million, which is \$1.3 million or 4.3% less than in 2018.

Water expenses decreased by \$1.6 million or 17.4% compared to the prior year, primarily due to the completion of a multi-year water system construction and maintenance project. Maintenance and infrastructure improvements were made over a four year period and the final costs associated with that project occurred in 2018.

Sewer expenses increased by \$70 thousand or 0.7% compared to the prior year.

Solid Waste expenses increased by \$0.2 million or 4.2% compared to the prior year.

**Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** Fund balance is defined in five categories: non-spendable, restricted, committed, assigned and unassigned. Non-spendable fund balances cannot be spent because they are not in spendable form. Restricted fund balances have limitations imposed externally by creditors, granters, contributors, or laws and regulations of other governments. Committed fund balances have self-imposed limitations set in place prior to the end of the period. Assigned fund balances are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Unassigned fund balances are the amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose.

All of the City's Governmental Funds ended the year with positive fund balances. The ending fund balance for all funds amounted to \$63.6 million, \$4.7 million or 17.6% more than the previous year. The increase is primarily due to the issuance of 2019 Lease Revenue Bonds (Fire Station). There was a decrease in unassigned fund balances of \$1.6 million primarily the result of reclassifying Measure K fund balance from unassigned to assigned.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

Of the total fund balance, \$3.0 million or 4.8% is unassigned which, within the limitations of the fund's purpose, is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is not in spendable form, legally required to be maintained intact, restricted for particular purposes, committed for particular purposes, or assigned for particular purposes. The details of the remainder are as follows:

<b>Nonspendable</b>	
Prepaid items	\$ 58,422
Inventories	58,825
Advances to other funds	85,681
<b>Restricted</b>	
Community development	11,267,655
Park development	104,975
Parking improvements	96,794
Public works and transportation	13,740,309
Special assessment project	423,211
Public protection	91,523
Capital projects and improvements	18,153,036
Debt service	434,403
<b>Committed</b>	
General Fund stabilization reserve	9,763,246
Public protection	720,000
<b>Assigned</b>	
Golf course capital	20,000
OPEB liability	97,339
Insurance reserve	2,627,964
Measure K - Police/Fire Protection	2,783,511
<b>Unassigned</b>	<b>3,049,282</b>

### General Fund

The General Fund is the chief operating fund of the City. As of June 30, 2019, the total fund balance (including all categories) of the general fund was \$24.2 million, up \$6.2 million from June 30, 2018 (as restated). The total fund balance of \$24.2 million includes non-spendable balances of \$0.2 million, restricted balances of \$4.4 million, committed balances of \$10.5 million, assigned balances of \$5.5 million, and an unassigned balance of \$3.1 million.

The *assigned* fund balance increased \$4.3 million when compared to June 30, 2018, primarily due to the \$1.5 million increase in the insurance reserve and \$2.8 million Measure K fund balance.

The *unassigned* fund balance decreased \$1.6 million when compared to June 30, 2018, primarily due to reclassifying Measure K fund balance to assigned fund balance. The Council has dedicated and budgeted Measure K sales tax for police and fire protection. The \$3.1 million unassigned portion represents the amount carried over to offset the impact of any revenue shortfall that may occur in the next year due to economic uncertainty. As a measurement of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 9.3% of total General Fund expenditures, while total fund balance represents approximately 73.9% of total General Fund expenditures.

### Other Major Funds

The General Development Impact Fee Special Revenue Fund, a major fund, had a \$74 thousand increase in fund balance during Fiscal Year 2019. The ending fund balance of \$13.2 million is restricted for capital projects and improvements.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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The Special Gas Tax Special Revenue Fund, a major fund, had a \$3.0 million increase in fund balance during the current Fiscal Year 2019. The ending fund balance of \$13.7 million is restricted for public works and transportation.

The Measure K Sales Tax Special Revenue Fund, a major fund, had a \$4.8 million increase in fund balance during the current Fiscal Year 2019. The ending fund balance of \$6.9 million is restricted for capital projects and public protection.

**Proprietary Funds.** As indicated in the description of proprietary funds, there are two types of funds, enterprise and internal service funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's enterprise funds and internal service funds ended the year with total net position as follows:

Water Fund	\$ 28,063,850
Sewer Fund	17,758,503
Solid waste Fund	1,276,213
Drainage Operations Fund	18,716,744
Local Transit Fund	4,668,706
Golf Course Fund	116,513
Airport Fund	12,724,332
Fleet Maintenance Fund	3,717,036
Facilities Maintenance Fund	(1,037,972)
Technology Fund	(386,364)

As noted earlier in the discussion of business-type activities, revenues for sewer services increased by 11.2% in the current year. Incremental rate increases over five years were approved by the City Council in the calendar year 2015. Sewer fees were increased 10% in fiscal year 2019.

### **General Fund Budgetary Highlights**

The general fund ended fiscal year 2019 with \$11.6 million under budget. This variance was primarily the result of \$3.0 million more revenues than anticipated, and \$8.6 million of savings on expenditures, offset by \$2.0 million in other financing uses. Although they are reflected as savings to the current year budget, they may be reserved for expenditures in the subsequent fiscal year.

- Actual expenditures for General Government came in \$0.7 million under budget due to savings in personnel costs, property/liability/fidelity insurance, contracted services, and intergovernmental charges.
- Actual expenditures for Public Protection came in at \$0.6 million under budget due to savings in contracted services and personnel costs.
- Public Ways and Facilities were \$0.3 million under budget due to savings in supplies and materials, contracted services, and personnel costs.
- Actual expenditures for Community Development came in at \$0.1 million over budget due to savings in contracted services and personnel costs.
- Actual expenditures for Culture and Recreation came in at \$0.5 million under budget due to savings in contracted services and conference/training.
- Actual expenditures for Capital Outlay were \$6.0 million under budget due to the carrying-forward of capital project budgets that were not completed during the current fiscal year.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amount to \$284.2 million (net of depreciation), an increase of \$3.9 million compared to 2018. This increase is primarily due to the additions to capital assets of \$16.7 million offset by depreciation expense of \$12.4 million.

Major capital asset additions this year include the following:

- Road network improvements - \$3,343 thousand
  - Developer donations (sidewalk, pavement, pipelines, and others) - \$910 thousand
  - Various other street improvement projects - \$1,614 thousand
  - Various parks improvement projections - \$143 thousand
  - Various traffic signal improvement projects - \$676 thousand
- Transit and Public Works Facility - \$1,951 thousand
- Fire station - \$1,384 thousand
- Equipment and software purchases (pumper fire truck, software and vehicles) - \$2,794 thousand
- Wastewater Treatment Plant improvement - \$3,746 thousand
- Water line improvement - \$308 thousand
- Sewer main improvement – \$127 thousand
- Police building - \$1,125 thousand

During the year the City made improvements to various streets, parks, sewer mains, and received developer- donated infrastructure. Capital projects constructed by the City include:

- Parks improvements: Millview Park
- Sewer mains replacement: various locations
- Street improvements: Raymond Rd & Cleveland Ave, Olive Ave & Gateway Dr, Gateway Dr and Central Ave, Sunset Ave between Granada Dr and Foster Ave, Lincoln Ave and South St.
- Trail construction: Gateway Drive
- Water main pine improvement: various locations

Developer constructed infrastructure was constructed in conjunction with the partial list of projects shown below:

- Maranatha Restaurant – Gateway and 11<sup>th</sup> St
- Matilda Torres High School – 16645 Road 26
- Drinking Water System Consolidation - Avenue 14
- Cottonwood Estates phase V – 2236 Tozer St
- Varbella Subdivision

	Capital Assets					
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 12,542,062	\$ 11,311,162	\$ 9,347,017	\$ 9,347,017	\$ 21,889,079	\$ 20,658,179
Construction in progress	5,476,620	3,562,669	9,081,266	3,524,381	14,557,886	7,087,050
Buildings and improvements	23,254,045	21,235,371	57,513,812	57,513,812	80,767,857	78,749,183
Equipment	14,925,005	13,298,588	25,001,965	24,050,021	39,926,970	37,348,609
Infrastructure	298,557,773	297,834,856	79,326,020	78,489,077	377,883,793	376,323,933
Less: accumulated depreciation	(176,681,670)	(169,240,951)	(74,125,909)	(70,616,914)	(250,807,579)	(239,857,865)
<b>Total</b>	<b>\$ 178,073,835</b>	<b>\$ 178,001,695</b>	<b>\$ 106,144,171</b>	<b>\$ 102,307,394</b>	<b>\$ 284,218,006</b>	<b>\$ 280,309,089</b>

Detailed information on the City's capital assets can be found in Note 6 on pages 83-85.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**Long-term Debt.** The City's long-term debt as of June 30, 2019 was \$50.6 million with governmental activities accounting for \$5.9 million or 11.6%, and business-type activities accounting for \$44.8 million or 88.4%. The total debt increased by \$1.9 million or 4.0% during the current fiscal year. The reason for the increase was due to the issuance of the 2019 Lease Revenue Bonds (Fire Station).

	<b>Long-Term Debt</b>					
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital leases	\$ 492,603	\$ 1,023,325	\$ -	\$ -	\$ 492,603	\$ 1,023,325
Loans payable	738,900	863,554	8,489,178	9,103,002	9,228,078	9,966,556
Bonds payable	4,653,160	-	36,261,974	37,696,552	40,915,134	37,696,552
<b>Total</b>	<b>\$ 5,884,663</b>	<b>\$ 1,886,879</b>	<b>\$ 44,751,152</b>	<b>\$ 46,799,554</b>	<b>\$ 50,635,815</b>	<b>\$ 48,686,433</b>

General obligation debts are direct obligations of the City and are backed by the full faith and credit of the City requiring voter approval and may have a tax rate set to cover repayment. State statutes limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Madera's debt limit is \$1.1 billion. Detailed information on the City's long-term debt activity can be found in Note 7 on pages 86-96.

**Economic Factors and Next Year's Budgets and Rates**

The 2019 economy outperformed expectations and experienced significant economic growth and a continued decline in unemployment. According to the Federal Reserve, the gross domestic product (GDP) was 2.1% in the 4<sup>th</sup> quarter of 2019. Personal income is projected to increase at 0.6% in the first quarter 2020. Unemployment figures are expected to remain stable over the next year. In California, new home starts are expected to rise modestly over the next two years, as well as the value of existing homes.

Once again, the city experienced exponential increase in its investment earnings from its previous year primarily due to a higher rate of return on investments and an increase in cash and investments compared to prior fiscal year. Measure K contributed to the increase in cash and investments bringing in \$4,977,367 in additional sales tax revenue. This allowed the City to expand its public safety sector and afford its citizens more police protection and the addition of a new fire station. The new fire station was financed by bonds and will be repaid with Measure K funds. The fire station is anticipated to be complete in June 2020.

The City purchased the adjoining property to the Police Building thereby allowing the expansion for police operations. Through federal and state grants the City was able to construct the new Madera Transit Facility which is expected to be complete April 2020. Additionally, two new All Star buses were purchased with the grant funds.

The City has entered into a lease/purchase agreement to finance the installation of solar panels, new HVAC system and LED streetlamps, resulting in a substantial savings in energy costs.

The national GDP grew only 2.1% over the final quarter of 2019. Economic growth remained consistent with the prior year over the first few months of 2020. At the state level, California GDP had previously surpassed that of the entire United Kingdom, becoming the world's fifth largest economy, according to a May 2019 report by the LA Times. However, much of the economic growth in the state is focused in coastal areas such as Los Angeles, San Diego, San Francisco, and San Jose, which have a vast array of industry including technology, entertainment, and thus enjoy the benefits of international ports, airports, and international headquarter locations. Because the Central Valley relies heavily on an agriculture-based economy, profits are not as lucrative and challenges such as weather (drought), labor availability, and government subsidies all play into the bottom line.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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Corporations have been able to expand, hire new employees, and provide raises for existing ones, which bolsters stability in the market, thanks in part to prior year tax reform. Both nationally and statewide, job growth continued, with unemployment reaching levels not seen since the 1960s. Up until February 2020, the economy was predicted to continue to expand at the present rate with no indications of a potential recession. However, on January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization declared that the Corona virus (COVID-19) a public health emergency of international concern. The outbreak of COVID-19 was declared a pandemic.

Financial markets declined the week of February 24, 2020 as the virus spread and uncertainty spread throughout the world. While it is still too early to determine how significant the long-term impact of the virus will be, the City of Madera, along with other cities and states, has implemented stay at home policies and are actively working with authorities to contain the outbreak of COVID-19.

In the last year, county-wide, Madera has added approximately 1,500 jobs. In January 2020, the unemployment rate in Madera County was 6.7%, down from 7.2% in May 2019 according to the State of California's Employment Development Department. At the state level, unemployment is at 3.9%, and nationally is down to 3.6%. While the country is at near maximum employment, there is still room for growth in Madera County.

The City of Madera has seen continued growth in consumer spending. This trend is reflected in a 5.9% increase in local sales tax, excluding Measure K, from FY 18/19 to FY 19/20. Sales tax figures are outperforming projected budget amounts.

Economic development activity continues to increase and is seen through the addition of commercial, industrial and residential buildings. The industrial vacancy rate continues to remain under 1%. In response, the City began a joint venture with a local company to develop Freedom Industrial Park, a 100-acre industrial site. The first tenant of the complex has moved in and employs about 100 individuals. The City is actively reaching out to the business community to fill a future, second building that has already been approved for the site. The grounds will be "plug and play" ready, with full infrastructure and rail access. The intersection at Avenue 17 and State Route (SR) 99 remains a primary focus of the City's economic development efforts. The site currently includes Love's Madera Travel Center and more than \$10 million in infrastructure improvements. It is expected that the improvements will spur additional development around the interchange. Another development just to the north of Madera is Matilda Torres High School. The school requires sewer and water infrastructure expansion, which has generated interest in development of properties in the immediate vicinity.

The number of residential homes permitted over the previous fiscal year remains relatively consistent from FY 16/17. In that year, 137 homes were permitted, compared to approximately 80 homes expected to be permitted by the end of FY 18/19. With nearly no existing lots available for builders, the City is looking to the northwest quadrant for future growth. The slated project is under review, but when complete, will cover approximately 3 square miles, over 5,000 new homes, retail and commercial use, elementary schools and expanses of open space and park amenities. There has also been investor and builder interest in multifamily units which may see activity in FY 19/20.

Water is and will remain a key element in the regional economy. The City is taking an active role in regional groundwater management efforts and is planning the next stages of improvements to address long-term water service for current residents and future development. Engineering costs for capital improvements are anticipated to be funded on a pay-as-you-go basis. Potential projects include the replacement of manual water meters, installation of new water meters, recoating of the water tower and the design of water main upgrades throughout the City. These projects have planned funding from revenue in the Water Utility Fund. A new water storage tank, pump station and associated transmission mains are included in the Capital Improvement Program with the initial engineering efforts taking place in 2019/20. The tank represents a critical component of infrastructure necessary to counter continual drought conditions in the valley. Construction funding for the tank project will require special financing either through grants, municipal bonds or low interest loans.

**City of Madera**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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Although 2020 began with a stable economy and an optimistic outlook for the year ahead, the COVID-19 pandemic has disrupted the world's economy. Interest rates have declined and are expected to remain at low levels over the next year. The federal government is actively working on an economic stimulus to ease the affects of the COVID-19 outbreak. Containment efforts have been swift and ongoing. Once containment is achieved, economic production is expected to be restored. Given these local and national projections, the City will continue with a prudent, conservative financial planning model as it makes budget decisions for the future.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Madera's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Financial Services Director, City of Madera, 205 W. 4th Street, Madera, CA 93637.

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## **BASIC FINANCIAL STATEMENTS**

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Madera**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Authority of the City of Madera
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 51,795,918	\$ 27,804,492	\$ 79,600,410	\$ 6,271,117
Accounts receivable, net	8,145,584	3,609,694	11,755,278	416,676
Interest receivable	-	-	-	345,221
Prepaid items	107,479	43,494	150,973	1,383
Inventories	58,825	-	58,825	35,593
Due from Fiduciary Funds	372,428	-	372,428	-
Internal balances	2,048,266	(2,048,266)	-	-
Total current assets	62,528,500	29,409,414	91,937,914	7,069,990
Noncurrent assets:				
Restricted cash and investments	87,009	4,940,553	5,027,562	1,941,077
Notes receivable	8,003,577	-	8,003,577	3,736,466
Land held for resale	670,000	-	670,000	-
Capital assets:				
Non-depreciable	18,018,682	18,428,283	36,446,965	785,827
Depreciable, net	160,055,153	87,715,888	247,771,041	6,369,105
Total capital assets	178,073,835	106,144,171	284,218,006	7,154,932
Total noncurrent assets	186,834,421	111,084,724	297,919,145	12,832,475
<b>Total assets</b>	<b>249,362,921</b>	<b>140,494,138</b>	<b>389,857,059</b>	<b>19,902,465</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to OPEB	82,581	12,196	94,777	-
Related to pensions	9,812,620	2,274,699	12,087,319	674,293
<b>Total deferred outflows of resources</b>	<b>9,895,201</b>	<b>2,286,895</b>	<b>12,182,096</b>	<b>674,293</b>

**City of Madera**  
**Statement of Net Position (Continued)**  
**June 30, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Authority of the City of Madera
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	4,206,414	1,988,725	6,195,139	142,465
Accrued payroll	606,141	138,861	745,002	36,148
Deposits	171,905	579,810	751,715	197,714
Interest payable	15,008	1,580,303	1,595,311	-
Unearned revenue	875,040	142,898	1,017,938	7,081
Compensated absences - due within one year	548,362	291,093	839,455	38,978
Long-term debt - due within one year	559,403	2,123,320	2,682,723	118,681
Total current liabilities	6,982,273	6,845,010	13,827,283	541,067
Noncurrent liabilities:				
Other non-current liabilities	-	-	-	105,161
Aggregate net pension liability	37,633,363	8,274,708	45,908,071	3,179,336
Total OPEB liability	2,617,787	356,420	2,974,207	-
Compensated absences - due in more than one year	1,112,776	32,418	1,145,194	46,780
Long-term debt - due in more than one year	5,325,260	42,627,832	47,953,092	3,066,368
Total noncurrent liabilities	46,689,186	51,291,378	97,980,564	6,397,645
<b>Total liabilities</b>	<b>53,671,459</b>	<b>58,136,388</b>	<b>111,807,847</b>	<b>6,938,712</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to service concesssion arrangement	-	213,333	213,333	-
Gain on refunding of debt	-	344,959	344,959	-
Related to OPEB	193,334	29,652	222,986	-
Related to pensions	1,860,682	731,840	2,592,522	112,362
<b>Total deferred inflows of resources</b>	<b>2,054,016</b>	<b>1,319,784</b>	<b>3,373,800</b>	<b>112,362</b>
<b>NET POSITION</b>				
Net investment in capital assets	172,189,172	61,048,060	233,237,232	4,104,025
Restricted:				
Community development	11,267,655	-	11,267,655	-
Park development	104,975	-	104,975	-
Parking improvements	96,794	-	96,794	-
Public works and transportation	13,740,309	-	13,740,309	-
Special assessment project	423,211	-	423,211	-
Law enforcement	91,523	-	91,523	-
Capital projects and improvements	18,153,036	-	18,153,036	-
Housing services	-	-	-	1,640,337
Debt service	434,403	4,940,553	5,374,956	-
Total restricted	44,311,906	4,940,553	49,252,459	1,640,337
Unrestricted (deficit)	(12,968,431)	17,336,248	4,367,817	7,781,322
<b>Total net position</b>	<b>\$ 203,532,647</b>	<b>\$ 83,324,861</b>	<b>\$ 286,857,508</b>	<b>\$ 13,525,684</b>

**City of Madera**  
**Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 9,703,723	\$ 127,639	\$ 6,095,762	\$ -	\$ 6,223,401
Public protection	18,983,486	919,554	579,186	-	1,498,740
Social services	330,498	845	44,314	-	45,159
Public ways and facilities	5,478,070	1,600,393	5,816,989	2,968,306	10,385,688
Community development	4,525,133	2,172,435	1,261,567	-	3,434,002
Culture and recreation	4,492,799	621,999	319,360	-	941,359
Interest on long-term debt	210,504	-	-	-	-
Total governmental activities	43,724,213	5,442,865	14,117,178	2,968,306	22,528,349
Business-type activities:					
Water	7,654,315	11,655,165	-	668,671	12,323,836
Sewer	9,924,665	9,767,891	-	584,224	10,352,115
Solid waste	6,056,309	5,850,690	-	39,395	5,890,085
Drainage operations	1,149,676	853,323	-	85,100	938,423
Local transit	2,321,063	126,870	2,056,654	2,133,292	4,316,816
Golf course	120,763	95,889	-	-	95,889
Airport	842,652	535,687	-	44,058	579,745
Total business-type activities	28,069,443	28,885,515	2,056,654	3,554,740	34,496,909
<b>Total primary government</b>	<b>\$ 71,793,656</b>	<b>\$ 34,328,380</b>	<b>\$ 16,173,832</b>	<b>\$ 6,523,046</b>	<b>\$ 57,025,258</b>
Component unit:					
Housing Authority of the City of Madera	\$ 9,681,606	\$ 1,774,124	\$ 6,693,219	\$ 285,210	\$ 8,752,553
<b>Total component unit</b>	<b>\$ 9,681,606</b>	<b>\$ 1,774,124</b>	<b>\$ 6,693,219</b>	<b>\$ 285,210</b>	<b>\$ 8,752,553</b>

**City of Madera**  
**Statement of Activities and Changes in Net Position (Continued)**  
**For the Year Ended June 30, 2019**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Authority of the City of Madera
<b>Primary government:</b>				
Governmental activities:				
General government	\$ (3,480,322)	\$ -	\$ (3,480,322)	\$ -
Public protection	(17,484,746)	-	(17,484,746)	-
Social services	(285,339)	-	(285,339)	-
Public ways and facilities	4,907,618	-	4,907,618	-
Community development	(1,091,131)	-	(1,091,131)	-
Culture and recreation	(3,551,440)	-	(3,551,440)	-
Interest on long-term debt	(210,504)	-	(210,504)	-
Total governmental activities	(21,195,864)	-	(21,195,864)	-
Business-type activities:				
Water	-	4,669,521	4,669,521	-
Sewer	-	427,450	427,450	-
Solid waste	-	(166,224)	(166,224)	-
Drainage operations	-	(211,253)	(211,253)	-
Local transit	-	1,995,753	1,995,753	-
Golf course	-	(24,874)	(24,874)	-
Airport	-	(262,907)	(262,907)	-
Total business-type activities	-	6,427,466	6,427,466	-
<b>Total primary government</b>	(21,195,864)	6,427,466	(14,768,398)	-
Component unit:				
Housing Authority of the City of Madera	-	-	-	(929,053)
<b>Total component unit</b>	-	-	-	(929,053)
<b>General Revenues and Transfers:</b>				
General revenues:				
Taxes:				
Property taxes	4,332,639	209,374	4,542,013	-
Sales and use taxes	13,399,196	-	13,399,196	-
Franchise taxes	649,666	-	649,666	-
Other taxes	1,964,472	-	1,964,472	-
Total taxes	20,345,973	209,374	20,555,347	-
Investment earnings	1,910,967	407,450	2,318,417	70,013
Gain on sale of capital assets	43,791	-	43,791	-
Miscellaneous revenue	829,050	76,531	905,581	478,974
<b>Transfers</b>	275,116	(275,116)	-	-
<b>Total general revenues and transfers</b>	23,404,897	418,239	23,823,136	548,987
<b>Change in net position</b>	2,209,033	6,845,705	9,054,738	(380,066)
<b>Net Position:</b>				
Beginning of year, as restated (Note 17)	201,323,614	76,479,156	277,802,770	13,905,750
End of year	\$ 203,532,647	\$ 83,324,861	\$ 286,857,508	\$ 13,525,684

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## **FUND FINANCIAL STATEMENTS**

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## **Governmental Funds Financial Statements**

***General Fund*** - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Madera, these services include general government, public protection, social services, public ways and facilities, community development, and culture and recreation.

***General Development Impact Fee Fund*** - This fund is used to account for the receipt and expenditure of mitigation fees on specified capital projects.

***Special Gas Tax Fund*** - This fund is used to account for the receipt of gasoline tax revenue paid to the City as a subvention from the State of California. These funds support maintenance activities and to finance street construction projects as provided by State law.

**City of Madera**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	Major Funds		
	General Fund	General Development Impact Fee Fund	Special Gas Tax Fund
<b>ASSETS</b>			
Cash and investments	\$ 20,546,267	\$ 14,128,550	\$ 12,483,914
Restricted cash and investments	87,009	-	-
Accounts receivable, net	5,633,407	206	1,436,004
Notes receivable	-	-	-
Prepaid items	58,395	-	-
Inventories	58,825	-	-
Due from other funds	1,962,226	-	-
Due from Fiduciary Funds	372,428	-	-
Advances to other funds	110,161	-	-
Land held for resale	-	-	-
<b>Total assets</b>	<b>\$ 28,828,718</b>	<b>\$ 14,128,756</b>	<b>\$ 13,919,918</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 3,730,525	\$ 100,505	\$ 8,907
Accrued payroll	545,957	-	-
Due to other funds	-	-	-
Deposits payable	25,000	-	-
Unearned revenues	-	874,966	-
<b>Total liabilities</b>	<b>4,301,482</b>	<b>975,471</b>	<b>8,907</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	328,590	-	199,081
<b>Total deferred inflows of resources</b>	<b>328,590</b>	<b>-</b>	<b>199,081</b>
<b>Fund Balances:</b>			
Nonspendable	202,901	-	-
Restricted	4,934,403	13,153,285	13,711,930
Committed	10,483,246	-	-
Assigned	5,528,814	-	-
Unassigned	3,049,282	-	-
<b>Total fund balances</b>	<b>24,198,646</b>	<b>13,153,285</b>	<b>13,711,930</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 28,828,718</b>	<b>\$ 14,128,756</b>	<b>\$ 13,919,918</b>

**City of Madera**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2019**

	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>		
Cash and investments	\$ 3,468,679	\$ 50,627,410
Restricted cash and investments	-	87,009
Accounts receivable, net	851,498	7,921,115
Notes receivable	8,003,577	8,003,577
Prepaid items	27	58,422
Inventories	-	58,825
Due from other funds	-	1,962,226
Due from Fiduciary Funds	-	372,428
Advances to other funds	-	110,161
Land held for resale	670,000	670,000
<b>Total assets</b>	<b>\$ 12,993,781</b>	<b>\$ 69,871,173</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 254,001	\$ 4,093,938
Accrued payroll	53	546,010
Due to other funds	24,121	24,121
Deposits payable	146,905	171,905
Unearned revenues	74	875,040
<b>Total liabilities</b>	<b>425,154</b>	<b>5,711,014</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	56,312	583,983
<b>Total deferred inflows of resources</b>	<b>56,312</b>	<b>583,983</b>
<b>Fund Balances:</b>		
Nonspendable	27	202,928
Restricted	12,512,288	44,311,906
Committed	-	10,483,246
Assigned	-	5,528,814
Unassigned	-	3,049,282
<b>Total fund balances</b>	<b>12,512,315</b>	<b>63,576,176</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,993,781</b>	<b>\$ 69,871,173</b>

**City of Madera**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2019**

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 63,576,176</b>
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Grant revenue earned but not received within 60 days is categorized as a deferred inflows of resources in the fund financial statements but recognized as grant revenue in the government-wide statement of activities.	583,983
Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Government-Wide Statement of Net Position	178,073,835
Less: capital assets reported in Internal Service Funds	(3,440,520)
Total capital assets	174,633,315
Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.	
Amount reported in Government-Wide Statement of Net Position	
Compensated absences - due within one year	(548,362)
Compensated absences - due in more than one year	(1,112,776)
Long-term debt - due within one year	(559,403)
Long-term debt - due in more than one year	(5,325,260)
Less: amount reported in Internal Service Funds:	
Compensated absences - due within one year	114,872
Compensated absences - due in more than one year	3,123
Total long-term liabilities	(7,427,806)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.	(15,008)
Aggregate net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Net pension liability	(37,633,363)
Total OPEB liability	(2,617,787)
Less: amount reported in Internal Service Funds:	
Net pension liability	2,791,093
	(37,460,057)
Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Amount reported in Government-Wide Statement of Net Position	
Deferred outflows of resources related to OPEB	82,581
Deferred outflows of resources related to pensions	9,812,620
Less: amount reported in Internal Service Funds:	
Deferred outflows of resources related to pensions	(764,317)
Total deferred outflows of resources	9,130,884
Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Amount reported in Government-Wide Statement of Net Position	
Deferred inflows of resources related to OPEB	(193,334)
Deferred inflows of resources related to pensions	(1,860,682)
Less: amount reported in Internal Service Funds:	
Deferred inflows of resources related to pensions	272,476
Total deferred inflows of resources	(1,781,540)
Internal service funds are used by management to charge the cost of fleet management, risk management, information technology, and building maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	2,292,700
<b>Net Position of Governmental Activities</b>	<b>\$ 203,532,647</b>

See accompanying Notes to the Basic Financial Statements.

**City of Madera**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	Major Funds		
	General	General	Special
	Fund	Development	Gas Tax
		Impact	Fund
		Fee Fund	
<b>REVENUES:</b>			
Property taxes	\$ 3,926,470	\$ -	\$ -
Sales and use taxes	13,399,196	-	-
Other taxes	1,679,229	-	-
Use of money and property	1,583,462	158,536	227,331
Franchise fees	649,666	-	-
Licenses and permits	1,322,830	-	-
Fines and forfeitures	582,208	-	-
Intergovernmental	7,134,588	-	7,623,871
Charges for services	1,213,159	2,036,369	-
Miscellaneous	983,646	-	-
<b>Total revenues</b>	<b>32,474,454</b>	<b>2,194,905</b>	<b>7,851,202</b>
<b>EXPENDITURES:</b>			
Current:			
General government	2,989,038	-	-
Public protection	16,959,196	-	-
Social services	192,633	-	-
Public ways and facilities	1,799,770	3,153	1,071,442
Community development	3,822,809	-	-
Culture and recreation	3,419,300	10,515	-
Capital outlay	3,110,818	1,671,571	1,493,909
Debt service:			
Principal	414,460	-	-
Interest and fiscal charges	41,992	-	-
<b>Total expenditures</b>	<b>32,750,016</b>	<b>1,685,239</b>	<b>2,565,351</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(275,562)</b>	<b>509,666</b>	<b>5,285,851</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of property	16,518	-	-
Proceeds from issuance of long-term debt	4,005,000	-	-
Premium on bond issuance	648,613	-	-
Cost of issuance	(153,613)	-	-
Transfers in	2,573,926	-	-
Transfers out	(298,804)	(584,277)	(1,280,468)
<b>Total other financing sources (uses)</b>	<b>6,791,640</b>	<b>(584,277)</b>	<b>(1,280,468)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>6,516,078</b>	<b>(74,611)</b>	<b>4,005,383</b>
<b>FUND BALANCES:</b>			
Beginning of year, as restated (Note 17)	17,682,568	13,227,896	9,706,547
End of year	<u>\$ 24,198,646</u>	<u>\$ 13,153,285</u>	<u>\$ 13,711,930</u>

**City of Madera**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>		
Property taxes	\$ 406,169	\$ 4,332,639
Sales and use taxes	-	13,399,196
Other taxes	401,982	2,081,211
Use of money and property	109,615	2,078,944
Franchise fees	-	649,666
Licenses and permits	-	1,322,830
Fines and forfeitures	9,090	591,298
Intergovernmental	1,621,985	16,380,444
Charges for services	73,461	3,322,989
Miscellaneous	65,331	1,048,977
<b>Total revenues</b>	<b>2,687,633</b>	<b>45,208,194</b>
<b>EXPENDITURES:</b>		
Current:		
General government	86,672	3,075,710
Public protection	237,690	17,196,886
Social services	-	192,633
Public ways and facilities	1,359,531	4,233,896
Community development	184,017	4,006,826
Culture and recreation	-	3,429,815
Capital outlay	525,827	6,802,125
Debt service:	-	
Principal	218,762	633,222
Interest and fiscal charges	10,349	52,341
<b>Total expenditures</b>	<b>2,622,848</b>	<b>39,623,454</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>64,785</b>	<b>5,584,740</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds from sale of property	30,000	46,518
Proceeds from issuance of long-term debt	-	4,005,000
Premium on bond issuance	-	648,613
Cost of issuance	-	(153,613)
Transfers in	194,257	2,768,183
Transfers out	(828,538)	(2,992,087)
<b>Total other financing sources (uses)</b>	<b>(604,281)</b>	<b>4,322,614</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(539,496)</b>	<b>9,907,354</b>
<b>FUND BALANCES:</b>		
Beginning of year, as restated (Note 17)	13,051,811	53,668,822
End of year	<u>\$ 12,512,315</u>	<u>\$ 63,576,176</u>



**City of Madera**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2019**

<b>Total Fund Balances - Total Governmental Funds</b>	\$ 9,907,354
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Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period. (net of Internal Services Funds acquisition of \$1,371,033) (capital outlay amount includes \$123,147 of repairs and maintenance)	6,678,978
In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution.	909,986
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense, net of internal service funds of \$531,781 was not reported as expenditures in the Governmental Funds.	(7,993,522)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(2,727)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Lease revenue bonds	(4,005,000)
Premium on lease revenue bonds	(648,613)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position	
Principal payment of long-term debt	633,222
Amortization of bond premium	453
Interest expenses on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	(5,003)
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(67,016)
Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	(503,841)
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension related deferred outflows of resources	(1,541,311)
Changes in net pension liabilities	(265,856)
Changes in pension related deferred inflows of resources	(1,200,471)
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in OPEB related deferred outflows of resources	53,514
Changes in total OPEB liabilities	169,327
Changes in OPEB related deferred inflows of resources	(193,334)
The internal service funds are used by management to charge the costs of fleet maintenance, facilities maintenance, and technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	282,893

<b>Change in Net Position of Governmental Activities</b>	\$ 2,209,033
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## **Proprietary Funds Financial Statements**

***Water Fund*** - This fund is used to account for the activities of the City's water pumping, treatment and distribution operations.

***Wastewater Fund*** - This fund is used to account for the activities of the City's wastewater collection and treatment operations.

***Solid Waste Fund*** - This fund is used to account for the activities of the City's solid waste operations.

***Drainage Operations Fund*** - This fund is used to account for the activities of the City's drainage operations.

***Internal Service Funds*** - These funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

**City of Madera**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 16,284,393	\$ 6,482,906	\$ 3,034,560	\$ 613,783
Accounts receivable, net	798,433	249,531	135,162	17,440
Prepaid items	26,658	16,764	72	-
Total current assets	17,109,484	6,749,201	3,169,794	631,223
Noncurrent assets:				
Restricted cash and investments	4,283,516	657,037	-	-
Capital assets:				
Non-depreciable	505,085	6,921,209	-	3,660,651
Depreciable, net	22,232,655	39,187,078	3,044	14,963,839
Total capital assets	22,737,740	46,108,287	3,044	18,624,490
Total noncurrent assets	27,021,256	46,765,324	3,044	18,624,490
<b>Total assets</b>	<b>44,130,740</b>	<b>53,514,525</b>	<b>3,172,838</b>	<b>19,255,713</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Related to OPEB	6,098	6,098	-	-
Related to pensions	865,596	701,118	362,492	164,660
<b>Total deferred outflow of resources</b>	<b>871,694</b>	<b>707,216</b>	<b>362,492</b>	<b>164,660</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	113,978	522,062	719,682	11,794
Salaries payable	48,600	52,625	14,312	9,803
Due to other funds	-	-	-	-
Interest payable	171,749	396,741	-	-
Deposits payable	1,566,313	-	-	-
Unearned revenue	53,065	-	89,633	200
Compensated absences - due within one year	113,387	94,699	35,380	23,439
Long-term debt - due within one year	410,000	1,402,295	-	-
Total current liabilities	2,477,092	2,468,422	859,007	45,236
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Aggregate net pension liability	3,141,564	2,566,246	1,308,991	599,098
Total OPEB liability	178,210	178,210	-	-
Compensated absences - due in more than one year	22,335	-	3,355	2,576
Long term debt - due in more than one year	10,821,974	30,647,283	-	-
Total noncurrent liabilities	14,164,083	33,391,739	1,312,346	601,674
<b>Total liabilities</b>	<b>16,641,175</b>	<b>35,860,161</b>	<b>2,171,353</b>	<b>646,910</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to service concesssion arrangement	-	-	-	-
Gain on refunding of debt	23,139	321,820	-	-
Related to OPEB	14,826	14,826	-	-
Related to pensions	259,444	266,431	87,764	56,719
<b>Total deferred inflows of resources</b>	<b>297,409</b>	<b>603,077</b>	<b>87,764</b>	<b>56,719</b>
<b>NET POSITION</b>				
Net investment in capital assets	11,482,627	13,736,889	3,044	18,624,490
Restricted	4,283,516	657,037	-	-
Unrestricted (deficit)	12,297,707	3,364,577	1,273,169	92,254
<b>Total net position</b>	<b>\$ 28,063,850</b>	<b>\$ 17,758,503</b>	<b>\$ 1,276,213</b>	<b>\$ 18,716,744</b>

**City of Madera**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2019**

	Non-major Funds	Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,388,850	\$ 27,804,492	\$ 1,168,508
Accounts receivable, net	2,409,128	3,609,694	224,469
Prepaid items	-	43,494	49,057
Total current assets	<u>3,797,978</u>	<u>31,457,680</u>	<u>1,442,034</u>
Noncurrent assets:			
Restricted cash and investments	-	4,940,553	-
Capital assets:			
Non-depreciable	7,341,338	18,428,283	109,227
Depreciable, net	<u>11,329,272</u>	<u>87,715,888</u>	<u>3,331,293</u>
Total capital assets	<u>18,670,610</u>	<u>106,144,171</u>	<u>3,440,520</u>
Total noncurrent assets	<u>18,670,610</u>	<u>111,084,724</u>	<u>3,440,520</u>
<b>Total assets</b>	<u>22,468,588</u>	<u>142,542,404</u>	<u>4,882,554</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to OPEB	-	12,196	-
Related to pensions	<u>180,833</u>	<u>2,274,699</u>	<u>764,317</u>
<b>Total deferred outflow of resources</b>	<u>180,833</u>	<u>2,286,895</u>	<u>764,317</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	621,209	1,988,725	112,476
Salaries payable	13,521	138,861	60,131
Due to other funds	1,938,105	1,938,105	-
Interest payable	11,320	579,810	-
Deposits payable	13,990	1,580,303	-
Unearned revenue	-	142,898	-
Compensated absences - due within one year	24,188	291,093	114,872
Long-term debt - due within one year	<u>311,025</u>	<u>2,123,320</u>	<u>-</u>
Total current liabilities	<u>2,933,358</u>	<u>8,783,115</u>	<u>287,479</u>
Noncurrent liabilities:			
Advances from other funds	110,161	110,161	-
Aggregate net pension liability	658,809	8,274,708	2,791,093
Total OPEB liability	-	356,420	-
Compensated absences - due in more than one year	4,152	32,418	3,123
Long term debt - due in more than one year	<u>1,158,575</u>	<u>42,627,832</u>	<u>-</u>
Total noncurrent liabilities	<u>1,931,697</u>	<u>51,401,539</u>	<u>2,794,216</u>
<b>Total liabilities</b>	<u>4,865,055</u>	<u>60,184,654</u>	<u>3,081,695</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to service concesssion arrangement	213,333	213,333	-
Gain on refunding of debt	-	344,959	-
Related to OPEB	-	29,652	-
Related to pensions	<u>61,482</u>	<u>731,840</u>	<u>272,476</u>
<b>Total deferred inflows of resources</b>	<u>274,815</u>	<u>1,319,784</u>	<u>272,476</u>
<b>NET POSITION</b>			
Net investment in capital assets	17,201,010	61,048,060	3,440,520
Restricted	-	4,940,553	-
Unrestricted (deficit)	<u>308,541</u>	<u>17,336,248</u>	<u>(1,147,820)</u>
<b>Total net position</b>	<u>\$ 17,509,551</u>	<u>\$ 83,324,861</u>	<u>\$ 2,292,700</u>

**City of Madera**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 11,655,165	\$ 9,767,891	\$ 5,850,690	\$ 853,323
Other	2,265	8,886	21,285	145
<b>Total operating revenues</b>	<b>11,657,430</b>	<b>9,776,777</b>	<b>5,871,975</b>	<b>853,468</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	2,555,224	2,489,161	813,734	537,259
General and administrative	2,019,388	1,975,656	5,086,898	187,122
Supplies and miscellaneous	213,441	390,569	132,727	34,624
Parts and supplies	112,299	975,823	535	-
Utilities	1,362,770	704,949	16,958	45,662
Depreciation	832,454	2,253,803	5,457	345,009
<b>Total operating expenses</b>	<b>7,095,576</b>	<b>8,789,961</b>	<b>6,056,309</b>	<b>1,149,676</b>
<b>OPERATING INCOME (LOSS)</b>	<b>4,561,854</b>	<b>986,816</b>	<b>(184,334)</b>	<b>(296,208)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	252,968	97,281	34,893	6,221
Property taxes	-	89,535	-	-
Operating grants	-	-	-	-
Capital grants	-	-	39,395	-
Other nonoperating revenue	-	-	-	4,266
Interest expense	(558,739)	(1,134,704)	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(305,771)</b>	<b>(947,888)</b>	<b>74,288</b>	<b>10,487</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>4,256,083</b>	<b>38,928</b>	<b>(110,046)</b>	<b>(285,721)</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	668,671	584,224	-	85,100
Transfers in	-	250,000	50,000	-
Transfers out	(101,635)	(44,965)	(609,147)	(53,244)
<b>Total capital contributions and transfers</b>	<b>567,036</b>	<b>789,259</b>	<b>(559,147)</b>	<b>31,856</b>
<b>Changes in net position</b>	<b>4,823,119</b>	<b>828,187</b>	<b>(669,193)</b>	<b>(253,865)</b>
<b>NET POSITION:</b>				
Beginning of year	23,240,731	16,930,316	1,945,406	18,970,609
End of year	<u>\$ 28,063,850</u>	<u>\$ 17,758,503</u>	<u>\$ 1,276,213</u>	<u>\$ 18,716,744</u>

**City of Madera**  
**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Non-major Funds	Total	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 758,446	\$ 28,885,515	\$ 3,984,840
Other	39,684	72,265	105,628
<b>Total operating revenues</b>	<u>798,130</u>	<u>28,957,780</u>	<u>4,090,468</u>
<b>OPERATING EXPENSES:</b>			
Salaries and benefits	537,023	6,932,401	2,375,564
General and administrative	1,960,158	11,229,222	754,289
Supplies and miscellaneous	220,047	991,408	263,926
Parts and supplies	19,978	1,108,635	271,408
Utilities	36,183	2,166,522	329,627
Depreciation	458,323	3,895,046	531,781
<b>Total operating expenses</b>	<u>3,231,712</u>	<u>26,323,234</u>	<u>4,526,595</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(2,433,582)</u>	<u>2,634,546</u>	<u>(436,127)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	16,087	407,450	-
Property taxes	119,839	209,374	-
Operating grants	2,056,654	2,056,654	-
Capital grants	2,177,350	2,216,745	220,000
Other nonoperating revenue	-	4,266	-
Interest expense	(52,766)	(1,746,209)	-
<b>Total nonoperating revenues (expenses)</b>	<u>4,317,164</u>	<u>3,148,280</u>	<u>220,000</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>1,883,582</u>	<u>5,782,826</u>	<u>(216,127)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	-	1,337,995	-
Transfers in	298,804	598,804	581,892
Transfers out	(64,929)	(873,920)	(82,872)
<b>Total capital contributions and transfers</b>	<u>233,875</u>	<u>1,062,879</u>	<u>499,020</u>
<b>Changes in net position</b>	2,117,457	6,845,705	282,893
<b>NET POSITION:</b>			
Beginning of year	15,392,094	76,479,156	2,009,807
End of year	<u>\$ 17,509,551</u>	<u>\$ 83,324,861</u>	<u>\$ 2,292,700</u>

**City of Madera**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 11,747,636	\$ 9,752,030	\$ 5,929,234	\$ 844,304
Cash payments to suppliers for goods and services	(4,188,052)	(4,113,669)	(5,187,466)	(266,442)
Cash payments to employees for services	(2,214,648)	(2,139,910)	(709,436)	(465,674)
Other operating revenues and expenses	2,265	8,886	21,285	145
<b>Net cash provided by (used in) operating activities</b>	<b>5,347,201</b>	<b>3,507,337</b>	<b>53,617</b>	<b>112,333</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating grants	-	-	-	-
Property taxes	-	89,535	-	-
Other nonoperating revenues	-	-	-	4,266
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Transfers from other funds	-	250,000	50,000	-
Transfers to other funds	(101,635)	(44,965)	(609,147)	(53,244)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(101,635)</b>	<b>294,570</b>	<b>(559,147)</b>	<b>(48,978)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital grants	-	-	39,395	-
Acquisition of capital assets	(308,231)	(3,928,262)	-	(3,400)
Principal payment of long-term debt	(389,578)	(1,357,877)	-	-
Interest paid on debt	(564,968)	(1,180,772)	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,262,777)</b>	<b>(6,466,911)</b>	<b>39,395</b>	<b>(3,400)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest from investments	252,968	97,281	34,893	6,221
<b>Net cash provided by investing activities</b>	<b>252,968</b>	<b>97,281</b>	<b>34,893</b>	<b>6,221</b>
<b>Net change in cash and cash equivalents</b>	<b>4,235,757</b>	<b>(2,567,723)</b>	<b>(431,242)</b>	<b>66,176</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	16,332,152	9,707,666	3,465,802	547,607
End of year	<u>\$ 20,567,909</u>	<u>\$ 7,139,943</u>	<u>\$ 3,034,560</u>	<u>\$ 613,783</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 4,561,854	\$ 986,816	\$ (184,334)	\$ (296,208)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities				
Depreciation	832,454	2,253,803	5,457	345,009
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	48,687	(15,861)	84,900	(9,019)
Prepaid items	(24,771)	(3,975)	(34)	-
Deferred outflows - OPEB related	(4,104)	(4,104)	-	-
Deferred outflows - pension related	2,455	2,509	835	531
Accounts payable	(455,383)	(62,697)	49,686	966
Salaries payable	1,135	10,431	(4,790)	(317)
Deposits payable	(9,281)	-	-	(200)
Unearned revenue	53,065	-	(6,356)	200
Compensated absences	19,460	12,192	(598)	2,324
Aggregate net pension liability	66,431	67,866	22,590	14,371
Total OPEB liability	(12,985)	(12,985)	-	-
Deferred inflows - related to service concession arrangements	-	-	-	-
Deferred inflows - pension related	253,358	258,516	86,261	54,676
Deferred inflows - OPEB related	14,826	14,826	-	-
Total adjustments	785,347	2,520,521	237,951	408,541
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 5,347,201</b>	<b>\$ 3,507,337</b>	<b>\$ 53,617</b>	<b>\$ 112,333</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Contributed property, plant and equipment	\$ 668,671	\$ 584,225	\$ -	\$ 85,100
<b>Total noncash capital and related financing activities</b>	<b>\$ 668,671</b>	<b>\$ 584,225</b>	<b>\$ -</b>	<b>\$ 85,100</b>

See accompanying Notes to the Basic Financial Statements.



**City of Madera**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Non-major Funds	Total	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ (246,999)	\$ 28,026,205	\$ 3,762,428
Cash payments to suppliers for goods and services	(1,854,944)	(15,610,573)	(1,698,074)
Cash payments to employees for service:	(457,632)	(5,987,300)	(2,020,785)
Other operating revenues and expenses	39,684	72,265	105,628
<b>Net cash provided by (used in) operating activities</b>	<b>(2,519,891)</b>	<b>6,500,597</b>	<b>149,197</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating grants	2,056,654	2,056,654	-
Property taxes	119,839	209,374	-
Other nonoperating revenues	-	4,266	-
Due to other funds	940,290	940,290	-
Advances from other funds	(24,480)	(24,480)	-
Transfers from other funds	298,804	598,804	581,892
Transfers to other funds	(64,929)	(873,920)	(82,872)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>3,326,178</b>	<b>2,910,988</b>	<b>499,020</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital grants	2,177,350	2,216,745	220,000
Acquisition of capital assets	(2,153,935)	(6,393,828)	(1,371,033)
Principal payment of long-term debt	(300,947)	(2,048,402)	(22,154)
Interest paid on debt	(55,144)	(1,800,884)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(332,676)</b>	<b>(8,026,369)</b>	<b>(1,173,187)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest from investments	16,087	407,450	-
<b>Net cash provided by investing activities</b>	<b>16,087</b>	<b>407,450</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>489,698</b>	<b>1,792,666</b>	<b>(524,970)</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	899,152	30,952,379	1,693,478
End of year	<u>\$ 1,388,850</u>	<u>\$ 32,745,045</u>	<u>\$ 1,168,508</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (2,433,582)	\$ 2,634,546	\$ (436,127)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities			
Depreciation	458,323	3,895,046	531,781
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(1,182,768)	(1,074,061)	(222,412)
Prepaid items	877	(27,903)	(46,642)
Deferred outflows - OPEB related	-	(8,208)	-
Deferred outflows - pension related	579	6,909	2,570
Accounts payable	380,545	(86,883)	(32,182)
Salaries payable	4,377	10,836	17,627
Deposits payable	13,990	4,509	-
Unearned revenue	-	46,909	-
Compensated absences	(593)	32,785	522
Aggregate net pension liability	15,610	186,868	69,453
Total OPEB liability	-	(25,970)	-
Deferred inflows - related to service concession arrangements	163,333	163,333	-
Deferred inflows - pension related	59,418	712,229	264,607
Deferred inflows - OPEB related	-	29,652	-
Total adjustments	<u>(86,309)</u>	<u>3,866,051</u>	<u>585,324</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (2,519,891)</u></b>	<b><u>\$ 6,500,597</u></b>	<b><u>\$ 149,197</u></b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Contributed property, plant and equipment	\$ -	\$ 1,337,996	\$ -
<b>Total noncash capital and related financing activities</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,337,996</u></b>	<b><u>\$ -</u></b>

See accompanying Notes to the Basic Financial Statements.

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## **Fiduciary Funds Financial Statements**

***Agency Funds*** - These funds account for assets held by the City as an agent for individuals or private organizations and other governmental units. These included developer deposits, collections from the State of California, Federal, and Madera police department for assets forfeited, conduit debt, utility deposits, collections of payroll and related taxes and various restricted donations.

***RDA Successor Agency Private Purpose Trust Fund*** - This fund is used to account for monies received from the Madera County Auditor Controller for the repayment of the enforceable obligations of the former Madera Community Development Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule (ROPS).

**City of Madera**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	Agency Funds	RDA Successor Agency Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and investments	\$ 1,542,405	\$ 5,364,529
Accounts receivable, net	4,041	25,064
Prepaid items	259,736	180
Restricted cash and investments with fiscal agent	48,137	47,467
Land held for resale	-	390,707
Capital asset, not being depreciated	-	389,566
Capital asset, being depreciated, net	-	3,405,896
<b>Total assets</b>	<b>\$ 1,854,319</b>	<b>9,623,409</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 104,394	40,435
Accrued liabilities	53,442	-
Salaries payable	-	2,530
Interest payable	-	527,952
Due to other governments	1,131,643	-
Due to City	180,395	192,033
Deposits payable	15,598	-
Due to bondholders	368,847	-
Long-term debt, net	-	39,862,859
<b>Total liabilities</b>	<b>\$ 1,854,319</b>	<b>40,625,809</b>
<b>NET POSITION (DEFICIT)</b>		
Net position held in trust for redevelopment (deficit) and other purposes		(31,002,400)
<b>Total net position (deficit)</b>		<b>\$ (31,002,400)</b>

**City of Madera**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

---

	RDA Successor Agency Private Purpose Trust Fund
<b>ADDITIONS:</b>	
Property Taxes	\$ 3,343,667
Interest Income	125,721
Other payments received	<u>1,200</u>
<b>Total additions</b>	<u>3,470,588</u>
<b>DEDUCTIONS:</b>	
General and administration	250,000
Project expenses	798,690
Depreciation	194,519
Interest expense	<u>1,752,262</u>
<b>Total deductions</b>	<u>2,995,471</u>
<b>Change in net position</b>	475,117
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	<u>(31,477,517)</u>
End of period	<u><u>\$ (31,002,400)</u></u>

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## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Madera**  
**Index of Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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**City of Madera**  
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**City of Madera**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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**Note 1 – Summary of Significant Accounting Policies**

The basic financial statements of the City of Madera, California (City) have been prepared in conformity with Generally Accepted Accounting Principles of the United States of America (U.S. GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City of Madera, California (the "City") was incorporated in 1907 under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public protection, , health and social services, public ways and facilities, community development (planning, building and zoning), culture-recreation, public utilities (water, sewer, solid waste, and drainage operations), airport services, local transportation, golf course, and general administrative services.

**Blended Component Units**

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

***Madera Public Financing Authority (Financing Authority)***

The Madera Public Financing Authority (Financing Authority) was created in 1989. The Financing Authority is a joint exercise of joint powers. The City Council serves as directors of the Financing Authority. The purpose of the Financing Authority is to act as a financing/lending type of entity only. No separate annual financial statements are prepared for the Financing Authority. Since the City Council previously served as the government board for this component unit, the City's component unit was considered to be a blended component unit. Blended component units, although legally separate entities, are in substance, part of the City's operations and financial information was reported with the primary government.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**A. Financial Reporting Entity (Continued)**

**Discretely Presented Component Units**

A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

***Housing Authority of the City of Madera (Housing Authority)***

The Housing Authority of the City of Madera (Housing Authority) is a governmental entity authorized in accordance with state law to engage in the development, acquisition, leasing, and administration of low-rent housing programs. The Housing Authority is governed by a Board of Commissioners, which is comprised of members of the City Council. Management of the Housing Authority is appointed and held accountable to the Governing Board. The annual financial statements for the Housing Authority can be obtained at the Housing Authority's administrative office.

**B. Basis of Presentation, Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. 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 in accordance with legal and managerial requirements.

**Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of U.S. GAAP.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation, Accounting and Measurement Focus (Continued)**

**Government-Wide Financial Statements (Continued)**

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

**Governmental Fund Financial Statements**

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues except grants, which use a six-month availability period.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation, Accounting and Measurement Focus (Continued)**

**Governmental Fund Financial Statements (Continued)**

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

*General Fund* – This is the primary operating fund of the City. It accounts for all the general revenues of the City not specifically levied or collected for by other City funds and for expenditures related to the rendering of general services by the City.

*General Development Impact Fee Fund* – This fund accounts for and reports the proceeds of the AB1600 development impact fee monies that are restricted or committed to expenditures for the intended purposes.

*Special Gas Tax Fund* – This fund accounts for and reports the proceeds of the City's share of state gasoline taxes, which are restricted or committed to expenditures for the street construction and street maintenance projects.

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include funds which provide services directly to other City funds. These areas of service include fleet maintenance, facilities maintenance, and technology.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary funds:

*Water Fund* – This fund is used to account for the provision of water services to the residential, commercial and industrial segments of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.



**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation, Accounting and Measurement Focus (Continued)**

**Proprietary Fund Financial Statements (Continued)**

*Sewer Fund* – This fund is used to account for the provision of treatment to residential, commercial and industrial segments of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

*Solid Waste Fund* – This fund is used to account for City’s activities related to solid waste removal and street cleaning activities.

*Drainage Operations Fund* – This fund is used to account for the City’s activities related to drainage operations.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds represent agency funds and private purpose trust funds. Both agency funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

Fiduciary fund types are accounted for according to the nature of the fund. The City’s agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. These funds are used to account for money and property held by the City as trustee or custodian. Such funds include Payroll Tax/Withholding Fund and General Deposits Fund. They are also used to account for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include Community Facilities Districts.

The City’s private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Redevelopment Agency (Successor Agency) for the City of Madera. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

***Successor Agency of the Redevelopment Agency for the City of Madera***

The Redevelopment Obligation Retirement Fund was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Redevelopment Agency (RDA). The Successor Agency is a separate public entity from the City, subject to the direction of an oversight board. The City Council serves as the governing board of the Successor Agency. In general, the Successor Agency’s assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former RDA until all enforceable obligations of the former RDA have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency’s custodial role, the Successor Agency has been included in the accompanying basic financial statements as a private purpose trust fund. On March 6, 2015, the California Department of Finance (Finance) approved the City’s revised Long-Range Property Management Plan (LRPMP), with the assets deemed for governmental use and future development.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**C. Deferred Outflows and Inflows of Resources**

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

**Deferred Inflows of Resources** represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**D. Cash, Cash Equivalents and Investments**

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

Investments are reported in the accompanying financial statements at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year, and may result in negative investment income in the accompanying financial statements. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas:

- Interest rate risk
- Credit risk
  - Overall
  - Custodial credit risk
  - Concentration of credit risk
- Foreign currency risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**D. Cash, Cash Equivalents and Investments (Continued)**

Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**E. Restricted Assets**

Amounts reported as restricted assets have been restricted by bond indentures or are to be used for specified purposes based on contract provisions, such as bonded debt service.

**F. Receivables**

Customer or trade receivables are reported as “accounts receivable” and are shown net of an allowance for uncollectible accounts based on historical and management estimates.

Noncurrent portions of long-term receivables (e.g. “notes receivable”) due to governmental fund types are reported in their respective balance sheets despite their spending measurement focus. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of long-term notes receivable are offset by restricted fund balance in the special revenue funds.

**G. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as “internal balances.”

**H. Inventory**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditure/expenses when consumed rather than when purchased. Inventory reported in governmental funds is offset with nonspendable fund balance to show that inventories do not constitute available spendable resources, even though they are a component of fund balance.

**I. Prepaid Items**

Prepaid items are reported in the governmental funds under the consumption method and are reported as a nonspendable component of fund balance to indicate that they are not spendable for appropriation and are not expendable financial resources.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**J. Land Held for Resale**

Land held for resale represents land, structures, and related improvements that were acquired for resale as part of the City's redevelopment and grant activities. Land held for resale is accounted for is recorded at lower of cost or net realizable value in accordance with accounting principles generally accepted in the United States of America. Land held for resale, which is not available for current expenditure, is reported in the governmental funds balance sheet as restricted fund balance when proceeds from the sale must be used for restricted purposes or as nonspendable fund balance when such proceeds are not restricted.

**K. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at the fair value of the assets on the date on which they were contributed. Donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. 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. The City utilizes a capitalization threshold of \$5,000 - \$25,000 depending on asset type.

Depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows:

<u>Asset Type</u>	<u>Years</u>
Buildings	25-35
Improvements	5-50
Equipment	4-15
Infrastructure	10-50

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the streets, water purification and distribution system, sewer collection and treatment system, parks and recreation, lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

**L. Long-Term Debt**

**Government-Wide Financial Statements and Proprietary Fund Financial Statements**

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when incurred. Gains or losses on bond refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**L. Long-Term Debt (Continued)**

**Governmental Fund Financial Statements**

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Compensated Absences**

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**Government-Wide Financial Statements**

For governmental and business-type activities, compensated absences are recorded as expenses when earned.

**Fund Financial Statements**

For governmental funds, compensated absences are recorded as expenditures in the year paid. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

**N. Pension Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 11). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the pension liability related to the City's governmental activities while the pension liability for Business-type activities is liquidated from the Enterprise Funds.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Measurement period	July 1, 2017 to June 30, 2018

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**N. Pension Plans (Continued)**

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**O. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan, the assets of which are held in an irrevocable trust, and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary (Note 12). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The Enterprise Funds are used to liquidate the OPEB liability.

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

Valuation date	June 30, 2018
Measurement date	June 30, 2018
Measurement period	July 1, 2017 to June 30, 2018

**P. Fund Balances**

As prescribed by U.S. GAAP, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2019, fund balances for governmental funds are made up of the following:

- Nonspendable Fund Balance – includes amounts that are (a) not in a spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: deposits and prepaid items.
- Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.
- Committed Fund Balance – includes amounts that have been limited to specific purposes or through adoption of a resolution or an ordinance by the City Council, the highest level of decision-making authority of the City, and resources that have been specifically committed for use in satisfying contractual obligations, as in agreements with third-parties. The City has determined that both a resolution and an ordinance are equally binding. These commitments may be changed or lifted, but only by the same formal action that was used to impose the constraint originally. City Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be subsequently determined.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**P. Fund Balances (Continued)**

- Assigned Fund Balance – includes amounts that are intended to be used by the City for specific purposes. Intent is expressed by (a) the City Council or (b) a body or official to which the City Council has delegated the authority to assign amounts to be used for a specific purpose. This policy delegates to the Finance Director the authority to assign unassigned fund balance amounts where the City's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.
- Unassigned Fund Balance – includes amounts within the General Fund, the residual resources, either positive or negative in excess of what can be properly classified in one of the other four fund balance categories. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification of fund balance in the nonspendable, restricted or committed categories.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

**Q. Net Position**

The financial statements utilize a net position presentation. Net position is classified as follows:

- Net Investment in Capital Assets – This category of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding and any deferred outflows/inflows of resources related to such borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is offset by unspent proceeds.
- Restricted Net Position – This category presents restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Those assets are restricted due to external restrictions imposed by creditors (such as through bond covenants), grantors or laws and regulations of other governments and restrictions imposed through constitutional provisions or enabling legislation.
- Unrestricted – This category represents net position of the City that is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources that are needed.

**R. Property Taxes**

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities in the current period.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**R. Property Taxes (Continued)**

Under California law, property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The County of Madera, bills and collects the property taxes and remits them to the City at various times throughout the year. Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are due in two installments. The first installment is due on November 1, and is payable through December 10 without penalty. The second installment is due February 1, and is payable through April 10 without penalty.

**S. Use of Accounting Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions, in some cases when applicable, that affect the amounts in the financial statements and the accompanying notes. Actual results could differ from the estimates.

**T. Implementation of New GASB Pronouncements for the Year Ended June 30, 2019**

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2019. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

***GASB Statement No. 83***

In November 2016, GASB issued Statement No. 83, Certain Asset Retirement Obligations. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (ARO). This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities.

Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. Application of this statement is effective for the City's fiscal year ending June 30, 2019. This pronouncement did not have a material effect on the financial statements of the City.



**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**T. Implementation of New GASB Pronouncements for the Year Ended June 30, 2019 (Continued)**

***GASB Statement No. 88***

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements. This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The statement also defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. In addition the statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This pronouncement did not have a material effect on the financial statements of the City.

**U. Upcoming Government Accounting Standards Implementations**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

***GASB Statement No. 84***

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

***GASB Statement No. 87***

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**U. Upcoming Government Accounting Standards Implementations (Continued)**

***GASB Statement No. 89***

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City’s fiscal year ending June 30, 2021.

***GASB Statement No. 90***

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests— An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Application of this statement is effective for the City’s fiscal year ending June 30, 2020.

***GASB Statement No. 91***

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

***GASB Statement No. 92***

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments**

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

	Government-Wide Statement of Net Position			Component Unit	Fiduciary Funds Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total		Statement of Net Position	Total
Cash and investments	\$ 51,795,918	\$ 27,804,492	\$ 79,600,410	\$ 6,271,117	\$ 6,906,934	\$ 92,778,461
Cash and investments with fiscal agent	87,009	4,940,553	5,027,562	1,941,077	95,604	7,064,243
<b>Total cash and investments</b>	<b>\$ 51,882,927</b>	<b>\$ 32,745,045</b>	<b>\$ 84,627,972</b>	<b>\$ 8,212,194</b>	<b>\$ 7,002,538</b>	<b>\$ 99,842,704</b>

Cash and investments at June 30, 2019, consisted of the following:

<b>Cash:</b>	
Cash on hand	\$ 6,530
Deposits with financial institution	9,748,997
<b>Total cash</b>	<b>9,755,527</b>
<b>Investments:</b>	
Investments	84,964,011
Investments held by bond trustee	5,123,166
<b>Total investments</b>	<b>90,087,177</b>
<b>Total cash and investments</b>	<b>\$ 99,842,704</b>

As part of the City's investment guidelines, the City continually seeks ways to increase investment income while not risking investment principal. One way the City accomplishes this is by “sweeping”, on a nightly basis, any excess cash held in its non-interest-bearing checking account to an interest-bearing money market account with the same bank.

**A. Demand Deposits**

The carrying amounts of the City’s demand deposits were \$9,748,997 at June 30, 2019. Bank balances were \$11,563,254 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City’s deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City, however, has not waived the collateralization requirements.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**B. Investments Authorized by the California Government Code and the City’s Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

\* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

**C. Investments Authorized by Debt Agreements**

Investment of debt proceeds held by fiscal agents are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Authorized Investment Types	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**D. Fair Value Measurement**

As of June 30, 2019, the City's investments had the following recurring fair value measurements:

Investment Type	Level 2	Uncategorized	Total
Local Agency Investment Fund	\$ -	\$ 33,599,949	\$ 33,599,949
Money market mutual funds	-	10,293,309	10,293,309
Certificates of deposit	-	6,222,000	6,222,000
Negotiable Certificates of Deposit	15,391,108	-	15,391,108
U.S. Government Securities:			
Federal Farm Credit Bank	3,039,671	-	3,039,671
Federal Home Loan Banks	4,493,095	-	4,493,095
Federal Home Loan Mortgage Corporation	3,993,810	-	3,993,810
Federal National Mortgage Association	3,977,970	-	3,977,970
U.S. Corporate Bonds	9,076,265	-	9,076,265
<b>Total</b>	<b>\$ 39,971,919</b>	<b>\$ 50,115,258</b>	<b>\$ 90,087,177</b>

Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Medium term notes: quoted prices for similar securities in active markets; and
- Asset-backed securities: recent appraisals of the asset value.

**E. Risk Disclosure**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rate 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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. For purposes of the schedule shown on the next page, any callable securities are assumed to be held to maturity.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosure (Continued)**

**Disclosures Relating to Interest Rate Risk (Continued)**

Investment Type	Total	Investment Maturities		
		1 year or fewer	1 to 2 years	Over 2 years
Local Agency Investment Fund	\$ 33,599,949	\$ 33,599,949	\$ -	\$ -
Money market mutual funds	5,170,143	5,170,143	-	-
Certificates of deposit	6,222,000	1,245,000	1,492,000	3,485,000
Negotiable Certificates of Deposit	15,391,108	15,391,108	-	-
U.S. Government Securities:				
Federal Farm Credit Bank	3,039,671	-	1,788,668	1,251,003
Federal Home Loan Banks	4,493,095	497,445	-	3,995,650
Federal Home Loan Mortgage Corporation	3,993,810	996,040	997,410	2,000,360
Federal National Mortgage Association	3,977,970	1,491,275	1,492,045	994,650
U.S. Corporate Bonds	9,076,265	3,022,380	3,558,105	2,495,780
Held by bond trustee:				
Money market mutual funds	5,123,166	5,123,166	-	-
<b>Total investments</b>	<b>\$ 90,087,177</b>	<b>\$ 66,536,506</b>	<b>\$ 9,328,228</b>	<b>\$ 14,222,443</b>

**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. However, some issuers do not seek a credit rating. For instance, the California Local Agency Investment Fund (LAIF) has not sought or received a credit rating. In these cases, the purchaser is solely responsible for performing their own due diligence before purchasing an investment or participating in an external investment pool. Certificates of deposit of \$250,000 or less are fully insured by the Federal Deposit Insurance Corporation (FDIC), and therefore, do not seek a credit rating.

Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Ratings at Year-End	
			AA or AAA	Not Rated
Local Agency Investment Fund	\$ 33,599,949	N/A	\$ -	\$ 33,599,949
Money market mutual funds	5,170,143	A-1	-	5,170,143
Certificates of deposit	6,222,000	AA+	-	6,222,000
Negotiable Certificates of Deposit	15,391,108	AA+	-	15,391,108
U.S. Government Securities:		N/A	-	-
Federal Farm Credit Bank	3,039,671	AA	3,039,671	-
Federal Home Loan Banks	4,493,095	AA	4,493,095	-
Federal Home Loan Mortgage Corporation	3,993,810	AA	3,993,810	-
Federal National Mortgage Association	3,977,970	AA-	3,977,970	-
U.S. Corporate Bonds	9,076,265	AA	9,076,265	-
Held by bond trustee:				
Money market mutual funds	5,123,166	AA+	-	5,123,166
<b>Total investments</b>	<b>\$ 90,087,177</b>		<b>\$ 24,580,811</b>	<b>\$ 65,506,366</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosure (Continued)**

**Disclosure Relating to Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated in the Government Code. GASB Statement No. 40 requires disclosure by amount and issuer, of investments in any one issuer that represent 5% or more of total investments. At June 30, 2019, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of the City's total investments.

**Disclosures Relating to Custodial Credit Risk**

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 custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental 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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2019, the City's deposits (bank balances) were collateralized under California Law.

**F. Investment in State Investment Pool**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2019 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2019, the City had \$33,599,949 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2019, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The fair value of the City's position in the pool is the same as the value of the pool shares. The credit quality rating of LAIF is unrated as of June 30, 2019.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 3 – Notes Receivables**

**A. Summary**

At June 30, 2019, notes receivable consisted of the following:

	Notes Receivable Balance June 30, 2019	Allowance for Doubtful Accounts Balance June 30, 2019	Financial Statement Balance June 30, 2019	Interest Receivable, net Balance June 30, 2019
<b>City:</b>				
Residential Rehab Special Revenue Fund:				
Madera Pacific Associates Loan	\$ 2,962,234	\$ -	\$ 2,962,234	\$ -
100 Stadium Rd., LP Loan	5,034,343	-	5,034,343	-
Forgivable Loans	7,490,072	(7,490,072)	-	-
Total Residential Rehab Special Revenue Fund	15,486,649	(7,490,072)	7,996,577	-
Low and Moderate Income Housing Fund	7,000	-	7,000	-
<b>Total City</b>	<b>\$ 15,493,649</b>	<b>\$ (7,490,072)</b>	<b>\$ 8,003,577</b>	<b>\$ -</b>
<b>Component Unit:</b>				
Housing Authority for the City of Madera:				
MORES Yosemite Manor, LP Loan	\$ 2,506,201	\$ -	\$ 2,506,201	\$ 344,923
MORES Corporation Loans	1,230,265	-	1,230,265	-
<b>Total Component Unit</b>	<b>\$ 3,736,466</b>	<b>\$ -</b>	<b>\$ 3,736,466</b>	<b>\$ 344,923</b>

**B. Governmental Activities**

*Residential Rehab Special Revenue Fund*

The City was awarded a \$3 million-dollar federal grant from the HOME Investment Program (HOME) administered through the State of California. The proceeds of this grant were used to provide a \$3 million loan to Madera Pacific Associates (MPA) for multi-family rental housing projects serving low and very low-income individuals through subordinate loans with terms up to 55 years. MPA is required to repay the loan through the net cash flow payments it receives from project operations. The loan balance at June 30, 2019 is \$2,962,234, which is recorded as a note receivable in the Residential Rehab special revenue fund.

The City was awarded a \$5 million-dollar federal grant from the HOME Investment Program (HOME) administered through the State of California. The proceeds of this grant were used to provide a \$5 million loan to 100 Stadium Rd., L.P. for multi-family rental housing projects serving low and very low-income individuals through subordinate loans with terms up to 55 years. 100 Stadium Rd., L.P. is required to repay the loan through the net cash flow payments it receives from project operations. The loan balance at June 30, 2019 is \$5,034,343, which is recorded as a note receivable in the Residential Rehab special revenue fund.

*Forgivable Loans*

The City administers the first time homebuyer, housing rehabilitation, and small business loan programs funded with various grants (i.e. CDBG, HOME, CalHome, NSP, etc.). Under these programs, individuals with incomes below certain levels are eligible to receive low interest loans. These loans are secured by deeds of trust on the properties. Deferred payment loans receivable under these forgivable loans are not required to be paid back unless the participating homeowner sells, transfers title to the property, or discontinues residence in the dwelling at which time the full amount of the deferred loan is due. These deferred payment loans are “nonperforming loans” and are not recorded as loans receivable in the financial statements.



**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 3 – Notes Receivables (Continued)**

**B. Governmental Activities (Continued)**

Forgivable Loans (Continued)

Loans and related items as of June 30, 2019 are summarized as follows:

Loan Type	Outstanding Loan Balance June 30, 2019	Due
First-time homebuyer	\$ 5,431,572	30 years
Housing rehabilitation	1,506,296	30 years
Small business	552,204	10 years
<b>Total</b>	<b>\$ 7,490,072</b>	

Low and Moderate Income Housing Asset Special Revenue Fund

The Low and Moderate Income Housing Asset special revenue fund reports \$7,000 of notes receivable. These were loans funded from the former Redevelopment Agency to developers for construction of affordable housing or rehabilitation within the boundaries of the Redevelopment Project Area. These low interest-bearing loans are secured by deeds of trust. Maturities vary according to terms and disposition of property.

**C. Component Unit**

The Housing Authority has a note receivable of \$2,506,201, due from MORES Yosemite Manor, L.P., secured by first deed on land and building subject to note. Interest bearing on the outstanding principal balance at the rate of 4.21%, compounded annually. The term of the note commenced May 14, 2008, and expires on December 31, 2063. The note is due and payable from Residual Receipts per the loan agreement. As of June 30, 2019, the outstanding interest receivable amounted to \$344,923. Management has established an allowance of \$766,038 against the interest receivable as of June 30, 2019, due to the uncertainty of collectability.

The Housing Authority has five promissory notes made from March 2010 to May 2014 amounting to \$1,575,967, due from Madera Opportunities for Resident Enrichment Services (MORES), a California nonprofit corporation. The promissory notes are subject to various interest rates, payment start dates, and due dates. The notes are secured by first and second deeds of trusts on buildings subject to the notes. The notes are due and payable from rental receipts per the loan agreements. As of June 30, 2019, the outstanding interest receivable amounted to \$0.

**Note 4 – Interfund Receivables, Payables, and Transfers**

**A. Due To / From Other Funds**

Amounts due to and due from other funds at June 30, 2019, were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Low and Moderate Income Housing Fund	\$ 24,121	Overdrawn Cash
General Fund	Local Transit Fund	1,501,556	Overdrawn Cash
General Fund	Golf Course Fund	436,549	Overdrawn Cash
	<b>Total</b>	<b>\$ 1,962,226</b>	

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 4 – Interfund Receivables, Payables, and Transfers (Continued)**

**B. Transfers**

Interfund transfers during the year ended June 30, 2019, consisted of the following:

<b>Transfers In</b>	<b>Transfers Out</b>	<b>Amount</b>	<b>Purpose</b>
General Fund	Special Gas Tax Fund	\$ 755,576	Capital projects
General Fund	Street Construction Fund	512,000	Capital projects
General Fund	Parking District Fund	7,711	Capital projects
General Fund	Community Facilities District Fund	308,280	Administrative cost
General Fund	Water Fund	60,000	Engineering costs
General Fund	Solid Waste Fund	593,857	Engineering costs
General Fund	Drainage Operations Fund	45,000	Engineering costs
General Fund	General Development Impact Fee Fund	15,000	Administrative cost
General Fund	General Development Impact Fee Fund	125,020	Debt service
	<b>Subtotal</b>	<b>2,422,444</b>	
General Fund	Parking District Fund	303	Worker's compensation reserve
General Fund	Intermodal Building Fund	244	Worker's compensation reserve
General Fund	Water Fund	41,635	Worker's compensation reserve
General Fund	Sewer Fund	44,965	Worker's compensation reserve
General Fund	Solid Waste Fund	15,290	Worker's compensation reserve
General Fund	Drainage Operations Fund	8,244	Worker's compensation reserve
General Fund	Local Transit Fund	4,522	Worker's compensation reserve
General Fund	Airport Fund	3,407	Worker's compensation reserve
General Fund	Fleet Maintenance	7,724	Worker's compensation reserve
General Fund	Facilities Maintenance	15,249	Worker's compensation reserve
General Fund	Technology	9,899	Worker's compensation reserve
	<b>Subtotal</b>	<b>151,482</b>	
Golf Course Fund	General Fund	298,804	Debt service
Park Facilities Fund	General Development Impact Fee Fund	194,257	Debt service
Sewer Fund	General Development Impact Fee Fund	250,000	Debt service
Fleet Maintenance	Local Transit Fund	57,000	Capital projects
Solid Waste Fund	Fleet Maintenance	50,000	Debt service
Facilities Maintenance	Special Gas Tax Fund	524,892	Capital projects
	<b>Total</b>	<b>\$ 3,948,879</b>	

**C. Long-Term Advances**

At June 30, 2019, the balances of long-term advances were as follows:

<b>Advances To</b>	<b>Advances From</b>	<b>Amount</b>
General Fund	Golf Course Fund	\$ 110,161
	<b>Total</b>	<b>\$ 110,161</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 4 – Interfund Receivables, Payables, and Transfers (Continued)**

**C. Long-Term Advances (Continued)**

*General Fund Advance to the Golf Course Fund*

On January 1, 2014, the General Fund entered into loan agreement with Golf Course Fund in the amount of \$1,710,000. The loan is to be repaid over 20 years at 0.0% interest rate per year. This loan is for funding facility construction. At June 30, 2019, the outstanding balance of the agreement was \$110,161.

The annual requirements to amortize the loan are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 24,480	\$ -	\$ 24,480
2021	24,480	-	24,480
2022	24,480	-	24,480
2023	24,480	-	24,480
2024	12,241	-	12,241
<b>Total</b>	<b>\$ 110,161</b>	<b>\$ -</b>	<b>\$ 110,161</b>

**Note 5 – Due from Fiduciary Funds**

Due from fiduciary funds as of June 30, 2019, was as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>	<b>Purpose</b>
General Fund	Payroll Tax/Withholding Fund	\$ 180,395	Overdrawn Cash
	RDA Successor Agency Private		
General Fund	Purpose Trust Fund	192,033	Reimbursement
	<b>Total</b>	<b>\$ 372,428</b>	

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Capital Assets**

**A. Governmental Activities**

The summary of changes in governmental activities capital assets for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018 (As Restated)	Additions	Deletions	Transfers	Balance June 30, 2019
Capital assets, not being depreciated					
Land	\$ 11,129,432	\$ 1,410,630	\$ -	2,000	\$ 12,542,062
Construction in progress	3,659,289	3,882,488	-	(2,065,157)	5,476,620
Total capital assets, not being depreciated	14,788,721	5,293,118	-	(2,063,157)	18,018,682
Capital assets, being depreciated					
Building and improvements	22,160,799	1,093,246	-	-	23,254,045
Equipment	13,145,957	1,529,077	(1,126,886)	1,376,857	14,925,005
Infrastructure	296,909,427	1,044,556	(82,510)	686,300	298,557,773
Total capital assets, being depreciated	332,216,183	3,666,879	(1,209,396)	2,063,157	336,736,823
Accumulated depreciation:					
Building and improvements	(7,022,295)	(469,922)	-	-	(7,492,217)
Equipment	(8,971,567)	(872,211)	1,126,886	-	(8,716,892)
Infrastructure	(153,369,174)	(7,183,170)	79,783	-	(160,472,561)
Total accumulated depreciation	(169,363,036)	(8,525,303)	1,206,669	-	(176,681,670)
Total capital assets, being depreciated, net	162,853,147	(4,858,424)	(2,727)	2,063,157	160,055,153
Total capital assets, net	\$ 177,641,868	\$ 434,694	\$ (2,727)	\$ -	\$ 178,073,835

Depreciation and amortization expense were charged to the functions/programs of the governmental activities as follows:

General government	\$ 6,146,806
Public protection	257,298
Social services	11,981
Public ways and facilities	860,655
Community development	15,452
Culture and recreation	701,330
Internal service funds	531,781
<b>Total depreciation expenses</b>	<b>\$ 8,525,303</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Capital Assets (Continued)**

**B. Business-Type Activities**

The summary of changes in business-type activities capital assets for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Capital assets, not being depreciated					
Land	\$ 9,347,017	\$ -	\$ -	\$ -	9,347,017
Construction in progress	3,524,381	6,338,538	-	(781,653)	9,081,266
Total capital assets, not being depreciated	12,871,398	6,338,538	-	(781,653)	18,428,283
Capital assets, being depreciated					
Building and improvements	57,513,812	-	-	-	57,513,812
Equipment	24,050,021	1,337,995	(386,051)	-	25,001,965
Infrastructure	78,489,077	55,290	-	781,653	79,326,020
Total capital assets, being depreciated	160,052,910	1,393,285	(386,051)	781,653	161,841,797
Accumulated depreciation:					
Building and improvements	(31,235,639)	(1,736,744)	-	-	(32,972,383)
Equipment	(3,823,482)	(196,063)	386,051	-	(3,633,494)
Infrastructure	(35,557,793)	(1,962,239)	-	-	(37,520,032)
Total accumulated depreciation	(70,616,914)	(3,895,046)	386,051	-	(74,125,909)
Total capital assets, being depreciated, net	89,435,996	(2,501,761)	-	781,653	87,715,888
Total capital assets, net	\$ 102,307,394	\$ 3,836,777	\$ -	\$ -	\$ 106,144,171

Depreciation expense was charged to the functions/programs of the business-type activities as follows:

Water	\$ 832,454
Sewer	2,253,803
Solid waste	5,457
Drainage operations	345,009
Local transit	149,453
Airport	308,870
<b>Total depreciation expenses</b>	<b>\$ 3,895,046</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Capital Assets (Continued)**

**C. Fiduciary Fund Financial Statements**

The summary of changes in capital assets for fiduciary funds for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 389,566	\$ -	\$ -	\$ 389,566
Total capital assets, not being depreciated	389,566	-	-	389,566
Capital assets, being depreciated				
Building and improvements	5,076,597	-	(80,299)	4,996,298
Infrastructure	378,169	-	(1,810)	376,359
Total capital assets, being depreciated	5,454,766	-	(82,109)	5,372,657
Accumulated depreciation:				
Building and improvements	(1,520,165)	(171,336)	77,916	(1,613,585)
Infrastructure	(331,803)	(23,183)	1,810	(353,176)
Total accumulated depreciation	(1,851,968)	(194,519)	79,726	(1,966,761)
Total capital assets, being depreciated, net	3,602,798	(194,519)	(2,383)	3,405,896
Total capital assets, net	\$ 3,992,364	\$ (194,519)	\$ (2,383)	\$ 3,795,462

Depreciation expense for fiduciary fund financial statements for the year ended June 30, 2019 was \$194,519.

**D. Component Unit**

The summary of changes in capital assets for the component unit for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 785,827	\$ -	\$ -	\$ 785,827
Total capital assets, not being depreciated	785,827	-	-	785,827
Capital assets, being depreciated				
Building and improvements	29,680,531	80,169	-	29,760,700
Equipment	725,180	-	-	725,180
Total capital assets, being depreciated	30,405,711	80,169	-	30,485,880
Accumulated depreciation:				
Building and improvements	(22,467,086)	(924,509)	-	(23,391,595)
Equipment	(725,180)	-	-	(725,180)
Total accumulated depreciation	(23,192,266)	(924,509)	-	(24,116,775)
Total capital assets, being depreciated, net	7,213,445	(844,340)	-	6,369,105
Total capital assets, net	\$ 7,999,272	\$ (844,340)	\$ -	\$ 7,154,932

Depreciation expense for the component unit for the year ended June 30, 2019 was \$924,509.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 7 – Long-Term Liabilities**

**A. Governmental Activities**

A summary of changes in the long-term liabilities of the governmental activities for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
Direct borrowings:						
Capital leases:						
Madera Youth Center	\$ 185,061	\$ -	\$ (185,061)	\$ -	\$ -	\$ -
Police In-car Camera Lease	42,331	-	(33,701)	8,630	8,630	-
ERP System and Fire Truck	795,933	-	(311,960)	483,973	320,473	163,500
Total capital leases	1,023,325	-	(530,722)	492,603	329,103	163,500
Loans payable:						
Police Facility Commercial Loan	841,400	-	(102,500)	738,900	105,300	633,600
PG&E Energy Efficiency Retrofit loan	22,154	-	(22,154)	-	-	-
Total loans payable	863,554	-	(124,654)	738,900	105,300	633,600
Public borrowings:						
Lease revenue bonds:						
Series 2019, New Fire Station	-	4,005,000	-	4,005,000	125,000	3,880,000
plus: bond premium	-	648,613	(453)	648,160	-	648,160
Total lease revenue bonds	-	4,653,613	(453)	4,653,160	125,000	4,528,160
<b>Total</b>	<b>\$ 1,886,879</b>	<b>\$ 4,653,613</b>	<b>\$ (655,829)</b>	<b>\$ 5,884,663</b>	<b>\$ 559,403</b>	<b>\$ 5,325,260</b>

**Madera Youth Center (Private Borrowing)**

In May 2010, the City entered into a capital lease agreement with Municipal Finance Corporation to lease a portion of the construction of the Youth Center. The lease portion of the Youth Center was \$1,500,000 and is payable over a period of ten years. Semi-annual payments on the contract are \$194,257. The effective interest rate on the contract is 5% per annum. At June 30, 2019, the Madera Youth Center lease was paid in full.

The City entered into the capital lease-purchase agreement whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

Equipment	\$ 1,500,000
Less: accumulated depreciation	(1,200,000)
Total	<u>\$ 300,000</u>

**Police In-Car Camera (Private Borrowing)**

In August 2014, the City entered into a capital lease agreement for the police department in-car camera system under which the related equipment will become the property of the City when all terms of the lease agreements are met. The purchase price of the equipment was \$157,755 and is payable over a period of five years. Quarterly payments on the contract are \$8,713. The effective interest rate on the contract is 3.87%. At June 30, 2019, the outstanding balance of the capital lease was \$8,630.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 7 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

*Police In-Car Camera (Continued)*

The annual debt service requirements at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 8,630	\$ 1,236	\$ 9,866
<b>Total</b>	<b>\$ 8,630</b>	<b>\$ 1,236</b>	<b>\$ 9,866</b>

The City entered into the capital lease-purchase agreement whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

Equipment	\$ 157,755
Less: accumulated depreciation	(155,126)
<b>Total</b>	<b>\$ 2,629</b>

*ERP System and Fire Truck (Private Borrowing)*

In August 2015, the City entered into a five-year equipment lease-purchase agreement for the purchase of Enterprise Resource Planning (ERP) system to be installed at the City Hall and a fire truck with Holman Capital Corporation. Holman Capital Corporation deposited \$1,540,065 into the Escrow Fund, which the Community Business Bank is the escrow agent, for the acquisition of the equipment and for the payment of issuance costs. The related equipment will become the property of the City when all terms of the lease agreements are met. The purchase price of the equipment was \$1,540,065 and is payable over a period of five years. Semi-monthly payments on the agreement are \$165,715. The effective interest rate on the contract is 2.71%. At June 30, 2019, the outstanding balance of the capital lease was \$483,973. The cash balance in the Escrow Fund held at the Community Business Bank as of June 30, 2019 was \$153,820. This remaining fund in the Escrow Fund account will be used to fund the acquisition of the equipment in the following fiscal year.

The annual debt service requirements at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 320,473	\$ 10,959	\$ 331,432
2021	163,500	2,215	165,715
<b>Total</b>	<b>\$ 483,973</b>	<b>\$ 13,174</b>	<b>\$ 497,147</b>

The City entered into capital lease-purchase agreements whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

Vehicles and equipment	\$ 1,327,042
Less: accumulated depreciation	(20,017)
<b>Total</b>	<b>\$ 1,307,025</b>



**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 7 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

*2019 Refunding of the Police Facility (Police Facility Commercial Loan) (Private Borrowing)*

In December 2005, the City entered into a capital lease agreement with La Salle Bank (and subsequently sold to Capital One Public Funding, LLC) to lease a portion of the construction cost for the police facility. The entire purchase price of the police station was \$5,200,000. The leased portion of the police station was \$1,500,000 and was payable over a period of twenty years.

On January 1, 2018, the capital lease was refunded and the Financing Authority paid the City an advance rental for the use and right to the possession of the Police and Golf Course facilities for a total of \$2,553,000. The lease was then assigned to Zions Bank/California Bank & Trust on the same day and named the Police Facility Commercial Loan. The bonds are due in annual installments of \$50,900 to \$61,600 beginning May 2018 with interest rate fixed 2.760% per annum payable semi-annually. Total principal and interest remaining on the agreement is payable through 2026. At June 30, 2019, the outstanding balance was \$738,900.

The annual debt service requirements at June 30, 2019 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 105,300	\$ 22,520	\$ 127,820
2021	108,200	16,746	124,946
2022	111,200	13,739	124,939
2023	114,400	10,648	125,048
2024	117,400	7,471	124,871
2025-2026	182,400	5,056	187,456
<b>Total</b>	<b>\$ 738,900</b>	<b>\$ 76,180</b>	<b>\$ 815,080</b>

*PG&E Energy Efficient Retrofit Loan (Direct Borrowing)*

In June 2012, the City entered into a loan agreement with PG&E to convert old high-pressure sodium lights with new energy efficient LED streetlights. The loan amount is \$249,731 and is payable over a period of 6.7 years with zero percent interest. Monthly payments on the loan are \$3,161. At June 30, 2019, the PG&E Energy Efficiency Retrofit Loan was paid in full.

*2019 Lease Revenue Bonds (Fire Station) (Public Offering)*

The Madera Public Financing Authority issued the Lease Revenue Bonds 2019 on June 1, 2019 for \$4,005,000. The proceeds of the bonds will be used to finance the construction of a fire station. The City entered into a Facilities Lease Agreement with the Madera Public Financing Authority to make rental payments. The Bonds are due in annual installments of \$230,000 to \$307,000 through February 1, 2039 with interest payable semiannually on February 1 and August 1 of each year with interest rate from 3.00% to 5.00%. At June 30, 2019 the outstanding balance was \$4,005,000.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 7 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

2019 Lease Revenue Bonds (Fire Station) (Continued)

The annual debt service requirements at June 30, 2019 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 125,000	\$ 105,678	\$ 230,678
2021	130,000	173,200	303,200
2022	135,000	168,000	303,000
2023	145,000	162,600	307,600
2024	150,000	155,350	305,350
2025-2029	865,000	657,000	1,522,000
2030-2034	1,100,000	422,400	1,522,400
2035-2039	1,355,000	167,000	1,522,000
<b>Total</b>	<b>\$ 4,005,000</b>	<b>\$ 2,011,228</b>	<b>\$ 6,016,228</b>

**B. Business-Type Activities**

A summary of changes in the long-term liabilities of the business-type activities for the year ended June 30, 2019, is as follows:

	<b>Balance July 1, 2018</b>	<b>Debt Issued</b>	<b>Debt Retired</b>	<b>Balance June 30, 2019</b>	<b>Classification</b>	
					<b>Due within One Year</b>	<b>Due in More Than One Year</b>
<b>Business-Type Activities:</b>						
Direct borrowings:						
Loans payable:						
CIEDB loan	\$ 7,332,455	\$ -	\$ (312,877)	\$ 7,019,578	\$ 322,295	\$ 6,697,283
Airport Hanger loan	124,047	-	(22,547)	101,500	23,625	77,875
Golf Course Commercial Loan	1,646,500	-	(278,400)	1,368,100	287,400	1,080,700
Total loans payable	9,103,002	-	(613,824)	8,489,178	633,320	7,855,858
Public borrowings:						
Bonds payable:						
Water Revenue Bonds, Series 2010	9,850,000	-	(320,000)	9,530,000	335,000	9,195,000
Less: unamortized bond discounts	(108,448)	-	5,422	(103,026)	-	(103,026)
Water and Wastewater Refunding Revenue Bonds, Series 2015	27,955,000	-	(1,120,000)	26,835,000	1,155,000	25,680,000
Total bonds payable	37,696,552	-	(1,434,578)	36,261,974	1,490,000	34,771,974
<b>Total</b>	<b>\$ 46,799,554</b>	<b>\$ -</b>	<b>\$ (2,048,402)</b>	<b>\$ 44,751,152</b>	<b>\$ 2,123,320</b>	<b>\$ 42,627,832</b>

California Infrastructure and Economic Development Bank (Private Borrowing)

Loan payable to California Infrastructure and Economic Development Bank for the regional wastewater treatment plant upgrade and expansion project; semi-annual installments of \$383,084 to \$525,788, including interest at 3.01% per annum. At June 30, 2019, the outstanding balance of the California Infrastructure and Economic Development Bank loan was \$7,019,578.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 7 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

*California Infrastructure and Economic Development Bank (Continued)*

The annual debt service requirements at June 30, 2019 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 322,295	\$ 206,439	\$ 528,734
2021	331,996	196,592	528,588
2022	341,989	186,448	528,437
2023	352,283	175,999	528,282
2024	362,887	165,236	528,123
2025-2029	1,985,002	653,045	2,638,047
2030-2034	2,302,278	330,993	2,633,271
2035-2036	1,020,848	30,955	1,051,803
<b>Total</b>	<b>\$ 7,019,578</b>	<b>\$ 1,945,707</b>	<b>\$ 8,965,285</b>

*Airport Hanger Loan (Private Borrowing)*

Loan payable to the Department of Transportation, Division of Aeronautics for the purchase of fourteen airplane hangars; annual installments of \$14,131 to \$27,180, including interest at 4.7829%. At June 30, 2019, the outstanding balance of the Department of Transportation, Division of Aeronautics loan was \$101,500.

The annual debt service requirements at June 30, 2019 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 23,625	\$ 4,855	\$ 28,480
2021	24,755	3,725	28,480
2022	25,939	2,541	28,480
2023	27,181	1,300	28,481
<b>Total</b>	<b>\$ 101,500</b>	<b>\$ 12,421</b>	<b>\$ 113,921</b>

*2018 Refunding of the 1993 Variable Rate Demand Bonds (Golf Course Commercial Loan) (Private Placement)*

In May 1993, the Financing Authority issued Variable Rate Demand Bonds in the aggregate principal of \$5,280,000. The proceeds were used to redeem \$4,835,000 of its December 8, 1989 Lease Revenue Bonds, Series A, and \$262,450 for additional Golf Course construction.

On January 1, 2018, the Bonds were refunded and the Financing Authority paid the City an advance rental for the use and right to the possession of the Golf Course and Police facilities for a total of \$2,553,000. The lease was then assigned to Zions Bank/California Bank & Trust on the same day and named the Golf Course Commercial Loan. The loan is due in annual installments of \$138,100 (\$10,600 first year) to \$161,800 beginning May 2018 with interest rate fixed 3.190% per annum payable semi-annually. Total principal and interest remaining on the agreement is \$1,479,511, payable through 2023. At June 30, 2019, the outstanding balance was \$1,368,100.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 7 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

*2018 Refunding of the 1993 Variable Rate Demand Bonds (Golf Course Commercial Loan) (Continued)*

The annual debt service requirements at June 30, 2019 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 287,400	\$ 41,368	\$ 328,768
2021	296,600	32,128	328,728
2022	306,200	22,590	328,790
2023	316,100	12,744	328,844
2024	161,800	2,581	164,381
<b>Total</b>	<b>\$ 1,368,100</b>	<b>\$ 111,411</b>	<b>\$ 1,479,511</b>

*Water Revenue Bonds, Series 2010 (Public Offering)*

Water Revenue Bonds, Series 2010 were issued by the Financing Authority in November 2010 for \$11,215,000. The City will use the proceeds from the Bonds along with the changing of water and sewer rates to bring the City into compliance with State Law to have the entire City on water meters by the year 2025. The bonds are due in annual installments of \$65,000 to \$745,000 through March 1, 2038, with interest payable semi-annually on September 1 and March 1 of each year at 4.5%. At June 30, 2019, the outstanding balance was \$9,530,000.

The Financing Authority has pledged a portion of future wastewater revenue to repay the 2010 Water Revenue Bonds. For the year ended June 30, 2019, total principal and interest paid was \$778,063, and net revenues were \$5,647,276. Total principal and interest remaining on the agreement is \$14,806,870, payable through 2038.

The Water Revenue Bonds, Series 2010 were issued at a discount which is being amortized over the life of the bonds resulting in an annual amortization of \$5,422. At June 30, 2019, the outstanding balance of the discount on the bonds was \$108,448.

The annual debt service requirements at June 30, 2019 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 335,000	\$ 448,463	\$ 783,463
2021	345,000	435,063	780,063
2022	355,000	422,556	777,556
2023	375,000	408,800	783,800
2024	390,000	393,800	783,800
2025-2029	2,200,000	1,696,450	3,896,450
2030-2034	2,765,000	1,117,238	3,882,238
2035-2038	2,765,000	354,500	3,119,500
<b>Total</b>	<b>\$ 9,530,000</b>	<b>\$ 5,276,870</b>	<b>\$ 14,806,870</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 7 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

*Water and Wastewater Refunding Revenue Bonds, Series 2015 (Public Offering)*

Water and Wastewater Refunding Revenue Bonds, Series 2015 were issued by the Financing Authority in December 2015 for \$30,140,000. Proceeds from the bonds were used to refund \$30,440,000 of its Water and Wastewater Refunding Revenue Bonds, Series 2016. The bonds are due in annual installments of \$70,000 to \$2,080,000 through March 1, 2036, with interest payable semiannually on September 1 and March 1 of each year at 3.700%. At June 30, 2019, the outstanding balance of the Water and Wastewater Revenue Bonds was \$26,835,000.

The Financing Authority has pledged a portion of future water and wastewater revenue to repay the 2015 Water and Wastewater Revenue Bonds. For the year ended June 30, 2019, total principal and interest paid was \$2,154,335, and net revenues were \$8,985,176. Total principal and interest remaining on the agreement is \$36,635,745 payable through 2036.

The annual debt service requirements at June 30, 2019 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,155,000	\$ 992,895	\$ 2,147,895
2021	1,200,000	950,160	2,150,160
2022	1,250,000	905,760	2,155,760
2023	1,295,000	859,510	2,154,510
2024	1,340,000	811,595	2,151,595
2025-2029	7,510,000	3,273,760	10,783,760
2030-2034	9,000,000	1,778,960	10,778,960
2035-2036	4,085,000	228,105	4,313,105
<b>Total</b>	<b>\$ 26,835,000</b>	<b>\$ 9,800,745</b>	<b>\$ 36,635,745</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 7 – Long-Term Liabilities (Continued)**

**C. Fiduciary Fund Financial Statements**

A summary of changes in the long-term liabilities of the fiduciary fund financial statements for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
<b>Fiduciary Activities:</b>						
Public borrowings:						
Tax allocation bonds:						
Series 1998	\$ 5,415,000	\$ -	\$ (5,415,000)	\$ -	\$ -	\$ -
Less: unamortized bond discounts	(53,511)	-	53,511	-	-	-
Series 2003	13,350,000	-	(13,350,000)	-	-	-
Add: unamortized bond premiums	6,880	-	(6,880)	-	-	-
Series 2008A	22,260,000	-	(22,260,000)	-	-	-
Series 2008B	3,320,000	-	(3,320,000)	-	-	-
Less: unamortized bond discounts	(532,519)	-	532,519	-	-	-
Series 2018A	-	31,445,000	-	31,445,000	590,000	30,855,000
Series 2018B	-	4,065,000	-	4,065,000	625,000	3,440,000
Add: unamortized bond premiums	-	4,579,964	(227,105)	4,352,859	-	4,352,859
Total tax allocation bonds	43,765,850	40,089,964	(43,992,955)	39,862,859	1,215,000	38,647,859
<b>Total</b>	<b>\$ 43,765,850</b>	<b>\$ 40,089,964</b>	<b>\$ (43,992,955)</b>	<b>\$ 39,862,859</b>	<b>\$ 1,215,000</b>	<b>\$ 38,647,859</b>

*Tax Allocation Bonds, Series 1998 (Public Offering)*

On October 8, 1998, the Agency issued \$7,440,000 of 1998 Tax Allocation Redevelopment Project Bonds. The proceeds of the bonds were used to finance redevelopment activities within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance, sale and delivery of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 1999, with the final payment due in the year 2029. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.15% to 4.95%. Principal and interest will be paid from tax increment revenues consisting of a portion of taxes levied upon all taxable property within the Project Area. The 1998 Tax Allocation Bonds were refunded with the 2018 Tax Allocation Refunding Bonds, Series A and B.

*Tax Allocation Refunding Bonds, Series 2003 (Public Offering)*

On October 23, 2003, the Agency issued \$19,495,000 of 2003 Tax Allocation Refunding and Redevelopment Project Bonds. The proceeds of the bonds were used to advance refund the Agency's 1993 Bond Anticipation Notes dated July 1, 1993, in an amount of \$7,201,007, to fund the acquisition and construction of new improvements within the Madera Redevelopment Project Area, to pay Agency housing set-aside obligations, to pay costs incurred in connection with the issuance, sale and delivery of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 2004, with the final payment due in the year 2034. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 2.00% to 5.00%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The 2003 Tax Allocation Bonds were refunded with the 2018 Tax Allocation Refunding Bonds, Series A and B.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 7 – Long-Term Liabilities (Continued)**

**C. Fiduciary Fund Financial Statements (Continued)**

*Tax Allocation Bonds, Series 2008A (Public Offering)*

On September 10, 2008, the Agency issued \$25,455,000 of 2008A Series Tax Allocation Bonds. The proceeds of the bonds were used to finance redevelopment activities within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance of the bonds, and to fund the reserve account.

Principal payments are due annually on September 1, commencing on September 1, 2010, with the final payment due in the year 2039. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.50% to 5.38%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The 2008A Tax Allocation Bonds were refunded with the 2018 Tax Allocation Refunding Bonds, Series A and B.

*Tax Allocation Bonds, Series 2008B (Public Offering)*

On September 10, 2008, the Agency issued \$4,000,000 of 2008B Housing Set-Aside Subordinate Tax Allocation Bonds. The proceeds of the bonds were used to finance low and moderate-income housing within the Madera Redevelopment Project Area, to pay costs incurred in connection with the issuance of the bond, and to fund the reserve account.

Principal payments are due annually commencing on September 1, 2010, with the final payment due in the year 2038. Interest payments are due on September 1 and March 1 of each year until the bonds are paid off. Interest rates range from 3.50% to 5.38%. Principal and interest will be paid from tax increment revenues consisting of a portion of all taxes levied upon all taxable property within the Project Area. The 2008B Tax Allocation Bonds were refunded with the 2018 Tax Allocation Refunding Bonds, Series A and B.

*Tax Allocation Refunding Bonds, Series 2018A and 2018B (Public Offering)*

On July 17, 2018, the Successor Agency to the Former Madera Redevelopment Agency issued \$31,445,000 of Tax Allocation Refunding Bonds, Series 2018A and \$4,065,000 of Tax Allocation Refunding Bonds, Series 2018B (collectively the “2018 TARBs”) to (a) refund four outstanding series of bonds payable (the 1998 Tax Allocation Redevelopment Project Bonds, the 2003 Tax Allocation Refunding and Redevelopment Project Bonds, the Madera Redevelopment Agency Subordinate Tax Allocation Bonds, Series 2008A, and the Madera Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, Series 2008B) from tax increment revenue generated in the Madera Redevelopment Project Area (the “Project Area”), (b) fund a reserve account, and (c) pay the costs of issuance of the bonds. The 2018 TARBs are payable from and secured by a pledge of tax revenues to be derived from the Project Area.

The 2018 TARBs consist of serial bonds maturing from 2019 through 2038 in annual installments of \$390,000 to \$2,405,000. Interest is due and payable semi-annually on March 1 and September 1 of each year at rates ranging from 3.0% to 5.0% commencing March 1, 2019. Annual principal on the bonds is due on September 1 of each year. The bonds are subject to federal arbitrage requirements. The aggregate debt service payments of the new debt are \$11,314,301 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$8,659,587.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 7 – Long-Term Liabilities (Continued)**

**C. Fiduciary Fund Financial Statements (Continued)**

*Tax Allocation Refunding Bonds, Series 2018A and 2018B (Continued)*

A reserve account is required to be maintained in the amount of the lesser of (i) 10% of the original aggregate principal amount of the 2018 TARBs, or (ii) 125% of the average annual debt service with respect to the 2018 TARBs, or (iii) the maximum annual debt service with respect to the 2018 TARBs. As of June 30, 2019, the reserve requirement was met through the City's purchase of a surety policy in-lieu of the cash reserve requirement.

The annual debt service requirements for the 2018 TARBs outstanding at June 30, 2019 are as follows:

<b>Tax Allocation Refunding Bonds, Series 2018A</b>			
<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 590,000	\$ 1,443,075	\$ 2,033,075
2021	670,000	1,414,525	2,084,525
2022	710,000	1,380,025	2,090,025
2023	770,000	1,343,025	2,113,025
2024	1,005,000	1,298,650	2,303,650
2025-2029	7,225,000	5,577,375	12,802,375
2030-2034	11,065,000	3,543,700	14,608,700
2035-2039	9,410,000	984,038	10,394,038
<b>Total</b>	<b>\$ 31,445,000</b>	<b>\$ 16,984,413</b>	<b>\$ 48,429,413</b>

<b>Tax Allocation Refunding Bonds, Series 2018B</b>			
<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 625,000	\$ 120,262	\$ 745,262
2021	655,000	101,784	756,784
2022	680,000	81,485	761,485
2023	670,000	60,191	730,191
2024	510,000	40,895	550,895
2025-2026	925,000	30,416	955,416
<b>Total</b>	<b>\$ 4,065,000</b>	<b>\$ 435,033</b>	<b>\$ 4,500,033</b>

<b>Aggregate Total</b>			
<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,215,000	\$ 1,563,337	\$ 2,778,337
2021	1,325,000	1,516,309	2,841,309
2022	1,390,000	1,461,510	2,851,510
2023	1,440,000	1,403,216	2,843,216
2024	1,515,000	1,339,545	2,854,545
2025-2029	8,150,000	5,607,791	13,757,791
2030-2034	11,065,000	3,543,700	14,608,700
2035-2039	9,410,000	984,038	10,394,038
<b>Total</b>	<b>\$ 35,510,000</b>	<b>\$ 17,419,446</b>	<b>\$ 52,929,446</b>



**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 7 – Long-Term Liabilities (Continued)**

**D. Component Unit**

A summary of changes in the long-term liabilities of the fiduciary fund financial statements for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Debt Issued	Debt Retired	Balance June 30, 2019	Classification	
					Due within One Year	Due in More Than One Year
Component Unit:						
Direct borrowings:						
Loans payable:						
Farmers' Home Administration loan	\$ 280,785	\$ -	\$ (18,521)	\$ 262,264	\$ 17,298	\$ 244,966
Citizen Business Bank loan	3,019,997	-	(97,212)	2,922,785	101,383	2,821,402
Total loans payable	3,300,782	-	(115,733)	3,185,049	118,681	3,066,368
Total	\$ 3,300,782	\$ -	\$ (115,733)	\$ 3,185,049	\$ 118,681	\$ 3,066,368

*Farmers' Home Administration loan*

Notes payable to Farmers' Home Administration, 1.00% due in monthly installments of \$1,654, including interest, first trust deeds on land and building subject to note.

The annual debt service requirements at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 17,298	\$ 2,543	\$ 19,841
2021	17,550	2,369	19,919
2022	17,871	2,193	20,064
2023	18,195	2,012	20,207
2024	18,523	1,829	20,352
Thereafter	172,827	8,123	180,950
<b>Total</b>	<b>\$ 262,264</b>	<b>\$ 19,069</b>	<b>\$ 281,333</b>

*Citizen Business Bank loan*

Note payable to Citizen Business Bank, 4.50% due in monthly installments of \$19,837, including interest, secured by assets subject to note.

The annual debt service requirements at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 101,383	\$ 131,611	\$ 232,994
2021	106,624	126,371	232,995
2022	111,016	124,471	235,487
2023	116,189	116,806	232,995
2024	121,296	111,698	232,994
Thereafter	2,366,277	351,043	2,717,320
<b>Total</b>	<b>\$ 2,922,785</b>	<b>\$ 962,000</b>	<b>\$ 3,884,785</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Special Assessment Debt with No City Commitment**

The City issued special tax and assessment bonds on behalf of property owners, pursuant to the Improvement Bond Act of 1915 and the Mellow-Roos Community Facilities Act of 1982, to finance the acquisition and construction of certain infrastructure improvements within the assessment districts and community facilities districts.

The City acts solely as an agent for those paying special tax and assessments and remits the amounts collected to the bondholders of these fixed-rate Improvement Bond Act of 1915 and Mellow-Roos Community Facilities Act of 1982 issues. The City is acting as an agent and is in no way liable for the special assessment debt and, accordingly, the debt is not recorded in these financial statements.

On January 1, 2018, the City of Madera, on behalf of the City of Madera Community Facilities District No. 2006-1, issued the City of Madera Community Facilities District No. 2006-1 Special Tax Refunding Bonds Series 2018 to refund the CFD 2006-1 Series Special Tax Bond for the purpose of creating annual debt savings. Total debt service payments were reduced by \$636,877. The amount of principal outstanding as of June 30, 2019 is \$2,389,616. The bonds are not a general obligation of the City but are limited obligations, payable solely from special tax and assessments. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

Noncommittal debt amounts issued and outstanding at June 30, 2019 are as follows:

	Original Amount	Outstanding Balance June 30, 2019
CFD 2006-1, Series Special Tax Bonds Refunding Bonds Series 2018	\$ 2,452,228	\$ 2,389,616
<b>Total</b>	<b>\$ 2,452,228</b>	<b>\$ 2,389,616</b>

**Note 9 – Compensated Absences**

**A. Governmental Activities**

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Classification Due within One Year	Due in More Than One Year
Compensated absences	\$ 1,593,600	\$ 1,187,915	\$ (1,120,377)	\$ 1,661,138	\$ 548,362	\$ 1,112,776
<b>Total</b>	<b>\$ 1,593,600</b>	<b>\$ 1,187,915</b>	<b>\$ (1,120,377)</b>	<b>\$ 1,661,138</b>	<b>\$ 548,362</b>	<b>\$ 1,112,776</b>

Compensated absences in the governmental activities are obligations of the following funds:

Governmental Funds	\$ 1,543,143
Fleet Maintenance	28,562
Facilities Maintenance	59,362
Technology	30,071
<b>Total</b>	<b>\$ 1,661,138</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 9 – Compensated Absences (Continued)**

**B. Business-Type Activities**

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2019 is as follows:

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>	<b>Classification</b>	
					<b>Due within One Year</b>	<b>Due in More Than One Year</b>
Compensated absences	\$ 290,726	\$ 32,785	\$ -	\$ 323,511	\$ 291,093	\$ 32,418
<b>Total</b>	<b>\$ 290,726</b>	<b>\$ 32,785</b>	<b>\$ -</b>	<b>\$ 323,511</b>	<b>\$ 291,093</b>	<b>\$ 32,418</b>

Compensated absences in the business-type activities are obligations of the following funds:

Water Fund	\$ 135,722
Sewer Fund	94,699
Solid Waste Fund	38,735
Drainage Operations Fund	26,015
Local Transit Fund	21,756
Airport Fund	6,584
<b>Total</b>	<b>\$ 323,511</b>

**C. Fiduciary Fund Financial Statements**

A summary of changes in the compensated absences balances for the fiduciary fund financial statements for the year ended June 30, 2019 is as follows:

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>	<b>Classification</b>	
					<b>Due within One Year</b>	<b>Due in More Than One Year</b>
Compensated absences	\$ 28,938	\$ -	\$ (28,938)	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 28,938</b>	<b>\$ -</b>	<b>\$ (28,938)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

All compensated absences liabilities in the fiduciary fund financial statements belong to the Redevelopment Obligation Retirement Fund (Successor Agency).

**D. Component Unit**

A summary of changes in the compensated absences balances for the component unit for the year ended June 30, 2019 is as follows:

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>	<b>Classification</b>	
					<b>Due within One Year</b>	<b>Due in More Than One Year</b>
Compensated absences	\$ 88,036	\$ 37,276	\$ (39,554)	\$ 85,758	\$ 38,978	\$ 46,780
<b>Total</b>	<b>\$ 88,036</b>	<b>\$ 37,276</b>	<b>\$ (39,554)</b>	<b>\$ 85,758</b>	<b>\$ 38,978</b>	<b>\$ 46,780</b>

All compensated absences liabilities in the component unit belong to the Housing Authority of the City of Madera.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 10 – Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage.

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool for workers' compensation and general liability insurance. The CSJVRMA is a consortium of fifty-five cities located in California's San Joaquin Valley. It was established under the provisions of California Government Code Section 6500 et. seq. CSJVRMA is governed by a Board of Directors, consisting of one member appointed by each member city. The day-to-day business operations are handled by a management group employed by CSJVRMA. The relationship between the City and CSJVRMA is such that the CSJVRMA is not considered a component unit of the City for financial reporting purposes.

General Liability Insurance coverage is addressed via retention maintained by the City and participation in CSJVRMA. The City maintains a self-insured retention level of \$100,000 and participates in the CSJVRMA risk pool for coverage up to \$1,000,000. CSJVRMA participates in an excess pool, which provides coverage from \$1,000,000 to \$29,000,000.

Workers' Compensation coverage is also addressed via a retention maintained by the City and participation in CSJVRMA. The City maintains a self-insured retention level of \$100,000 and participates in the CSJVRMA risk pool for additional coverage up to \$250,000. CSJVRMA also participates in an excess pool which provides workers' compensation coverage from \$250,000 to \$500,000 and purchases excess insurance of approximately \$500,000 to the statutory limit.

Public entity risk pools are formally organized and separated entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influences by member municipalities beyond their representation of that board. Obligations and liabilities of these risk pools are not the City's responsibility.

Since 1986, the City has joined together with other cities to form a public entity risk pool known as the Central San Joaquin Valley Risk Management Authority - CSJVRMA (the Authority), a joint powers authority established in accordance with the California government code. The relationship between the City and the Authority is such that the Authority is not a component unit of the City for financial reporting purposes. Financial statements for the Authority may be obtained from the Authority's management.

The Authority is currently operating as a common risk management and insurance program for 54 member cities. The program's general objectives are to formulate, develop, and administer, on the behalf of the member cities, a program of insurance, to obtain lower cost for that coverage, and to develop a comprehensive loss control program. A member may withdraw from the Authority only by giving six-month notice. Cities applying for membership in the Authority may do so on approval of a two-thirds vote of the board of the Authority.

The latest financial information of the CSJVRMA for fiscal year ended June 30, 2019, is as follows:

Total assets	\$ 128,442,162
Total liabilities	<u>\$ 109,661,346</u>
Total equities	<u>\$ 18,780,816</u>
Operating revenues	<u>\$ 47,181,439</u>
Operating expenses	<u>\$ 52,250,549</u>
Nonoperating revenues (expenses)	<u>\$ 5,824,524</u>
Change in net position	<u>\$ 755,414</u>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans**

**A. Summary**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
<b>Deferred outflows of resources:</b>				
Pension contribution made after measurement date:				
CalPERS Miscellaneous	\$ 1,816,747	793,566	\$ 2,610,313	\$ 302,136
CalPERS Safety	2,197,168	-	2,197,168	-
Total pension contribution made after measurement date	4,013,915	793,566	4,807,481	302,136
Change in assumption				
CalPERS Miscellaneous	1,126,323	481,523	1,607,846	259,978
CalPERS Safety	1,589,450	-	1,589,450	-
Total change in assumption	2,715,773	481,523	3,197,296	259,978
Projected earnings on pension plan investments in excess of actual earnings:				
CalPERS Miscellaneous	1,413,990	628,306	2,042,296	11,274
CalPERS Safety	126,783	-	126,783	-
Total projected earnings on pension plan investments in excess of actual earnings	1,540,773	628,306	2,169,079	11,274
Difference between expected and actual experience				
CalPERS Miscellaneous	841,687	371,304	1,212,991	87,497
CalPERS Safety	400,831	-	400,831	-
Total difference between expected and actual experience	1,242,518	371,304	1,613,822	87,497
Adjustment due to difference in proportions				
CalPERS Miscellaneous	-	-	-	8,512
CalPERS Safety	22,367	-	22,367	-
Total adjustment due to difference in proportions	22,367	-	22,367	8,512
Employer contributions in excess of proportionate share of contribution				
CalPERS Miscellaneous	-	-	-	4,896
CalPERS Safety	277,274	-	277,274	-
Total employer contributions in excess of proportionate share of contribution	277,274	-	277,274	4,896
Total deferred outflows of resources				
CalPERS Miscellaneous	5,198,747	2,274,699	7,473,446	674,293
CalPERS Safety	4,613,873	-	4,613,873	-
Total deferred outflows of resources	\$ 9,812,620	\$ 2,274,699	\$ 12,087,319	\$ 674,293
<b>Net pension liability:</b>				
CalPERS Miscellaneous	\$ 18,907,435	\$ 8,274,708	\$ 27,182,143	\$ 3,179,336
CalPERS Safety	18,725,928	-	18,725,928	-
Total net pension liability	\$ 37,633,363	\$ 8,274,708	\$ 45,908,071	\$ 3,179,336

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**A. Summary (Continued)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
<b>Deferred inflows of Resources:</b>				
Change in assumption				
CalPERS Miscellaneous	\$ -	\$ -	\$ -	\$ 63,716
Total change in assumption	-	-	-	63,716
Actual earnings on pension plan investments in excess of projected earnings:				
CalPERS Miscellaneous	1,324,929	594,140	1,919,069	29,775
CalPERS Safety	-	-	-	-
Total actual earnings on pension plan investments in excess of	1,324,929	594,140	1,919,069	29,775
Adjustment due to difference in proportions				
CalPERS Miscellaneous	-	-	-	14,730
CalPERS Safety	205,969	-	205,969	-
Total adjustment due to difference in proportions	205,969	-	205,969	14,730
Employer contributions in excess of proportionate share of contribution				
CalPERS Miscellaneous	-	-	-	4,141
Total employer contributions in excess of proportionate share of contribution	-	-	-	4,141
Changes of assumptions				
CalPERS Miscellaneous	329,784	137,700	467,484	-
Total difference between expected and actual experience	329,784	137,700	467,484	-
Total deferred inflows of resources				
CalPERS Miscellaneous	1,654,713	731,840	2,386,553	112,362
CalPERS Safety	205,969	-	205,969	-
Total deferred inflows of resources	\$ 1,860,682	\$ 731,840	\$ 2,592,522	\$ 112,362
<b>Pension expenses:</b>				
CalPERS Miscellaneous	\$ 3,572,944	\$ 1,602,221	\$ 5,175,165	\$ 438,742
CalPERS Safety	2,552,707	-	2,552,707	-
Total net pension expenses	\$ 6,125,651	\$ 1,602,221	\$ 7,727,872	\$ 438,742

**B. City Miscellaneous Plan**

**Plan Description**

Substantially all City employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Miscellaneous Plan Agent multiple-employer defined benefit plan or the Safety Plan Cost-sharing multiple-employer defined benefit administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plan (Continued)**

**Employees Covered**

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms for the Plan:

	City
Active employees	198
Transferred and terminated employees	229
Retired employees and beneficiaries	232
<b>Total</b>	<b>659</b>

**Benefits Provided**

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	City Miscellaneous Plan		
Hire Date	Prior to January 1, 2011	January 1, 2011 thru January 1, 2013	On or After January 1, 2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.000% to 2.500%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	8.00%	7.000%	6.250%
Required employer contribution rates	9.451%	9.451%	9.451%
Final Annual Compensation	1 year	1 year	1 year

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plan (Continued)**

**Contributions (Continued)**

For the year ended June 30, 2019, the plan's contributions made for the Plan was as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 2,610,313

**Net Pension Liability**

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate**

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.



**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plan (Continued)**

**Discount Rate (Continued)**

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10<sup>1</sup></b>	<b>Real Return Years 11 +<sup>2</sup></b>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

<sup>1</sup> An expected inflation of 2.00% was used for this period.

<sup>2</sup> An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 7.15% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 Section.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City’s net pension liability, calculated using the discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<b>Plan's Aggregate Net Pension Liability/(Asset)</b>		
	<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
Miscellaneous Plan - 53	\$ 38,577,491	\$ 27,182,143	\$ 17,728,564

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plan (Continued)**

**Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period:

	<b>Miscellaneous Plan</b>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2017 (Valuation Date)	\$ 83,678,860	\$ 57,100,351	\$ 26,578,509
Changes in the year:			
Service cost	2,074,876	-	2,074,876
Interest on the total pension liabilities	5,940,862	-	5,940,862
Changes in assumptions	(647,285)	-	(647,285)
Differences between expected and actual experience	1,082,691	-	1,082,691
Benefit payments, including refunds of members contributions	(4,125,431)	(4,125,431)	-
Plan to plan resource movement	-	(140)	140
Contributions - employer	-	2,395,891	(2,395,891)
Contributions - employee	-	858,755	(858,755)
Net investment income	-	4,851,004	(4,851,004)
Administrative expenses	-	(258,000)	258,000
Net changes	4,325,713	3,722,079	603,634
Balance at June 30, 2018 (Measurement Date)	\$ 88,004,573	\$ 60,822,430	\$ 27,182,143

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2018, the City recognized pension expense in the amount of \$5,175,165 for the miscellaneous plans.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The Expected Average Remaining Service Lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for the Miscellaneous Plan for the 2017-18 measurement period is 3.6 years, which was obtained by dividing the total service years of 2,347 (the sum of remaining service lifetimes of the active employees) by 647 (the total number of participants: active, inactive, and retired).

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**B. City Miscellaneous Plan (Continued)**

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

At June 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Miscellaneous Plan</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 2,610,313	\$ -
Difference between projected and actual earning on pension plan investments	2,042,296	(1,919,069)
Changes in assumptions	1,607,846	(467,484)
Differences between expected and actual experience	1,212,991	-
Total	<u>\$ 7,473,446</u>	<u>\$ (2,386,553)</u>

For the City Miscellaneous Plan, \$2,610,313 was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ 2,692,110
2020	460,584
2021	(512,630)
2022	(163,484)
2023	-
Thereafter	-
	<u>\$ 2,476,580</u>

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**C. City Safety Plan**

**Plan Description**

Substantially all City employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Miscellaneous Plan Agent multiple-employer defined benefit plan or the Safety Plan Cost-sharing multiple-employer defined benefit administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**C. City Safety Plan (Continued)**

**Plan Description (Continued)**

CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

**Employees Covered**

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms the Plan:

	Safety Plan
Active employees	63
Transferred and terminated employees	56
Retired employees and beneficiaries	107
<b>Total</b>	<b>226</b>

**Benefits Provided**

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Safety		
Hire Date	Prior to January 1, 2011	January 1, 2011 thru January 1, 2013	On or After January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	0	2.400% to 3.000%	2.000% to 2.700%
Required employee contribution rates	9.00%	9.000%	11.500%
Required employer contribution rates	19.723%	16.842%	11.990%
Final Annual Compensation	1 year	1 year	1 year

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**C. City Safety Plan (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, employer contributions made for the Safety Cost-sharing Plan was as follows:

	Safety Plan	
Contributions - employer	\$	2,197,168

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

As of June 30, 2018, the City reported net pension liability for its proportionate shares of the net pension liability of the Safety Plan as follows:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 6/30/17 (Valuation date)	\$ 60,569,282	\$ 41,761,897	18,807,385
Balance at: 6/30/18 (Measurement date)	63,563,180	44,837,252	18,725,928
Net Changes during 2017-2018	2,993,898	3,075,355	(81,457)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2017). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2017-18).

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 11 – Pension Plans (Continued)**

**C. City Safety Plan (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2017 and 2018 was as follows:

Proportion June 30, 2017	0.18964%
Proportion June 30, 2018	0.19433%
Change - Increase (Decrease)	0.00468%

For the year ended June 30, 2019, the City recognized pension expense in the amount of \$2,552,707 for the Safety Plan.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The EARSL for PERF C for the measurement date ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**C. City Safety Plan (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Safety Plan</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 2,197,168	\$ -
Difference between projected and actual earning on pension plan investments	126,783	-
Adjustment due to differences in proportions	22,367	(205,969)
Changes in assumptions	1,589,450	-
Difference between actual and expected experience	400,831	-
Difference between employer's actual contributions and proportionate share of contributions	277,274	-
Total	<u>\$ 4,613,873</u>	<u>\$ (205,969)</u>

For the City Safety Plan, \$2,197,168 was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2020	\$ 1,807,326
2021	1,058,159
2022	(525,044)
2023	(129,705)
2024	-
Thereafter	-
	<u>\$ 2,210,736</u>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 11 – Pension Plans (Continued)**

**C. City Safety Plan (Continued)**

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. Both the June 30, 2016 and the June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2014, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.



**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**C. City Safety Plan (Continued)**

**Discount Rate (Continued)**

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 <sup>1</sup></u>	<u>Real Return Years 11 + <sup>2</sup></u>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability for the City Safety Plan, calculated using the discount rate for the City Safety Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Plan's Aggregate Net Pension Liability/(Asset)</u>		
<u>Discount Rate - 1%</u>	<u>Current Discount</u>	<u>Discount Rate + 1%</u>
<u>(6.15%)</u>	<u>Rate (7.15%)</u>	<u>(8.15%)</u>
\$ 27,488,519	\$ 18,725,928	\$ 11,546,553

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan**

At June 30, 2019, the Successor Agency reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Madera Housing Authority (Housing Authority) sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and Housing Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**D. Component Unit Miscellaneous Plan**

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Madera Housing Authority (Housing Authority) sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and Housing Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Employees Covered**

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms the Plan:

	Miscellaneous Plan Component Unit
Active employees	31
Transferred and terminated employees	43
Retired employees and beneficiaries	28
<b>Total</b>	<b>102</b>

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

Following are the benefit provisions for each plan:

	Miscellaneous - Component Unit		
Hire Date	Prior to January 1, 2011	January 1, 2011 thru January 1, 2013	On or After January 1, 2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.000% to 2.500%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	8.00%	7.000%	6.250%
Required employer contribution rates	10.609%	7.634%	6.842%
Final Annual Compensation	1 year	1 year	1 year

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**D. Component Unit Miscellaneous Plan (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by the Miscellaneous risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, employer contributions made for the Housing Authority Miscellaneous Cost-sharing Plan was as follows:

	Miscellaneous Plan Component Unit
Contributions - employer	\$ 302,136

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

The Authority’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

As of June 30, 2018, the Authority reported net pension liability for its proportionate shares of the net pension liability of the Housing Authority Miscellaneous Plan as follows:

	Plan Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 6/30/17 (Valuation date)	\$ 9,760,484	\$ 6,525,060	\$ 3,235,424
Balance at: 6/30/18 (Measurement date)	10,220,837	7,041,501	3,179,336
Net Changes during 2017-2018	460,353	516,441	(56,088)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2017). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 11 – Pension Plans (Continued)**

**D. Component Unit Miscellaneous Plan (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2017-18).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

The Authority's proportionate share of the net pension liability for the Housing Authority Miscellaneous Plan as of June 30, 2017 and 2018 was as follows:

Proportion June 30, 2017	0.08210%
Proportion June 30, 2018	0.08440%
Change - Increase (Decrease)	0.00230%

For the year ended June 30, 2019, the Authority recognized pension expense in the amount of \$438,742 for the Housing Authority Miscellaneous Plan.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The EARSL for PERF C for the measurement date ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**D. Component Unit Miscellaneous Plan (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Miscellaneous Plan - Component Unit</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 302,136	\$ -
Difference between projected and actual earning on pension plan investments	11,274	-
Adjustment due to differences in proportions	8,512	(14,730)
Changes in assumptions	259,978	(63,716)
Difference between actual and expected experience	87,497	(29,775)
Difference between employer's actual contributions and proportionate share of contributions	4,896	(4,141)
Total	<u>\$ 674,293</u>	<u>\$ (112,362)</u>

For the Housing Authority Miscellaneous Plan, \$302,136 was reported as deferred outflows of resources related to pensions resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30,</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2020	\$ 228,078
2021	124,417
2022	(72,189)
2023	(20,511)
2024	-
Thereafter	-
	<u>\$ 259,795</u>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 11 – Pension Plans (Continued)**

**D. Component Unit Miscellaneous Plan (Continued)**

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. Both the June 30, 2016 and the June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2014, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**D. Component Unit Miscellaneous Plan (Continued)**

**Discount Rate (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 <sup>1</sup></b>	<b>Real Return Years 11 + <sup>2</sup></b>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

<sup>1</sup> An expected inflation of 2.00% was used for this period.

<sup>2</sup> An expected inflation of 2.92% was used for this period.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Authority's proportionate share of the net pension liability for the Housing Authority Miscellaneous Plan, calculated using the discount rate for the Housing Authority Miscellaneous Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<b>Plan's Aggregate Net Pension Liability/(Asset)</b>		
<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
\$ 4,561,920	\$ 3,179,336	\$ 2,038,035

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Pension Plans (Continued)**

**D. Component Unit Miscellaneous Plan (Continued)**

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan**

At June 30, 2019, the Successor Agency reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

**Note 12 – Other Postemployment Benefits**

**A. Summary**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Employer contributions made			
subsequent to the measurement date	\$ 25,533	\$ 3,916	\$ 29,449
Changes in assumptions	57,048	8,280	65,328
<b>Total deferred outflows of resources</b>	<b>\$ 82,581</b>	<b>\$ 12,196</b>	<b>\$ 94,777</b>
<b>Total OPEB liability:</b>			
Total OPEB liability	\$ 2,617,787	\$ 356,420	\$ 2,974,207
<b>Total OPEB liability</b>	<b>\$ 2,617,787</b>	<b>\$ 356,420</b>	<b>\$ 2,974,207</b>
<b>Deferred inflows of Resources:</b>			
Difference between expected and actual experience	\$ 193,334	\$ 29,652	\$ 222,986
<b>Total deferred inflows of resources</b>	<b>\$ 193,334</b>	<b>\$ 29,652</b>	<b>\$ 222,986</b>
<b>OPEB Expense</b>	<b>\$ 45,765</b>	<b>\$ 6,231</b>	<b>\$ 51,996</b>

**B. General Information about OPEB**

**Plan Description**

Employees of the Miscellaneous bargaining group and other non-represented employees, who retire from the City with ten years or more of contiguous City service, are eligible for a Post-Retirement Health Benefit for themselves and spouse or child or children. This benefit is finite in nature and provides for the cost of benefits for one year only. This cost is computed at the rate of the current health care premiums and the current dental premiums, in place at the time of retirement.



**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 12 – Other Postemployment Benefits (Continued)**

***B. General Information about OPEB (Continued)***

*Eligibility*

Employees become eligible to retire under PEMHCA and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The City has selected the unequal contribution method, where it contributes a percent of the amount paid for actives to its eligible retirees. The percent increases each year until the City's contribution for retirees eventually equals that for similarly stated active employees. The City currently covers 100% of the cost of medical coverage for active employees and their dependents up to, but not exceeding, the dollar amount of the family premium for the lowest cost HMO.

Membership in the plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Active employees	252
Transferred and terminated employees	-
Retired employees and beneficiaries	19
Total	<u>271</u>

*Contributions*

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The City Council has established a policy of funding the actuarially determined contribution (ADC) on a pay as you go basis. For the fiscal year ended June 30, 2019, the City's average contribution rate was 2.41 % of covered-employee payroll. Employees are not required to contribute to the plan.

***C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

*Total OPEB Liability*

The City's total OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability at June 30, 2019 was \$2,974,207.

*Actuarial Assumptions*

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	3.62%
Inflation	3.00%
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 1997-2011 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2014
Healthcare Trend Rate	6.0% for 2018; 5.9% for 2019 and decreasing by .01% per year to 5.0% for 2028 and later years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2018.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 12 – Other Postemployment Benefits (Continued)**

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

Discount Rate

The discount rate used to measure the total OPEB liability was 3.62% percent. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

Change in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balance at June 30, 2017	\$ 3,169,504
Changes Recognized for the Measurement Period:	
Service Cost	196,158
Interest on the total OPEB liability	97,813
Changes of benefit terms	(219,769)
Difference between expected and actual experience	74,529
Changes of assumptions	(254,393)
Benefit payments	(89,635)
Net Changes during July 1, 2017 to June 30, 2018	(195,297)
Balance at June 30, 2018 (Measurement Date)	\$ 2,974,207

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current discount rate:

<b>Plan's Total OPEB Liability</b>		
Discount Rate - 1% (2.62%)	Current Discount Rate (3.62%)	Discount Rate + 1% (4.62%)
\$ 3,347,249	\$ 2,974,207	\$ 2,650,868

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<b>Plan's Total OPEB Liability</b>		
-1%	Healthcare Cost Trend Rates	1%
\$ 2,585,737	\$ 2,974,207	\$ 3,442,168

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 12 – Other Postemployment Benefits (Continued)**

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$297,342. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (222,986)
Changes of assumptions	65,328	-
Employer contributions made subsequent to the measurement date	29,449	-
Total	<u>\$ 94,777</u>	<u>\$ (222,986)</u>

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 10 years, which was determined as of June 30, 2018, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

Amount reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2020	\$ (22,206)
2021	(22,206)
2022	(22,206)
2023	(22,206)
2024	(22,206)
Thereafter	(46,628)
	<u>\$ (157,658)</u>

**Note 13 – Deferred Compensation Plan**

**A. City**

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan was amended so that the assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Since the plan assets are administered by an outside party and not subject to the claims of the City's general creditors, their assets and related liabilities are not on the City's financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 13 – Deferred Compensation Plan (Continued)**

**B. Component Unit**

The Housing Authority offers all of its full-time employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan permits employees to defer a portion of their current salary until future years. Participating employees may begin to receive the balance of their deferred compensation account upon termination, retirement, death, or emergency. Employees may also borrow against their deferred compensation account while employed (up to 50% of the current balance) under the deferred compensation loan program. Employees direct the investment of Plan assets into certificates of deposits and various mutual funds. The Housing Authority has insignificant administrative duties.

**Note 14 – Service Concession Agreement**

On October 7, 2009, the City entered into an operation and management lease agreement (Agreement) with the Sierra Golf Management, Inc. (SGM), under which SGM will operate and collect user fees from the Madera Municipal Golf Course for the five years with an additional five years extension of the Agreement. SGM will pay the City installment payment over the course of the Agreement; the present value of these installment payments is \$130,000. SGM will also pay a “per round” rate that establishes an initial rate of \$1.00 per round but increases in later years. SGM is required to operate and maintain the golf course in accordance with the Agreement. The City reports the golf course and related equipment as capital assets with a carrying amount of \$2,028,861 at year-end, and reported a receivable and deferred inflow of resources in the amount of \$213,333 at year-end pursuant to the service concession arrangement.

**Note 15 – Other Required Disclosures**

**A. Deficit Fund Balances/Net Position**

At June 30, 2019, the Governmental Activities Statement of Net Position had an unrestricted net position deficit of \$(12,968,431).

At June 30, 2019, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

<b>Fund</b>	<b>Fund Type</b>	<b>Deficit</b>
Facilities Maintenance	Internal Service	\$ 1,037,972
Technology	Internal Service	386,364

**B. Expenditures Exceeding Appropriations**

For the year ended June 30, 2019, expenditures exceeded appropriations in the following functions of the General Fund and Supplemental Law Enforcement Special Revenue Fund:

<b>Fund</b>	<b>Function</b>	<b>Excess Expenditures over Appropriations</b>
General Fund	Community development	\$ 144,867
Supplemental Law Enforcement Special Revenue Fund	Debt service: interest and fiscal charges	1,153

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 16 – Fund Balance Classification**

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2019:

	General Fund	General Development Impact Fee Fund	Special Gas Tax Fund	Non-major Governmental Funds	Total
<b>Nonspendable</b>					
Prepaid items	\$ 58,395	\$ -	\$ -	\$ 27	\$ 58,422
Inventories	58,825	-	-	-	58,825
Advances to other funds	85,681	-	-	-	85,681
<b>Total nonspendable</b>	<b>202,901</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>202,928</b>
<b>Restricted</b>					
Community development	-	-	-	11,267,655	11,267,655
Park development	-	-	-	104,975	104,975
Parking improvements	-	-	-	96,794	96,794
Public works and transportation	-	-	13,711,930	28,379	13,740,309
Special assessment project	-	-	-	423,211	423,211
Public protection	-	-	-	91,523	91,523
Capital projects and improvements	4,500,000	13,153,285	-	499,751	18,153,036
Debt service	434,403	-	-	-	434,403
<b>Total restricted</b>	<b>4,934,403</b>	<b>13,153,285</b>	<b>13,711,930</b>	<b>12,512,288</b>	<b>44,311,906</b>
<b>Committed</b>					
General Fund stabilization reserve	9,763,246	-	-	-	9,763,246
Measure K - Police/Fire Protection	720,000	-	-	-	720,000
<b>Total committed</b>	<b>10,483,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,483,246</b>
<b>Assigned</b>					
Golf course capital	20,000	-	-	-	20,000
OPEB liability	97,339	-	-	-	97,339
Insurance reserve	2,627,964	-	-	-	2,627,964
Measure K - Police/Fire Protection	2,783,511	-	-	-	2,783,511
<b>Total assigned</b>	<b>5,528,814</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,528,814</b>
<b>Unassigned</b>	<b>3,049,282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,049,282</b>
<b>Total fund balances</b>	<b>\$ 24,198,646</b>	<b>\$ 13,153,285</b>	<b>\$ 13,711,930</b>	<b>\$ 12,512,315</b>	<b>\$ 63,576,176</b>

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 17 – Prior Period Adjustments**

**A. Government-Wide Financial Statements**

The City recorded the following prior period adjustments to the beginning net position of the Government-Wide Financials Statements in order to adjust notes receivable and record accounting change for Internal Service Funds in the amount of \$970,387, to record a correction for capital assets in the amount of \$359,827, and to record the overpayment of sales tax in the amount of \$365,780.

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Net position, as previously reported, at July 1, 2018	\$ 203,019,608	\$ 75,508,769	\$ 278,528,377
To record accounting change for Internal Service Funds	(970,387)	970,387	-
To record correction for capital assets	(359,827)	-	(359,827)
To record correction for sales tax overpayment	(365,780)	-	(365,780)
Net position at July 1, 2018, as restated	<u>\$ 201,323,614</u>	<u>\$ 76,479,156</u>	<u>\$ 277,802,770</u>

**B. Governmental Fund Financial Statements**

The City recorded the following prior period adjustments to the beginning fund balance of the General Fund to record the overpayment of sales tax in the amount of \$365,780.

	<b>General Fund</b>
Fund balance, as previously reported, at July 1, 2018	\$ 18,048,348
To record correction for sales tax overpayment	(365,780)
Fund balance at July 1, 2018, as restated	<u>17,682,568</u>

**Note 18 – Commitments and Contingencies**

**A. Litigation**

The City is currently a party to various claims and legal proceedings. Although the outcome of these lawsuits is not presently determinable, it is management's opinion that the ultimate liabilities, if any, resulting from such claims and proceedings will not materially affect the financial position of the City.

**B. Contingent Liabilities**

On March 1, 1993, the City issued Certificates of Participation in the aggregate of \$10,250,000 for the benefit of Madera Community Hospital (Hospital), a California nonprofit public benefit corporation. The Hospital is not included in the City's reporting entity. The City is obligated to make the purchase payments only from and to the extent that it receives revenue from the Hospital. They are not secured by any pledge of taxes or other revenues of the City. In addition, the purchase payments are insured by the Office of Statewide Health Planning and Development of the State of California. As of June 30, 2019, the City has not recorded revenues from the Hospital.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 18 – Commitments and Contingencies (Continued)**

**C. Federal and State Grants**

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

**D. Contractual Commitments**

The City has active construction projects as of June 30, 2019. At year-end, the City's major contractual commitments are as follows:

	<b>Contract Amount</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
New Fire Station	\$ 6,568,364	\$ 608,333	\$ 5,960,032
Water System Condition Assessment/Rehab	295,000	131,747	163,253
Sewer System Assessment/Rehab	320,320	119,351	200,969
Sewer Video Inspection Assessment	536,000	369,550	166,450
Sewer Main Installations Various Locations	650,736	84,194	566,542
Downtown Main Street Study	219,349	28,900	190,449
New Transit Facility	3,838,500	1,740,672	2,097,828
WWTP Essential Repairs & Replacements	5,239,741	4,535,265	704,476
New Northeast Water Tank	276,291	149,546	126,745
Total	<u>\$ 17,944,301</u>	<u>\$ 7,767,558</u>	<u>\$ 10,176,743</u>

In addition, the City has various contracts with developers for the cost of public improvements made through construction of new developments within the City. The agreements are for the reimbursement of reasonable costs for the construction of public improvements within the planned developments. The City agrees to reimburse developers for the City's proportionate share of the costs of improvements as determined by the City Engineer. The City will not reimburse any expenses beyond the actual and reasonable costs of installing the improvements.

**E. Encumbrances**

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically re-appropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2019 amounted to \$ 1,321,866.

**City of Madera**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 19 – Subsequent Events**

*2019 HVAC Systems and LED Streetlights Capital Lease*

On December 18, 2019 the City Council authorized a lease/purchase agreement, not to exceed \$20,000,000 for the acquisition, purchase, financing and leasing of certain equipment related to solar energy, new HVAC systems and LED streetlights. The funding was provided by Banc of America, with a 20-year term with a 2.77% interest rate.

*2020 Series Water Revenue Refunding Bonds*

On December 18, 2019 the City Council authorized the refunding of the 2010 Water Revenue Bonds in an amount not to exceed \$9,500,000. The Council approved a private placement with Opus Bank at 2.64%, maturing March 1, 2037. Estimated annual savings is \$143,032.

*COVID-19*

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be reasonably estimated at this time.



## **REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Madera**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Information**  
**For the Year Ended June 30, 2019**

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**Budgetary Information**

The City adheres to the following general procedures in establishing its annual budget, which is reflected in the accompanying schedules:

- Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General, Special Revenue and Debt Service Funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.
- Reported budget amounts represent the original legally adopted budget as amended. Individual amendments were not material in relation to the original adopted budget amounts. The City Council may amend the budget to increase appropriations only by a duly adopted minute resolution during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution. Management can transfer, without City Council approval, budgeted amounts provided they do not increase or decrease total fund appropriations adopted by the City Council.
- Unexpended budgeted amounts lapse at the end of the budget year. Spending control for the fund is established by the amount of expenditures budgeted for the fund, but management control is exercised at the budgetary line item levels.
- Expenditures may not legally exceed overall budgeted appropriations.
- The budgets of the City's capital projects are primarily "long-term" budgets which emphasize major programs and capital outlay plans extending over a number of fiscal periods. Therefore, no budget-to-actual schedules are presented for Capital Projects Funds.

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – General Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Property taxes	\$ 3,692,000	\$ 3,692,000	\$ 3,926,470	\$ 234,470
Sales and use taxes	12,400,000	12,536,000	13,399,196	863,196
Other taxes	1,478,950	1,478,950	1,679,229	200,279
Use of money and property	499,821	499,821	1,583,462	1,083,641
Franchise fees	695,000	695,000	649,666	(45,334)
Licenses and permits	1,002,500	1,002,500	1,322,830	320,330
Fines and forfeitures	482,000	482,000	582,208	100,208
Intergovernmental	6,789,474	6,836,145	7,134,588	298,443
Charges for services	1,283,297	1,283,297	1,213,159	(70,138)
Miscellaneous	905,317	950,317	983,646	33,329
<b>Total revenues</b>	<b>29,228,359</b>	<b>29,456,030</b>	<b>32,474,454</b>	<b>3,018,424</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,071,253	3,698,956	2,989,038	709,918
Public protection	17,534,294	17,582,350	16,959,196	623,154
Social services	219,054	225,725	192,633	33,092
Public ways and facilities	2,104,003	2,133,138	1,799,770	333,368
Community development	3,664,547	3,677,942	3,822,809	(144,867)
Culture and recreation	3,821,169	3,891,222	3,419,300	471,922
Capital outlay	2,700,617	9,591,473	3,110,818	6,480,655
Debt Service:				
Principal	526,460	526,460	414,460	112,000
Interest and fiscal charges	42,992	42,992	41,992	1,000
<b>Total expenditures</b>	<b>33,684,389</b>	<b>41,370,258</b>	<b>32,750,016</b>	<b>8,620,242</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,456,030)</b>	<b>(11,914,228)</b>	<b>(275,562)</b>	<b>11,638,666</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	5,000	5,000	16,518	11,518
Proceeds from issuance of long-term debt	-	4,005,000	4,005,000	-
Premium on bond issuance	-	648,613	648,613	-
Cost of issuance	-	(153,613)	(153,613)	-
Transfers in	4,150,042	4,150,042	2,573,926	(1,576,116)
Transfers out	(1,057,742)	(1,057,742)	(298,804)	(758,938)
<b>Total other financing sources (uses)</b>	<b>3,097,300</b>	<b>7,597,300</b>	<b>6,791,640</b>	<b>(2,323,536)</b>
<b>Net change in fund balance</b>	<b>\$ (1,358,730)</b>	<b>\$ (4,316,928)</b>	<b>6,516,078</b>	<b>\$ 10,833,006</b>
<b>FUND BALANCE:</b>				
Beginning of year, as restated (Note 17)			17,682,568	
End of year			<u>\$ 24,198,646</u>	

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – General Development Impact Fee Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Use of money and property	\$ 109,730	\$ 109,730	\$ 158,536	\$ 48,806
Charges for services	1,881,300	1,881,300	2,036,369	155,069
<b>Total revenues</b>	<u>1,991,030</u>	<u>1,991,030</u>	<u>2,194,905</u>	<u>203,875</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	308,680	1,768,732	3,153	1,765,579
Capital outlay	2,337,598	5,872,667	1,671,571	4,201,096
<b>Total expenditures</b>	<u>2,646,278</u>	<u>7,666,399</u>	<u>1,685,239</u>	<u>5,981,160</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(655,248)</u>	<u>(5,675,369)</u>	<u>509,666</u>	<u>6,185,035</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(584,277)	(584,277)	(584,277)	-
<b>Total other financing sources (uses)</b>	<u>(584,277)</u>	<u>(584,277)</u>	<u>(584,277)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (1,239,525)</u>	<u>\$ (6,259,646)</u>	<u>(74,611)</u>	<u>\$ 6,185,035</u>
<b>FUND BALANCE:</b>				
Beginning of year			13,227,896	
End of year			<u>\$ 13,153,285</u>	

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – Special Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 227,331	\$ 227,331
Intergovernmental	6,425,579	6,425,579	7,623,871	1,198,292
<b>Total revenues</b>	<u>6,425,579</u>	<u>6,425,579</u>	<u>7,851,202</u>	<u>1,425,623</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	873,026	6,854,286	1,071,442	5,782,844
Capital outlay	3,214,126	4,449,241	1,493,909	2,955,332
<b>Total expenditures</b>	<u>4,087,152</u>	<u>11,303,527</u>	<u>2,565,351</u>	<u>8,738,176</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,338,427</u>	<u>(4,877,948)</u>	<u>5,285,851</u>	<u>10,163,799</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,432,470)	(2,432,470)	(1,280,468)	(1,152,002)
<b>Total other financing sources (uses)</b>	<u>(2,432,470)</u>	<u>(2,432,470)</u>	<u>(1,280,468)</u>	<u>(1,152,002)</u>
<b>Net change in fund balance</b>	<u>\$ (94,043)</u>	<u>\$ (7,310,418)</u>	<u>4,005,383</u>	<u>\$ 11,315,801</u>
<b>FUND BALANCE:</b>				
Beginning of year			9,706,547	
End of year			<u>\$ 13,711,930</u>	

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2019**

<b>City Miscellaneous Plan</b>					
	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14<sup>1</sup></b>
<b>Total Pension Liability</b>					
Service cost	\$ 2,074,876	\$ 1,857,394	\$ 1,556,770	\$ 1,515,655	\$ 1,562,632
Interest on total pension liability	5,940,862	5,651,202	5,352,560	5,085,808	4,865,000
Differences between expected and actual experience	1,082,691	1,184,077	337,609	(269,941)	-
Changes in assumptions	(647,285)	4,531,204	-	(1,189,492)	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(4,125,431)	(3,877,650)	(3,532,833)	(3,412,481)	(3,247,986)
<b>Net change in total pension liability</b>	<b>4,325,713</b>	<b>9,346,227</b>	<b>3,714,106</b>	<b>1,729,549</b>	<b>3,179,646</b>
<b>Total pension liability - beginning</b>	<b>83,678,860</b>	<b>74,332,633</b>	<b>70,618,527</b>	<b>68,888,978</b>	<b>65,709,332</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 88,004,573</b>	<b>\$ 83,678,860</b>	<b>\$ 74,332,633</b>	<b>\$ 70,618,527</b>	<b>\$ 68,888,978</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	2,395,891	\$ 2,329,046	\$ 1,948,033	\$ 1,603,067	\$ 1,465,153
Contributions - employee	858,755	829,670	775,135	705,875	787,068
Investment income (net of administrative expenses)	4,851,004	5,795,462	282,173	1,164,130	7,962,241
Benefit payments	(4,125,431)	(3,877,650)	(3,532,833)	(3,412,481)	(3,247,986)
Plan to plan resources	(140)	(1,724)	394	-	-
Other	(258,000)	(76,926)	(32,095)	(59,277)	(55,556)
<b>Net change in plan fiduciary net position</b>	<b>3,722,079</b>	<b>4,997,878</b>	<b>(559,193)</b>	<b>1,314</b>	<b>6,910,920</b>
<b>Plan fiduciary net position - beginning</b>	<b>57,100,351</b>	<b>52,102,473</b>	<b>52,661,666</b>	<b>52,660,352</b>	<b>45,749,432</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 60,822,430</b>	<b>\$ 57,100,351</b>	<b>\$ 52,102,473</b>	<b>\$ 52,661,666</b>	<b>\$ 52,660,352</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 27,182,143</b>	<b>\$ 26,578,509</b>	<b>\$ 22,230,160</b>	<b>\$ 17,956,861</b>	<b>\$ 16,228,626</b>
Plan fiduciary net position as a percentage of the total pension liability	69.11%	68.24%	70.09%	74.57%	76.44%
Covered payroll	\$ 11,429,341	\$ 10,780,620	\$ 9,754,797	\$ 8,841,088	\$ 8,601,515
Net pension liability as a percentage of covered payroll	237.83%	246.54%	227.89%	203.11%	188.67%

**Notes to Schedule:**

**Benefit changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years of Additional Service Credit (a.k.a. Golden Handshakes).

**Changes of Assumptions:** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2019**

	<b>City Safety Plan</b>				
Measurement period, year ended	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2014<sup>1</sup></b>
Plan's proportion of the net pension liability	0.3191438%	0.314800%	0.324000%	0.340000%	0.337500%
Plan's proportionate share of the net pension liability	\$ 18,725,928	\$ 18,807,385	\$ 16,778,473	\$ 14,009,122	\$ 12,759,288
Plan's covered payroll	\$ 4,574,668	\$ 4,428,574	\$ 4,211,168	\$ 3,797,547	\$ 3,916,737
Plan's proportionate share of the net pension liability as a percentage of covered payroll	409.34%	424.68%	398.43%	368.90%	325.76%
Plan's fiduciary net position	\$ 15,271,896	\$ 15,233,189	\$ 14,686,614	\$ 15,896,118	\$ 17,279,507
Plan's fiduciary net position as a percentage of the total pension liability	44.92%	44.75%	46.68%	53.15%	57.52%
Plan's proportionate share of aggregate employer contributions	\$ 4,574,668	\$ 4,428,574	\$ 4,211,168	\$ 3,797,547	\$ 3,916,737

**Notes to Schedule:**

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.



**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2019**

**Component Unit - Miscellaneous Plan**

Measurement period, year ended	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> <sup>1</sup>
Plan's proportion of the net pension liability	0.0844000%	0.0821000%	0.0828000%	0.0881000%	0.0786000%
Plan's proportionate share of the net pension liability	\$ 3,179,336	\$ 3,235,424	\$ 2,875,227	\$ 2,416,697	\$ 1,966,014
Plan's covered pay roll	\$ 1,270,009	\$ 1,140,725	\$ 1,043,730	\$ 982,585	\$ 1,108,052
Plan's proportionate share of the net pension liability as a percentage of covered payroll	250.34%	283.63%	275.48%	245.95%	177.43%
Plan's fiduciary net position	\$ 6,579,986	\$ 5,930,422	\$ 6,264,351	\$ 6,281,657	\$ 5,399,644
Plan's fiduciary net position as a percentage of the total pension liability	67.42%	64.70%	68.54%	72.22%	73.31%
Plan's proportionate share of aggregate employer contributions	\$ 268,409	\$ 238,140	\$ 257,128	\$ 203,184	\$ 239,779

**Notes to Schedule:**

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions - Pension**  
**For the Year Ended June 30, 2019**

	<b>City Miscellaneous Plan</b>					
	<b>2018-19 <sup>1</sup></b>	<b>2017-18 <sup>1</sup></b>	<b>2016-17 <sup>1</sup></b>	<b>2015-16 <sup>1</sup></b>	<b>2014-15 <sup>1</sup></b>	<b>2013-14 <sup>1</sup></b>
Actuarially determined contribution	\$ 2,610,313	\$ 2,395,891	\$ 2,329,046	\$ 1,948,033	\$ 1,603,067	\$ 1,397,058
Contributions in relation to the actuarially determined contributions <sup>2</sup>	(2,610,313)	(2,395,891)	(2,329,046)	(1,948,033)	(1,603,067)	(1,397,058)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 11,772,221	\$ 11,429,341	\$ 10,780,624	\$ 9,754,797	\$ 8,841,088	\$ 8,601,515
Contributions as a percentage of covered payroll	22.17%	20.96%	21.60%	19.97%	18.13%	16.24%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

**Notes to Schedule**

Valuation date: 6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were from the June 30, 2015 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2015 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions – Pension (Continued)**  
**For the Year Ended June 30, 2019**

	City Safety Plan					
	2018-19 <sup>1</sup>	2017-18 <sup>1</sup>	2016-17 <sup>1</sup>	2015-16 <sup>1</sup>	2014-15 <sup>1</sup>	2013-14 <sup>1</sup>
Actuarially determined contribution	\$ 2,197,168	\$ 1,942,249	\$ 1,806,992	\$ 1,650,502	\$ 1,388,656	\$ 1,405,797
Contributions in relation to the actuarially determined contributions <sup>2</sup>	(2,197,168)	(1,942,249)	(1,806,992)	(1,650,502)	(1,388,656)	(1,405,797)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 4,711,908	\$ 4,574,668	\$ 4,428,574	\$ 4,211,168	\$ 3,797,547	\$ 3,916,737
Contributions as a percentage of covered payroll	46.63%	42.46%	40.80%	39.19%	33.87%	45.94%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

**Notes to Schedule**

Valuation date: 6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were from the June 30, 2015 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2015 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions – Pension (Continued)**  
**For the Year Ended June 30, 2019**

	<b>Component Unit - Miscellaneous Plan</b>					
	<b>2018-19 <sup>1</sup></b>	<b>2017-18 <sup>1</sup></b>	<b>2016-17 <sup>1</sup></b>	<b>2015-16 <sup>1</sup></b>	<b>2014-15 <sup>1</sup></b>	<b>2013-14 <sup>1</sup></b>
Actuarially determined contribution	\$ 302,136	\$ 268,409	\$ 238,140	\$ 257,128	\$ 203,184	\$ 239,779
Contributions in relation to the actuarially determined contributions <sup>2</sup>	(302,136)	(268,409)	(238,140)	(257,128)	(203,184)	(239,779)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 1,280,623	\$ 1,270,009	\$ 1,140,725	\$ 1,043,730	\$ 982,585	\$ 1,108,052
Contributions as a percentage of covered payroll	23.59%	21.13%	20.88%	24.64%	33.87%	45.94%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

**Notes to Schedule**

Valuation date: 6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2015 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**City of Madera**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2019**

Measurement period, year ending:	6/30/2018	6/30/2017 <sup>1</sup>
<b>Total OPEB liability</b>		
Service cost	\$ 196,158	\$ 165,796
Interest	97,813	92,870
Changes of benefit terms	(219,769)	
Differences between expected and actual experience	74,529	-
Changes of assumptions	(254,393)	-
Benefit payments, including refunds of member contributions	(89,635)	(111,633)
<b>Net change in total OPEB liability</b>	<b>(195,297)</b>	<b>147,033</b>
<b>Total OPEB liability - beginning</b>	<b>3,169,504</b>	<b>3,022,471</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 2,974,207</b>	<b>\$ 3,169,504</b>
<b>OPEB fiduciary net position</b>		
Contributions - employer	\$ 89,635	\$ 111,633
Net investment income	-	-
Benefit payments, including refunds of member contributions	(89,635)	(111,633)
Administrative expense	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<b>\$ 2,974,207</b>	<b>\$ 3,169,504</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered-employee payroll</b>	<b>\$ 13,752,967</b>	<b>\$ 13,352,395</b>
<b>Plan net OPEB liability as a percentage of covered-employee payroll</b>	<b>21.63%</b>	<b>23.74%</b>

<sup>1</sup> Information only presented from the implementation year

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## **SUPPLEMENTARY INFORMATION**

## Non-Major Governmental Funds

### **Special Revenue Funds:**

***Business Improvement District Fund*** - This fund is used to account for the City's efforts of the Business Improvement District (BID) to promote commerce in downtown Madera.

***Park Development Fund*** - This fund is used for park land acquisition and development. Principal revenue sources are parks acquisition and development fees collected from developers and state revenues for park development.

***Parking District Fund*** - This fund is used to support the activities of the City's Parking Enforcement Office. This non-sworn officers patrols a designated area in Madera's downtown and issues citations to motorists who violate the City's vehicle ordinances.

***Federal Aid Urban Fund*** - This fund is used to report various federal grants awarded to the City by the Federal government not otherwise accounted for in the General Fund or Capital Projects funds. A detailed report by program is available under a separate report meeting the criteria of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for all federal grants received by the City

***Street Construction Fund*** - This fund is used to account for right-of-way acquisition, construction, and improvements related to the City's street system. These projects are funded by various state and federal programs and matching City funds.

***Landscape Assessment Fund*** - This fund is used to account for funds received from the landscaping assessment districts to provide for alternative sources of funding for maintenance and service of landscaping located within the public areas of the assessment districts.

***Supplemental Law Enforcement Fund*** - This fund is used to account for revenues and expenditures associated with front line law enforcement and municipal police services.

***Intermodal Building Fund*** - This fund is used to account for for the operation and maintenance of the intermodal building facility for use by the City and its tenants. The Intermodal Facility currently houses the MAX system, the Greyhound Bus terminal, and Madera Cab Co. This facility relies solely on grants and collects rent to fund its operations so this budget does not impact the General Fund.

***Economic Development Fund*** - This fund is used to account for revenues and expenditures related to programs and projects funded with Economic Development grant proceeds.

***Residential Rehab Fund*** - This fund is used to account for revenues and expenditures related to the City's Downpayment Assistance Program (DAP) which assists low-income residents purchase their first homes and the Owner Occupied Rehabilitation (OOR) program that helps existing low-income homeowners to make health and safety repairs to their homes.

***Low and Moderate Income Housing Fund*** - This fund is used to account for balance of the former low and moderate income housing funds of the former Madera Redevelopment Agency and revenues and expenditures related to such housing projects and programs.

***Community Facilities Districts (CFD) Fund*** - This fund is used to account for bond and annual tax assessments proceeds to be used for the construction and implementation of off-site infrastructure improvements. In addition, the Fund accounts for services and administration assessments received annually.



## **Non-Major Governmental Funds (Continued)**

### **Debt Service Funds:**

*Park Facilities Fund* - This fund was established to account for the debt service payments for the Youth Center and other park-related debt obligations.

### **Capital Projects Funds:**

*Streets and Roads Fund* - This fund is used to account for right-of-way acquisition, construction, and improvements related to the City's street system. These projects are funded by various state and federal programs and matching City funds.

**City of Madera**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2019**

	Special Revenue				
	Business Improvement District	Park Development	Parking District	Federal Aid Urban	Street Construction
<b>ASSETS</b>					
Cash and investments	\$ 5,280	\$ 104,974	\$ 92,963	\$ 47,864	\$ 236,912
Accounts receivable, net	2,101	134,571	5,855	203,378	322,176
Notes receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	-	-
<b>Total assets</b>	<u>\$ 7,381</u>	<u>\$ 239,545</u>	<u>\$ 98,818</u>	<u>\$ 251,242</u>	<u>\$ 559,088</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 5,309	\$ 134,570	\$ 2,024	\$ 34,977	\$ 59,337
Salaries payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits payable	-	-	-	-	-
<b>Total liabilities</b>	<u>5,309</u>	<u>134,570</u>	<u>2,024</u>	<u>34,977</u>	<u>59,337</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	2,072	104,975	96,794	216,265	499,751
<b>Total fund balances</b>	<u>2,072</u>	<u>104,975</u>	<u>96,794</u>	<u>216,265</u>	<u>499,751</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 7,381</u>	<u>\$ 239,545</u>	<u>\$ 98,818</u>	<u>\$ 251,242</u>	<u>\$ 559,088</u>

(Continued)

**City of Madera**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2019**

	Special Revenue				
	Landscape Assessment	Supplemental Law Enforcement	Intermodal Building	Economic Development	Residential Rehab
<b>ASSETS</b>					
Cash and investments	\$ 411,677	\$ 55,794	\$ 51,604	\$ 448,865	\$ 603,217
Accounts receivable, net	11,615	106,312	17,817	-	-
Notes receivable	-	-	-	-	7,996,577
Prepaid items	-	-	27	-	-
Land held for resale	-	-	-	-	-
<b>Total assets</b>	<u>\$ 423,292</u>	<u>\$ 162,106</u>	<u>\$ 69,448</u>	<u>\$ 448,865</u>	<u>\$ 8,599,794</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 81	\$ 14,271	\$ 935	\$ -	\$ -
Salaries payable	-	-	53	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	40,054	-	-
Deposits payable	-	-	-	-	-
<b>Total liabilities</b>	<u>81</u>	<u>14,271</u>	<u>41,042</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	56,312	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>56,312</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	27	-	-
Restricted	423,211	91,523	28,379	448,865	8,599,794
<b>Total fund balances</b>	<u>423,211</u>	<u>91,523</u>	<u>28,406</u>	<u>448,865</u>	<u>8,599,794</u>
<b>Total liabilities deferred inflows of resources, and fund balances</b>	<u>\$ 423,292</u>	<u>\$ 162,106</u>	<u>\$ 69,448</u>	<u>\$ 448,865</u>	<u>\$ 8,599,794</u>

(Continued)

**City of Madera**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2019**

	Special Revenue		Debt Service	Capital Projects	
	Low and Moderate Income Housing	Community Facilities Districts	Park Facilities	Streets and Roads	Total Other Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 1,101,990	\$ 262,004	\$ -	\$ 45,535	\$ 3,468,679
Accounts receivable, net	13,041	34,632	-	-	851,498
Notes receivable	7,000	-	-	-	8,003,577
Prepaid items	-	-	-	-	27
Land held for resale	670,000	-	-	-	670,000
<b>Total assets</b>	<b>\$ 1,792,031</b>	<b>\$ 296,636</b>	<b>\$ -</b>	<b>\$ 45,535</b>	<b>\$ 12,993,781</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,342	\$ 155	\$ -	\$ -	\$ 254,001
Salaries payable	-	-	-	-	53
Due to other funds	24,121	-	-	-	24,121
Unearned revenue	-	106,851	-	-	146,905
Deposits payable	74	-	-	-	74
<b>Total liabilities</b>	<b>26,537</b>	<b>107,006</b>	<b>-</b>	<b>-</b>	<b>425,154</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	56,312
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,312</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	27
Restricted	1,765,494	189,630	-	45,535	12,512,288
<b>Total fund balances</b>	<b>1,765,494</b>	<b>189,630</b>	<b>-</b>	<b>45,535</b>	<b>12,512,315</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,792,031</b>	<b>\$ 296,636</b>	<b>\$ -</b>	<b>\$ 45,535</b>	<b>\$ 12,993,781</b>

(Concluded)

**City of Madera**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue				
	Business Improvement District	Park Development	Parking District	Federal Aid Urban	Street Construction
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Use of money and property	-	-	-	-	-
Fines and forfeitures	-	-	9,090	-	-
Intergovernmental	-	134,571	-	245,761	853,521
Charges for services	23,320	-	20,888	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>23,320</b>	<b>134,571</b>	<b>29,978</b>	<b>245,761</b>	<b>853,521</b>
<b>EXPENDITURES:</b>					
Current:					
General government	22,548	-	21,324	-	-
Public protection	-	-	-	-	-
Public ways and facilities	-	-	-	301,361	889
Community development	-	-	-	-	-
Capital outlay	-	163,553	-	17,054	345,220
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>22,548</b>	<b>163,553</b>	<b>21,324</b>	<b>318,415</b>	<b>346,109</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>772</b>	<b>(28,982)</b>	<b>8,654</b>	<b>(72,654)</b>	<b>507,412</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(8,014)	-	(512,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(8,014)</b>	<b>-</b>	<b>(512,000)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>772</b>	<b>(28,982)</b>	<b>640</b>	<b>(72,654)</b>	<b>(4,588)</b>
<b>FUND BALANCES:</b>					
Beginning of year	1,300	133,957	96,154	288,919	504,339
End of year	\$ 2,072	\$ 104,975	\$ 96,794	\$ 216,265	\$ 499,751

(Continued)

**City of Madera**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue				
	Landscape Assessment	Supplemental Law Enforcement	Intermodal Building	Economic Development	Residential Rehab
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	401,982	-	-	-	-
Use of money and property	-	824	-	4,989	72,501
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	151,969	53,305	-	182,858
Charges for services	-	-	29,253	-	-
Miscellaneous	-	-	-	-	38,628
<b>Total revenues</b>	<b>401,982</b>	<b>152,793</b>	<b>82,558</b>	<b>4,989</b>	<b>293,987</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	37,893	-	-
Public protection	-	237,690	-	-	-
Public ways and facilities	391,981	-	44,467	-	-
Community development	-	-	-	16,312	55,741
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	33,701	-	-	-
Interest and fiscal charges	-	1,153	-	-	-
<b>Total expenditures</b>	<b>391,981</b>	<b>272,544</b>	<b>82,360</b>	<b>16,312</b>	<b>55,741</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>10,001</b>	<b>(119,751)</b>	<b>198</b>	<b>(11,323)</b>	<b>238,246</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(244)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(244)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>10,001</b>	<b>(119,751)</b>	<b>(46)</b>	<b>(11,323)</b>	<b>238,246</b>
<b>FUND BALANCES:</b>					
Beginning of year	413,210	211,274	28,452	460,188	8,361,548
End of year	<u>\$ 423,211</u>	<u>\$ 91,523</u>	<u>\$ 28,406</u>	<u>\$ 448,865</u>	<u>\$ 8,599,794</u>

(Continued)

**City of Madera**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue		Debt Service	Capital Projects	
	Low and Moderate Income Housing	Community Facilities Districts	Park Facilities	Streets and Roads	Total Other Governmental Funds
<b>REVENUES:</b>					
Property taxes	\$ -	\$ 406,169	\$ -	\$ -	\$ 406,169
Other taxes	-	-	-	-	401,982
Use of money and property	29,643	1,658	-	-	109,615
Fines and forfeitures	-	-	-	-	9,090
Intergovernmental	-	-	-	-	1,621,985
Charges for services	-	-	-	-	73,461
Miscellaneous	26,703	-	-	-	65,331
<b>Total revenues</b>	<b>56,346</b>	<b>407,827</b>	<b>-</b>	<b>-</b>	<b>2,687,633</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	4,907	-	-	86,672
Public protection	-	-	-	-	237,690
Public ways and facilities	-	-	-	620,833	1,359,531
Community development	111,964	-	-	-	184,017
Capital outlay	-	-	-	-	525,827
Debt service:					
Principal	-	-	185,061	-	218,762
Interest and fiscal charges	-	-	9,196	-	10,349
<b>Total expenditures</b>	<b>111,964</b>	<b>4,907</b>	<b>194,257</b>	<b>620,833</b>	<b>2,622,848</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(55,618)</b>	<b>402,920</b>	<b>(194,257)</b>	<b>(620,833)</b>	<b>64,785</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	30,000	-	-	-	30,000
Transfers in	-	-	194,257	-	194,257
Transfers out	-	(308,280)	-	-	(828,538)
<b>Total other financing sources (uses)</b>	<b>30,000</b>	<b>(308,280)</b>	<b>194,257</b>	<b>-</b>	<b>(604,281)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(25,618)</b>	<b>94,640</b>	<b>-</b>	<b>(620,833)</b>	<b>(539,496)</b>
<b>FUND BALANCES:</b>					
Beginning of year	1,791,112	94,990	-	666,368	13,051,811
End of year	<u>\$ 1,765,494</u>	<u>\$ 189,630</u>	<u>\$ -</u>	<u>\$ 45,535</u>	<u>\$ 12,512,315</u>

Concluded

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Business Improvement District Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Use of money and property	\$ 16	\$ 16	\$ -	\$ (16)
Charges for services	29,000	29,000	23,320	(5,680)
<b>Total revenues</b>	<u>29,308</u>	<u>29,308</u>	<u>23,320</u>	<u>(5,988)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	26,979	26,979	22,548	4,431
<b>Total expenditures</b>	<u>26,979</u>	<u>26,979</u>	<u>22,548</u>	<u>4,431</u>
<b>Net change in fund balance</b>	<u>\$ 2,329</u>	<u>\$ 2,329</u>	772	<u>\$ (1,557)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,300</u>	
End of year			<u>\$ 2,072</u>	



**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Park Development Special Revenue Fund**  
**For the Year Ended June 30, 2019**

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$ 134,000	\$ 134,000	\$ 134,571	\$ 571
<b>Total revenues</b>	<u>134,000</u>	<u>134,000</u>	<u>134,571</u>	<u>571</u>
<b>EXPENDITURES:</b>				
Capital outlay	134,000	372,500	163,553	208,947
<b>Total expenditures</b>	<u>134,000</u>	<u>372,500</u>	<u>163,553</u>	<u>208,947</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (238,500)</u>	(28,982)	<u>\$ 209,518</u>
<b>FUND BALANCE:</b>				
Beginning of year			133,957	
End of year			<u>\$ 104,975</u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Parking District Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Fines and forfeitures	\$ 18,000	\$ 18,000	\$ 9,090	\$ (8,910)
Charges for services	24,000	24,000	20,888	(3,112)
<b>Total revenues</b>	<u>42,000</u>	<u>42,000</u>	<u>29,978</u>	<u>(12,022)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	28,205	33,205	21,324	11,881
<b>Total expenditures</b>	<u>28,205</u>	<u>33,205</u>	<u>21,324</u>	<u>11,881</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>13,795</u>	<u>8,795</u>	<u>8,654</u>	<u>(141)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(8,014)	(8,014)	(8,014)	-
<b>Total other financing sources (uses)</b>	<u>(8,014)</u>	<u>(8,014)</u>	<u>(8,014)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 5,781</u>	<u>\$ 781</u>	640	<u>\$ (141)</u>
<b>FUND BALANCE:</b>				
Beginning of year			96,154	
End of year			<u>\$ 96,794</u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Federal Aid Urban Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$ 2,570,290	\$ 2,842,962	\$ 245,761	\$ (2,597,201)
<b>Total revenues</b>	<u>2,570,290</u>	<u>2,842,962</u>	<u>245,761</u>	<u>(2,597,201)</u>
<b>EXPENDITURES:</b>				
Capital outlay	608,590	1,707,590	17,054	1,690,536
<b>Total expenditures</b>	<u>2,570,290</u>	<u>4,089,630</u>	<u>318,415</u>	<u>3,771,215</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (1,246,668)</u>	<u>(72,654)</u>	<u>\$ 1,174,014</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>288,919</u>	
End of year			<u>\$ 216,265</u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Street Construction Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$ 1,090,470	\$ 1,090,470	\$ 853,521	\$ (236,949)
<b>Total revenues</b>	<u>1,090,470</u>	<u>1,090,470</u>	<u>853,521</u>	<u>(236,949)</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	-	25,000	889	24,111
Capital outlay	614,245	3,933,524	345,220	3,588,304
<b>Total expenditures</b>	<u>614,245</u>	<u>3,958,524</u>	<u>346,109</u>	<u>3,612,415</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>476,225</u>	<u>(2,868,054)</u>	<u>507,412</u>	<u>3,375,466</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(512,000)	(512,000)	(512,000)	-
<b>Total other financing sources (uses)</b>	<u>(512,000)</u>	<u>(512,000)</u>	<u>(512,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u><u>\$ (35,775)</u></u>	<u><u>\$ (3,380,054)</u></u>	<u>(4,588)</u>	<u><u>\$ 3,375,466</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			504,339	
End of year			<u><u>\$ 499,751</u></u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Landscape Assessment Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Other taxes	\$ 399,532	\$ 399,532	\$ 401,982	\$ 2,450
<b>Total revenues</b>	<u>399,532</u>	<u>399,532</u>	<u>401,982</u>	<u>2,450</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	491,127	491,127	391,981	99,146
<b>Total expenditures</b>	<u>491,127</u>	<u>491,127</u>	<u>391,981</u>	<u>99,146</u>
<b>Net change in fund balance</b>	<u>\$ (91,595)</u>	<u>\$ (91,595)</u>	10,001	<u>\$ 101,596</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>413,210</u>	
End of year			<u>\$ 423,211</u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Supplemental Law Enforcement Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 824	\$ 824
Intergovernmental	135,921	135,921	151,969	16,048
<b>Total revenues</b>	<b>135,921</b>	<b>135,921</b>	<b>152,793</b>	<b>16,872</b>
<b>EXPENDITURES:</b>				
Current:				
Public protection	237,921	237,921	237,690	231
Debt Service:				
Principal	34,000	34,000	33,701	299
Interest and fiscal charges	-	-	1,153	(1,153)
<b>Total expenditures</b>	<b>271,921</b>	<b>271,921</b>	<b>272,544</b>	<b>(623)</b>
<b>Net change in fund balance</b>	<b><u><u>\$ (136,000)</u></u></b>	<b><u><u>\$ (136,000)</u></u></b>	<b>(119,751)</b>	<b><u><u>\$ 16,249</u></u></b>
<b>FUND BALANCE:</b>				
Beginning of year			211,274	
End of year			<u><u>\$ 91,523</u></u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Intermodal Building Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$ 59,579	\$ 59,579	\$ 53,305	(6,274)
Charges for services	28,000	28,000	29,253	1,253
<b>Total revenues</b>	<u>87,579</u>	<u>87,579</u>	<u>82,558</u>	<u>(5,021)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	38,304	38,304	37,893	411
Public ways and facilities	46,048	46,048	44,467	1,581
Capital outlay	-	38,998	-	38,998
<b>Total expenditures</b>	<u>84,352</u>	<u>123,350</u>	<u>82,360</u>	<u>40,990</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,227</u>	<u>(35,771)</u>	<u>198</u>	<u>35,969</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(244)	(244)	(244)	-
<b>Total other financing sources (uses)</b>	<u>(244)</u>	<u>(244)</u>	<u>(244)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 2,983</u>	<u>\$ (36,015)</u>	<u>(46)</u>	<u>\$ 35,969</u>
<b>FUND BALANCE:</b>				
Beginning of year			28,452	
End of year			<u>\$ 28,406</u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Economic Development Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 4,989	\$ 4,989
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>4,989</u>	<u>4,989</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	156,500	16,312	140,188
<b>Total expenditures</b>	<u>-</u>	<u>156,500</u>	<u>16,312</u>	<u>140,188</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (156,500)</u>	<u>(11,323)</u>	<u>\$ 145,177</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>460,188</u>	
End of year			<u>\$ 448,865</u>	



**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Residential Rehab Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Use of money and property	\$ 16,510	\$ 16,510	\$ 72,501	\$ 55,991
Intergovernmental	-	-	182,858	182,858
Miscellaneous	-	-	38,628	38,628
<b>Total revenues</b>	<u>16,510</u>	<u>16,510</u>	<u>293,987</u>	<u>277,477</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	57,859	63,219	55,741	7,478
<b>Total expenditures</b>	<u>57,859</u>	<u>63,219</u>	<u>55,741</u>	<u>7,478</u>
<b>Net change in fund balance</b>	<u>\$ (41,349)</u>	<u>\$ (46,709)</u>	238,246	<u>\$ 284,955</u>
<b>FUND BALANCE:</b>				
Beginning of year			8,361,548	
End of year			<u>\$ 8,599,794</u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Low and Moderate Income Housing Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 29,643	\$ 29,643
Miscellaneous	-	27,175	26,703	(472)
<b>Total revenues</b>	-	27,175	56,346	29,171
<b>EXPENDITURES:</b>				
Current:				
Community development	1,011,923	1,389,334	111,964	1,277,370
<b>Total expenditures</b>	1,011,923	1,389,334	111,964	1,277,370
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,011,923)	(1,362,159)	(55,618)	1,306,541
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	850,000	50,000	30,000	(20,000)
<b>Total other financing sources (uses)</b>	850,000	50,000	30,000	(20,000)
<b>Net change in fund balance</b>	<u>\$ (161,923)</u>	<u>\$ (1,312,159)</u>	(25,618)	<u>\$ 1,286,541</u>
<b>FUND BALANCE:</b>				
Beginning of year			1,791,112	
End of year			<u>\$ 1,765,494</u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Community Facilities District Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Property taxes	\$ 390,000	\$ 390,000	\$ 406,169	\$ 16,169
Use of money and property	-	-	1,658	1,658
<b>Total revenues</b>	<u>390,000</u>	<u>390,000</u>	<u>407,827</u>	<u>17,827</u>
<b>EXPENDITURES:</b>				
Current:				
General government	6,326	6,326	4,907	1,419
<b>Total expenditures</b>	<u>6,326</u>	<u>6,326</u>	<u>4,907</u>	<u>1,419</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>383,674</u>	<u>383,674</u>	<u>402,920</u>	<u>19,246</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(300,000)	(300,000)	(308,280)	(8,280)
<b>Total other financing sources (uses)</b>	<u>(300,000)</u>	<u>(300,000)</u>	<u>(308,280)</u>	<u>(8,280)</u>
<b>Net change in fund balance</b>	<u>\$ 83,674</u>	<u>\$ 83,674</u>	94,640	<u>\$ 10,966</u>
<b>FUND BALANCE:</b>				
Beginning of year			94,990	
End of year			<u>\$ 189,630</u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Park Facilities Debt Service Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>EXPENDITURES:</b>				
Debt Service:				
Principal	\$ 185,007	\$ 185,007	\$ 185,061	\$ (54)
Interest and fiscal charges	9,250	9,250	9,196	54
<b>Total expenditures</b>	<u>194,257</u>	<u>194,257</u>	<u>194,257</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(194,257)</u>	<u>(194,257)</u>	<u>(194,257)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>194,257</u>	<u>194,257</u>	<u>194,257</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>194,257</u>	<u>194,257</u>	<u>194,257</u>	<u>-</u>
<b>Net change in fund balance</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u><u>\$ -</u></u>	

**City of Madera**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Streets and Roads Capital Projects Fund**  
**For the Year Ended June 30, 2019**

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	\$ -	\$ 1,763,729	\$ 620,833	1,142,896
<b>Total expenditures</b>	<u>-</u>	<u>1,763,729</u>	<u>620,833</u>	<u>1,142,896</u>
 <b>Net change in fund balance</b>	 <u>\$ -</u>	 <u>\$ (1,763,729)</u>	 (620,833)	 <u>\$ 1,142,896</u>
<b>FUND BALANCE:</b>				
Beginning of year			666,368	
End of year			<u>\$ 45,535</u>	

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## **Non-Major Enterprise Funds**

***Local Transit Fund*** - This fund is used to account for the activities of the government's public transit operations.

***Golf Course Fund*** - This fund is used to account for the activities of the government's golf course operations.

***Airport Fund*** - This fund is used to account for the activities of the government's airport operations.

**City of Madera**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2019**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ -	\$ 1,388,850	\$ 1,388,850
Accounts receivable, net	2,159,180	223,069	26,879	2,409,128
Total current assets	2,159,180	223,069	1,415,729	3,797,978
Noncurrent assets:				
Capital assets:				
Non-depreciable	3,990,393	146,933	3,204,012	7,341,338
Depreciable, net	1,035,480	1,881,928	8,411,864	11,329,272
Total capital assets	5,025,873	2,028,861	11,615,876	18,670,610
Total noncurrent assets	5,025,873	2,028,861	11,615,876	18,670,610
<b>Total assets</b>	<b>7,185,053</b>	<b>2,251,930</b>	<b>13,031,605</b>	<b>22,468,588</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Related to pensions	124,614	-	56,219	180,833
<b>Total deferred outflow of resources</b>	<b>124,614</b>	<b>-</b>	<b>56,219</b>	<b>180,833</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	613,722	-	7,487	621,209
Salaries payable	9,526	-	3,995	13,521
Due to other funds	1,501,556	436,549	-	1,938,105
Interest payable	-	7,274	4,046	11,320
Deposits payable	-	-	13,990	13,990
Compensated absences - due within one year	17,604	-	6,584	24,188
Long-term debt - due within one year	-	287,400	23,625	311,025
Total current liabilities	2,142,408	731,223	59,727	2,933,358
Noncurrent liabilities:				
Advances from other funds	-	110,161	-	110,161
Aggregate net pension liability	454,088	-	204,721	658,809
Compensated absences - due in more than one year	4,152	-	-	4,152
Long term debt - due in more than one year	-	1,080,700	77,875	1,158,575
Total noncurrent liabilities	458,240	1,190,861	282,596	1,931,697
<b>Total liabilities</b>	<b>2,600,648</b>	<b>1,922,084</b>	<b>342,323</b>	<b>4,865,055</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to service concession arrangement	-	213,333	-	213,333
Related to pensions	40,313	-	21,169	61,482
<b>Total deferred inflows of resources</b>	<b>40,313</b>	<b>213,333</b>	<b>21,169</b>	<b>274,815</b>
<b>NET POSITION</b>				
Net investment in capital assets	5,025,873	660,761	11,514,376	17,201,010
Unrestricted (deficit)	(357,167)	(544,248)	1,209,956	308,541
<b>Total net position</b>	<b>\$ 4,668,706</b>	<b>\$ 116,513</b>	<b>\$ 12,724,332</b>	<b>\$ 17,509,551</b>



**City of Madera**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2019**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 126,870	\$ 95,889	\$ 535,687	\$ 758,446
Other	39,684	-	-	39,684
<b>Total operating revenues</b>	<b>166,554</b>	<b>95,889</b>	<b>535,687</b>	<b>798,130</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	328,458	-	208,565	537,023
General and administrative	1,646,414	72,131	241,613	1,960,158
Supplies and miscellaneous	196,738	-	23,309	220,047
Parts and supplies	-	-	19,978	19,978
Utilities	-	-	36,183	36,183
Depreciation	149,453	-	308,870	458,323
<b>Total operating expenses</b>	<b>2,321,063</b>	<b>72,131</b>	<b>838,518</b>	<b>3,231,712</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,154,509)</b>	<b>23,758</b>	<b>(302,831)</b>	<b>(2,433,582)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	3,231	-	12,856	16,087
Property taxes	-	-	119,839	119,839
Operating grants	2,056,654	-	-	2,056,654
Capital grants	2,133,292	-	44,058	2,177,350
Interest expense	-	(48,632)	(4,134)	(52,766)
<b>Total nonoperating revenues (expenses)</b>	<b>4,193,177</b>	<b>(48,632)</b>	<b>172,619</b>	<b>4,317,164</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>2,038,668</b>	<b>(24,874)</b>	<b>(130,212)</b>	<b>1,883,582</b>
<b>TRANSFERS</b>				
Transfers in	-	298,804	-	298,804
Transfers out	(61,522)	-	(3,407)	(64,929)
<b>Total transfers</b>	<b>(61,522)</b>	<b>298,804</b>	<b>(3,407)</b>	<b>233,875</b>
<b>Changes in net position</b>	<b>1,977,146</b>	<b>273,930</b>	<b>(133,619)</b>	<b>2,117,457</b>
<b>NET POSITION:</b>				
Beginning of year	2,691,560	(157,417)	12,857,951	15,392,094
End of year	<u>\$ 4,668,706</u>	<u>\$ 116,513</u>	<u>\$ 12,724,332</u>	<u>\$ 17,509,551</u>

**City of Madera**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2019**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers/other funds	\$ (1,210,661)	\$ 94,741	\$ 868,921	\$ (246,999)
Cash payments to suppliers for goods and services/other funds	(1,437,555)	(74,339)	(343,050)	(1,854,944)
Cash payments to employees for services	(275,692)	-	(181,940)	(457,632)
Receipts from other operating revenues	39,684	-	-	39,684
<b>Net cash provided by (used in) operating activities</b>	<b>(2,884,224)</b>	<b>20,402</b>	<b>343,931</b>	<b>(2,519,891)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating grants	2,056,654	-	-	2,056,654
Property taxes	-	-	119,839	119,839
Advances from other funds	-	(24,480)	-	(24,480)
Due to other funds	906,504	33,786	-	940,290
Transfers from other funds	-	298,804	-	298,804
Transfers to other funds	(61,522)	-	(3,407)	(64,929)
<b>Net cash provided by noncapital financing activities</b>	<b>2,901,636</b>	<b>308,110</b>	<b>116,432</b>	<b>3,326,178</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital grants	2,133,292	-	44,058	2,177,350
Acquisition of capital assets	(2,153,935)	-	-	(2,153,935)
Principal payment of long-term debt	-	(278,400)	(22,547)	(300,947)
Interest paid on debt	-	(50,112)	(5,032)	(55,144)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(20,643)</b>	<b>(328,512)</b>	<b>16,479</b>	<b>(332,676)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest from investments	3,231	-	12,856	16,087
<b>Net cash provided by investing activities</b>	<b>3,231</b>	<b>-</b>	<b>12,856</b>	<b>16,087</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>489,698</b>	<b>489,698</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	-	-	899,152	899,152
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,388,850</u>	<u>\$ 1,388,850</u>

(Continued)

**City of Madera**  
**Combining Statement of Cash Flows (Continued)**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2019**

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO</b>				
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (2,154,509)	\$ 23,758	\$ (302,831)	\$ (2,433,582)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation	149,453	-	308,870	458,323
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(1,337,531)	(164,481)	319,244	(1,182,768)
Prepaid items	877	-	-	877
Deferred outflows - pension related	380	-	199	579
Accounts payable	404,720	(2,208)	(21,967)	380,545
Salaries payable	2,711	-	1,666	4,377
Deposits payable	-	-	13,990	13,990
Compensated absences	522	-	(1,115)	(593)
Aggregate net pension liability	10,228	-	5,382	15,610
Deferred inflows - related to service concession arrangement	-	163,333	-	163,333
Deferred inflows - pension related	38,925	-	20,493	59,418
Total adjustments	(729,715)	(3,356)	646,762	(86,309)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (2,884,224)</b>	<b>\$ 20,402</b>	<b>\$ 343,931</b>	<b>\$ (2,519,891)</b>

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## **Internal Service Funds**

***Fleet Maintenance Fund*** - This fund is used to account for the accumulation and allocation of costs associated with the maintenance of the City fleet of vehicles.

***Facilities Maintenance Fund*** - This fund is used to account for the accumulation and allocation of costs associated with the maintenance of the City Hall building and other City buildings.

***Technology Fund*** - This fund is used to account for the costs associated with automation maintenance of the City's various computers, servers and interdepartmental electronic communications.

**City of Madera**  
**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2019**

	Fleet Maintenance	Facilities Maintenance	Technology	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 988,125	\$ 100,177	\$ 80,206	\$ 1,168,508
Accounts receivable, net	224,469	-	-	224,469
Prepaid items	41	46	48,970	49,057
Total current assets	1,212,635	100,223	129,176	1,442,034
Noncurrent assets:				
Capital assets:				
Non-depreciable	109,227	-	-	109,227
Depreciable, net	3,115,126	8,736	207,431	3,331,293
Total capital assets	3,224,353	8,736	207,431	3,440,520
Total noncurrent assets	3,224,353	8,736	207,431	3,440,520
<b>Total assets</b>	<b>4,436,988</b>	<b>108,959</b>	<b>336,607</b>	<b>4,882,554</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Related to pensions	213,472	348,774	202,071	764,317
<b>Total deferred outflow of resources</b>	<b>213,472</b>	<b>348,774</b>	<b>202,071</b>	<b>764,317</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	47,399	20,303	44,774	112,476
Salaries payable	11,556	23,574	25,001	60,131
Compensated absences - due within one year	28,562	59,362	26,948	114,872
Total current liabilities	87,517	103,239	96,723	287,479
Noncurrent liabilities:				
Aggregate net pension liability	777,507	1,272,022	741,564	2,791,093
Compensated absences - due in more than one year	-	-	3,123	3,123
Total noncurrent liabilities	777,507	1,272,022	744,687	2,794,216
<b>Total liabilities</b>	<b>865,024</b>	<b>1,375,261</b>	<b>841,410</b>	<b>3,081,695</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	68,400	120,444	83,632	272,476
<b>Total deferred inflows of resources</b>	<b>68,400</b>	<b>120,444</b>	<b>83,632</b>	<b>272,476</b>
<b>NET POSITION</b>				
Investment in capital assets	3,224,353	8,736	207,431	3,440,520
Unrestricted (deficit)	492,683	(1,046,708)	(593,795)	(1,147,820)
<b>Total net position</b>	<b>\$ 3,717,036</b>	<b>\$ (1,037,972)</b>	<b>\$ (386,364)</b>	<b>\$ 2,292,700</b>

**City of Madera**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2019**

	Fleet Maintenance	Facilities Maintenance	Technology	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 1,702,676	\$ 988,035	\$ 1,294,129	\$ 3,984,840
Other	102,645	2,983	-	105,628
<b>Total operating revenues</b>	<b>1,805,321</b>	<b>991,018</b>	<b>1,294,129</b>	<b>4,090,468</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	540,072	1,109,540	725,952	2,375,564
General and administrative	207,477	194,621	352,191	754,289
Supplies and miscellaneous	199,426	63,689	811	263,926
Parts and supplies	7,935	-	263,473	271,408
Utilities	632	312,360	16,635	329,627
Depreciation	468,985	1,263	61,533	531,781
<b>Total operating expenses</b>	<b>1,424,527</b>	<b>1,681,473</b>	<b>1,420,595</b>	<b>4,526,595</b>
<b>OPERATING INCOME (LOSS)</b>	<b>380,794</b>	<b>(690,455)</b>	<b>(126,466)</b>	<b>(436,127)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Capital grants	220,000	-	-	220,000
<b>Total nonoperating revenues (expenses)</b>	<b>220,000</b>	<b>-</b>	<b>-</b>	<b>220,000</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>600,794</b>	<b>(690,455)</b>	<b>(126,466)</b>	<b>(216,127)</b>
<b>TRANSFERS:</b>				
Transfers in	57,000	524,892	-	581,892
Transfers out	(57,724)	(15,249)	(9,899)	(82,872)
<b>Total transfers</b>	<b>(724)</b>	<b>509,643</b>	<b>(9,899)</b>	<b>499,020</b>
<b>Changes in net position</b>	<b>600,070</b>	<b>(180,812)</b>	<b>(136,365)</b>	<b>282,893</b>
<b>NET POSITION:</b>				
Beginning of year	3,116,966	(857,160)	(249,999)	2,009,807
End of year	<u>\$ 3,717,036</u>	<u>\$ (1,037,972)</u>	<u>\$ (386,364)</u>	<u>\$ 2,292,700</u>

**City of Madera**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2019**

	Fleet Maintenance	Facilities Maintenance	Technology	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers/other funds	\$ 1,480,264	\$ 988,035	\$ 1,294,129	\$ 3,762,428
Cash payments to suppliers for goods and services/other funds	(414,199)	(634,227)	(649,648)	(1,698,074)
Cash payments to employees for services	(450,556)	(945,517)	(624,712)	(2,020,785)
Receipts from other operating activities	102,645	2,983	-	105,628
<b>Net cash provided by (used in) operating activities</b>	<b>718,154</b>	<b>(588,726)</b>	<b>19,769</b>	<b>149,197</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from other funds	57,000	524,892	-	581,892
Transfers to other funds	(57,724)	(15,249)	(9,899)	(82,872)
<b>Net cash provided by noncapital financing activities</b>	<b>(724)</b>	<b>509,643</b>	<b>(9,899)</b>	<b>499,020</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital grants	220,000	-	-	220,000
Acquisition of capital assets, net	(1,349,418)	-	(21,615)	(1,371,033)
Principal payment of long-term debt	-	(22,154)	-	(22,154)
<b>Net cash (used in) capital and related financing activities</b>	<b>(1,129,418)</b>	<b>(22,154)</b>	<b>(21,615)</b>	<b>(1,173,187)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(411,988)</b>	<b>(101,237)</b>	<b>(11,745)</b>	<b>(524,970)</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	1,400,113	201,414	91,951	1,693,478
End of year	<u>\$ 988,125</u>	<u>\$ 100,177</u>	<u>\$ 80,206</u>	<u>\$ 1,168,508</u>

(Continued)



**City of Madera**  
**Combining Statement of Cash Flows (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2019**

	Fleet Maintenance	Facilities Maintenance	Technology	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO</b>				
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 380,794	\$ (690,455)	\$ (126,466)	\$ (436,127)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	468,985	1,263	61,533	531,781
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(222,412)	-	-	(222,412)
Prepaid items	(8)	67	(46,701)	(46,642)
Deferred outflows -pension related	642	1,140	788	2,570
Accounts payable	1,279	(63,624)	30,163	(32,182)
Salaries payable	3,777	6,881	6,969	17,627
Compensated absences	1,661	7,734	(8,873)	522
Aggregate net pension liability	17,361	30,806	21,286	69,453
Deferred inflows - pension related	66,075	117,462	81,070	264,607
Total adjustments	337,360	101,729	146,235	585,324
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 718,154</b>	<b>\$ (588,726)</b>	<b>\$ 19,769</b>	<b>\$ 149,197</b>

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## **Agency Funds**

The Agency Funds are used to account for assets held by the City in a custodial capacity for individuals, private organizations, other governments, and/or other funds. The City maintains the following Agency Funds for the purposes indicated:

***Payroll Tax/Withholding Fund*** - This fund is used to account for all payroll related transactions.

***General Deposit Fund*** - This fund is used to account for all money collected to pay for certain deposits.

***Community Facilities Districts*** - This fund is used to account for the collection of assessments from property owners and for the remittance of such assessments to bondholders as required by the Improvement Bond Act of 1915 and related California State statutes for the Community Facilities District No. 2006-1.

**City of Madera**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2019**

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	Payroll Tax/ Withholding Fund	General Deposit Fund	Community Facilities Districts	Total
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 1,224,350	\$ 318,055	\$ 1,542,405
Accounts receivable, net	1,953	-	2,088	4,041
Prepaid items	259,091	-	645	259,736
Restricted cash and investments with fiscal agents	-	-	48,137	48,137
<b>Total assets</b>	<u>\$ 261,044</u>	<u>\$ 1,224,350</u>	<u>\$ 368,925</u>	<u>\$ 1,854,319</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 27,207	\$ 77,109	\$ 78	\$ 104,394
Accrued liabilities	53,442	-	-	53,442
Due to other governments	-	1,131,643	-	1,131,643
Due to City	180,395	-	-	180,395
Deposits payable	-	15,598	-	15,598
Due to bondholders	-	-	368,847	368,847
<b>Total liabilities</b>	<u>\$ 261,044</u>	<u>\$ 1,224,350</u>	<u>\$ 368,925</u>	<u>\$ 1,854,319</u>

*(Concluded)*

**City of Madera**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b><u>Payroll Tax/Withholding Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ (116,598)	\$ -	\$ 116,598	\$ -
Accounts receivable, net	1,047	906	-	1,953
Prepaid items	252,315	6,776	-	259,091
<b>Total assets</b>	<b>\$ 136,764</b>	<b>\$ 7,682</b>	<b>\$ 116,598</b>	<b>\$ 261,044</b>
<b>Liabilities:</b>				
Accounts payable	\$ 21,928	\$ 5,279	\$ -	\$ 27,207
Accrued liabilities	114,836	-	(61,394)	53,442
Due to City	-	180,395	-	180,395
<b>Total liabilities</b>	<b>\$ 136,764</b>	<b>\$ 185,674</b>	<b>\$ (61,394)</b>	<b>\$ 261,044</b>
<b><u>General Deposit Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,033,696	\$ 190,654	\$ -	\$ 1,224,350
<b>Total assets</b>	<b>\$ 1,033,696</b>	<b>\$ 190,654</b>	<b>\$ -</b>	<b>\$ 1,224,350</b>
<b>Liabilities:</b>				
Accounts payable	\$ 5,411	\$ 71,698	\$ -	\$ 77,109
Due to other governments	1,013,287	118,356	-	1,131,643
Deposits payable	14,998	600	-	15,598
<b>Total liabilities</b>	<b>\$ 1,033,696</b>	<b>\$ 190,654</b>	<b>\$ -</b>	<b>\$ 1,224,350</b>
<b><u>Community Facilities Districts</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 321,951	\$ -	\$ (3,896)	\$ 318,055
Accounts receivable, net	1,268	820	-	2,088
Prepaid items	825	-	(180)	645
Restricted cash and investments with fiscal agents	47,386	751	-	48,137
<b>Total assets</b>	<b>\$ 371,430</b>	<b>\$ 1,571</b>	<b>\$ (4,076)</b>	<b>\$ 368,925</b>
<b>Liabilities:</b>				
Accounts payable	\$ 338	\$ -	\$ (260)	\$ 78
Due to bondholders	371,092	-	(2,245)	368,847
<b>Total liabilities</b>	<b>\$ 371,430</b>	<b>\$ -</b>	<b>\$ (2,505)</b>	<b>\$ 368,925</b>
<b><u>Total All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,239,049	\$ 190,654	\$ 112,702	\$ 1,542,405
Accounts receivable, net	2,315	1,726	-	4,041
Prepaid items	253,140	6,776	(180)	259,736
Restricted cash and investments with fiscal agents	47,386	751	-	48,137
<b>Total assets</b>	<b>\$ 1,541,890</b>	<b>\$ 199,907</b>	<b>\$ 112,522</b>	<b>\$ 1,854,319</b>
<b>Liabilities:</b>				
Accounts payable	\$ 27,677	\$ 76,977	\$ (260)	\$ 104,394
Accrued liabilities	114,836	-	(61,394)	53,442
Due to other governments	1,013,287	118,356	-	1,131,643
Due to City	-	180,395	-	180,395
Deposits payable	14,998	600	-	15,598
Due to bondholders	371,092	-	(2,245)	368,847
<b>Total liabilities</b>	<b>\$ 1,541,890</b>	<b>\$ 376,328</b>	<b>\$ (63,899)</b>	<b>\$ 1,854,319</b>

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## **STATISTICAL SECTION**

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## ***CITY OF MADERA - STATISTICAL SECTION***

This part of the City of Madera's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

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**City of Madera**  
**Schedule 1**  
**Net Position by Component**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2019	2018	2017	2016	2015
Governmental activities					
Net invement in capital assets,	\$ 172,189,172	\$ 176,114,816	\$ 178,119,000	\$ 178,483,617	\$ 182,403,676
Restricted	44,311,906	37,033,179	34,863,951	32,193,071	32,671,232
Unrestricted	(12,968,431)	(10,128,387)	(9,560,807)	(11,207,039)	(14,435,936)
Total governmental activities net position	<u>\$ 203,532,647</u>	<u>\$ 203,019,608</u>	<u>\$ 203,422,144</u>	<u>\$ 199,469,649</u>	<u>\$ 200,638,972</u>
Business type activities					
Net invement in capital assets	\$ 61,048,060	\$ 58,537,120	\$ 58,792,617	\$ 57,639,498	\$ 58,455,927
Restricted	4,940,553	1,125,151	1,076,451	-	-
Unrestricted	17,336,248	15,846,498	13,966,875	17,152,594	15,542,964
Total business type activities net position	<u>\$ 83,324,861</u>	<u>\$ 75,508,769</u>	<u>\$ 73,835,943</u>	<u>\$ 74,792,092</u>	<u>\$ 73,998,891</u>
Primary government					
Net invement in capital assets	\$ 233,237,232	\$ 234,651,936	\$ 236,911,617	\$ 236,123,115	\$ 240,859,603
Restricted	49,252,459	38,158,330	35,940,402	32,193,071	32,671,232
Unrestricted	4,367,817	5,718,111	4,406,068	5,945,555	1,107,028
Total primary government net position	<u>\$ 286,857,508</u>	<u>\$ 278,528,377</u>	<u>\$ 277,258,087</u>	<u>\$ 274,261,741</u>	<u>\$ 274,637,863</u>

**City of Madera**  
**Schedule 1**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2014	2013	2012	2011	2010
Governmental activities					
Net investment in capital assets	\$ 185,644,703	\$ 182,862,086	\$ 137,089,854	\$ 132,750,912	\$ 128,740,484
Restricted	32,451,846	24,794,707	13,273,859	19,532,483	30,922,600
Unrestricted	12,294,870	10,951,919	25,594,770	23,183,849	19,817,409
Total governmental activities net position	<u>\$ 230,391,419</u>	<u>\$ 218,608,712</u>	<u>\$ 175,958,483</u>	<u>\$ 175,467,244</u>	<u>\$ 179,480,493</u>
Business type activities					
Net investment in capital assets	\$ 60,056,090	\$ 60,768,756	\$ 68,322,670	\$ 70,536,834	\$ 80,648,940
Restricted	-	-	9,718,860	15,659,386	9,682,085
Unrestricted	19,739,870	19,386,182	20,277,451	17,270,502	20,957,222
Total business type activities net position	<u>\$ 79,795,960</u>	<u>\$ 80,154,938</u>	<u>\$ 98,318,981</u>	<u>\$ 103,466,722</u>	<u>\$ 111,288,247</u>
Primary government					
Net investment in capital assets	\$ 245,700,793	\$ 243,630,842	\$ 205,412,524	\$ 203,287,746	\$ 209,389,424
Restricted	32,451,846	24,794,707	22,992,719	35,191,869	40,604,685
Unrestricted	32,034,740	30,338,101	45,872,221	40,454,351	40,774,631
Total primary government net position	<u>\$ 310,187,379</u>	<u>\$ 298,763,650</u>	<u>\$ 274,277,464</u>	<u>\$ 278,933,966</u>	<u>\$ 290,768,740</u>

**City of Madera**  
**Schedule 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2019	2018	2017	2016	2015
<b>Expenses</b>					
Governmental activities:					
General government	\$ 9,703,723	\$ 8,697,525	\$ 7,692,256	\$ 8,890,092	\$ 11,483,880
Public protection	18,983,486	18,425,675	12,903,321	14,722,091	13,759,629
Public ways and facilities	330,498	5,081,612	4,607,237	6,852,731	3,695,605
Social services	5,478,070	346,863	303,015	182,286	331,774
Culture and recreation	4,525,133	4,744,555	4,421,827	4,451,155	4,335,983
Community development	4,492,799	4,022,163	3,029,515	5,249,438	5,812,948
Interest on long-term debt	210,504	74,490	110,856	280,037	258,764
Depreciation (unallocated)	-	-	-	-	-
Total governmental activities expenses	43,724,213	41,392,883	33,068,027	40,627,830	39,678,583
Business type activities:					
Local transit	2,321,063	2,166,293	2,184,533	2,051,814	1,996,563
Water	7,654,315	9,262,549	10,066,546	5,590,810	5,668,873
Sewer	9,924,665	9,854,304	8,758,885	8,476,744	7,573,475
Golf course	120,763	199,012	115,882	74,596	122,102
Airport	842,652	1,163,134	893,106	852,560	871,796
Solid waste	6,056,309	5,811,095	6,305,944	4,936,291	4,675,782
Drainage operations	1,149,676	887,698	956,287	1,024,498	900,903
Total business type activities expenses	28,069,443	29,344,085	29,281,183	23,007,313	21,809,494
Total primary government expenses	\$ 71,793,656	\$ 70,736,968	\$ 62,349,210	\$ 63,635,143	\$ 61,488,077
<b>Program Revenues</b>					
Governmental activities:					
Program revenues:					
General government	\$ 6,223,401	\$ 5,727,717	\$ 5,526,628	\$ 6,996,758	\$ 8,763,455
Public protection	1,498,740	1,268,539	1,160,181	1,414,790	1,558,094
Public ways and facilities	10,385,688	6,320,845	7,164,876	7,865,237	7,432,036
Social services	45,159	87,568	82,637	69,314	80,730
Culture and recreation	941,359	837,220	934,173	1,529,999	996,481
Community development	3,434,002	2,831,560	3,085,754	3,833,881	5,481,186
Total governmental activities program revenues	22,528,349	17,073,449	17,954,249	21,709,979	24,311,982
Business type activities:					
Program revenues:					
Local transit	4,316,816	2,263,648	2,297,400	2,811,840	1,870,304
Water	12,323,836	11,932,955	9,232,389	7,312,514	5,616,869
Sewer	10,352,115	8,791,285	8,108,977	7,469,167	6,474,652
Golf course	95,889	100,469	93,797	96,542	117,562
Airport	579,745	1,038,032	1,810,619	551,005	647,283
Solid waste	5,890,085	5,872,152	5,889,675	5,695,241	5,697,468
Drainage operations	938,423	692,227	706,793	955,602	686,328
Total business type activities program revenues	34,496,909	30,690,768	28,139,650	24,891,911	21,110,466
Total primary government program revenues	\$ 57,025,258	\$ 47,764,217	\$ 46,093,899	\$ 46,601,890	\$ 45,422,448
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (21,195,864)	\$ (24,319,434)	\$ (15,113,778)	\$ (18,917,851)	\$ (15,366,601)
Business type activities	6,427,466	1,346,683	(1,141,533)	1,884,598	(699,028)
Total primary government net expense	\$ (14,768,398)	\$ (22,972,751)	\$ (16,255,311)	\$ (17,033,253)	\$ (16,065,629)

**City of Madera**  
**Schedule 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2014	2013	2012	2011	2010
<b>Expenses</b>					
Governmental activities:					
General government	\$ 11,482,393	\$ 11,946,360	\$ 8,275,715	\$ 8,881,111	\$ 9,585,543
Public protection	13,358,929	13,096,060	12,384,317	12,804,525	11,316,857
Public ways and facilities	3,766,236	2,940,005	2,350,315	10,694,614	14,755,199
Social services	517,537	686,717	577,321	880,543	803,568
Culture and recreation	3,814,936	3,749,071	2,693,874	3,566,110	2,649,167
Community development	5,478,644	5,639,070	5,879,206	7,524,543	7,889,176
Interest on long-term debt	269,845	291,000	2,851,745	3,006,689	3,062,165
Interest on long-term debt	-	-	8,627,095	-	-
Total governmental activities expenses	38,688,520	38,348,283	43,639,588	47,358,135	50,061,675
Business type activities:					
Local transit	1,827,194	1,792,905	1,641,113	1,703,622	1,504,690
Water	4,788,350	5,212,633	7,826,911	9,906,133	5,991,586
Sewer	7,318,263	7,281,744	7,414,003	7,479,461	7,905,642
Golf course	66,651	130,394	229,294	256,165	626,776
Airport	687,228	697,826	690,753	772,654	797,580
Solid waste	4,326,840	5,524,217	6,207,826	6,243,637	6,242,272
Drainage operations	933,506	895,238	904,659	1,095,639	1,010,406
Total business type activities expenses	19,948,032	21,534,957	24,914,559	27,457,311	24,078,952
Total primary government expenses	\$ 58,636,552	\$ 59,883,240	\$ 68,554,147	\$ 74,815,446	\$ 74,140,627
<b>Program Revenues</b>					
Governmental activities:					
Program revenues:					
General government	\$ 7,894,884	\$ 8,555,784	\$ 911,568	\$ 502,907	\$ 376,950
Public protection	1,820,803	1,783,858	2,033,459	1,694,299	1,576,798
Public ways and facilities	14,609,971	10,477,637	3,876,380	5,481,458	6,905,742
Social services	111,223	116,756	426,912	540,243	482,053
Culture and recreation	836,826	606,757	548,135	332,905	306,111
Community development	9,596,690	7,308,357	5,949,796	4,309,949	2,388,730
Total governmental activities program revenues	34,870,397	28,849,149	13,746,250	12,861,761	12,036,384
Business type activities:					
Program revenues:					
Local transit	2,191,542	2,259,213	2,111,263	1,629,525	1,440,958
Water	5,759,100	5,534,033	5,121,649	4,725,435	4,692,464
Sewer	6,275,667	5,875,561	6,160,478	5,518,527	5,365,630
Golf course	122,494	111,362	34,000	27,500	163,056
Airport	1,341,754	837,714	1,026,107	1,056,764	1,316,758
Solid waste	5,550,361	6,493,343	6,840,962	6,618,314	6,612,827
Drainage operations	793,149	664,900	640,695	630,379	635,653
Total business type activities program revenues	22,034,067	21,776,126	21,935,154	20,206,444	20,227,346
Total primary government program revenues	\$ 56,904,464	\$ 50,625,275	\$ 35,681,404	\$ 33,068,205	\$ 32,263,730
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (3,818,123)	\$ (9,499,134)	\$ (29,893,338)	\$ (34,496,374)	\$ (38,025,291)
Business type activities	2,086,035	241,169	(2,979,405)	(7,250,867)	(3,851,606)
Total primary government net expense	\$ (1,732,088)	\$ (9,257,965)	\$ (32,872,743)	\$ (41,747,241)	\$ (41,876,897)

**City of Madera**  
**Schedule 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2019	2018	2017	2016	2015
<b>General Revenues and</b>					
<b>Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 4,332,639	\$ 3,824,185	\$ 4,040,067	\$ 3,571,669	\$ 2,837,432
Sales and use taxes	13,399,196	12,923,918	9,112,909	6,506,004	5,638,847
Franchises taxes	649,666	666,238	649,415	678,438	612,474
Other taxes	1,964,472	1,707,452	1,694,786	2,172,574	2,035,238
Motor vehicle fees	-	-	-	-	-
Investment earnings	1,910,967	265,581	203,973	603,795	309,988
Miscellaneous	829,050	1,147,727	343,287	580,398	577,213
Gain (loss) on sale of capital assets	43,791	-	31,374	16,304	26,983
Transfers	275,116	374,407	172,913	1,718,751	1,065,193
Transfers of capital assets	-	-	-	-	-
Extraordinary items - RDA dissolution	-	-	-	-	-
Total governmental activities	23,404,897	20,909,508	16,248,724	15,847,933	13,103,368
Business type activities:					
Property taxes	209,374	182,390	171,878	58,333	70,353
Investment earnings	407,450	68,049	120,594	210,257	262,948
Miscellaneous	76,531	3,956	26,004	34,976	28,170
Gain (loss) on sale of capital assets	-	12,990	39,821	4,250	14,476
Capital Contribution	-	-	-	-	-
Transfers	(275,116)	(372,671)	(172,913)	(1,718,751)	(1,065,193)
Total business type activities	418,239	(105,286)	185,384	(1,410,935)	(689,246)
Total primary government	\$ 23,823,136	\$ 20,804,222	\$ 16,434,108	\$ 14,436,998	\$ 12,414,122
<b>Change in Net Position</b>					
Governmental activities	\$ 2,209,033	\$ (3,409,926)	\$ 1,134,946	\$ (3,069,918)	\$ (2,263,233)
Business type activities	6,845,705	1,241,397	(956,149)	473,663	(1,388,274)
Total primary government	\$ 9,054,738	\$ (2,168,529)	\$ 178,797	\$ (2,596,255)	\$ (3,651,507)

**City of Madera**  
**Schedule 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Years				
	2014	2013	2012	2011	2010
<b>General Revenues and</b>					
<b>Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 2,943,796	\$ 2,757,456	\$ 7,295,050	\$ 7,139,383	\$ 8,149,256
Sales and use taxes	5,472,283	4,573,272	15,573,874	5,341,362	5,040,743
Transient occupancy taxes	591,116	584,160	558,779	619,343	531,629
Other taxes	1,821,326	1,899,648	6,009,672	7,234,721	4,934,113
Motor vehicle fees	-	-	3,750,000	4,625,761	4,897,130
Investment earnings	795,691	1,216,644	1,112,556	942,314	799,188
Miscellaneous	1,071,486	841,992	(70,336)	3,922,479	650,972
Gain (loss) on sale of capital assets	75,607	14,184	-	-	-
Transfers	2,538,648	1,305,047	892,807	657,762	381,921
Transfers of capital assets	-	-	-	-	(280,412)
Extraordinary items - RDA dissolution	-	-	(4,737,825)		
Total governmental activities	15,309,953	13,192,403	30,384,577	30,483,125	25,104,540
Business type activities:					
Other taxes	61,049	98,923	-	-	-
Investment earnings	19,076	19,315	70,281	104,900	158,244
Miscellaneous	25,478	35,542	430,375	675,774	793,908
Gain (loss) on sale of capital assets	(11,968)	(52,915)	-	-	-
Capital Contribution	-	-	-	-	280,412
Transfers	(2,538,648)	(1,305,047)	(892,807)	(657,762)	(381,921)
Total business type activities	(2,445,013)	(1,204,182)	(392,151)	122,912	850,643
Total primary government	\$ 12,864,940	\$ 11,988,221	\$ 29,992,426	\$ 30,606,037	\$ 25,955,183
<b>Change in Net Position</b>					
Governmental activities	\$ 11,491,830	\$ 3,693,269	\$ 491,239	\$ (4,013,249)	\$ (12,920,751)
Business type activities	(358,978)	(963,013)	(3,371,556)	(7,127,955)	(3,000,963)
Total primary government	\$ 11,132,852	\$ 2,730,256	\$ (2,880,317)	\$ (11,141,204)	\$ (15,921,714)

**City of Madera**  
**Schedule 3**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Years				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	202,901	601,522	272,102	368,959	258,252
Restricted	4,934,403	-	-	-	646,823
Committed	10,483,246	11,574,005	-	-	-
Assigned	5,528,814	1,199,518	1,199,518	1,199,518	727,159
Unassigned	3,049,282	4,673,303	13,968,482	12,879,473	12,326,175
Total general fund	<u>24,198,646</u>	<u>18,048,348</u>	<u>15,440,102</u>	<u>14,447,950</u>	<u>13,958,409</u>
All other governmental funds					
Reserved		-	-	-	-
Unreserved: designations		-	-	-	-
Unreserved: special revenue funds		-	-	-	-
Nonspendable	27	42	-	8,547,157	-
Restricted	39,377,503	35,986,212	33,857,600	23,974,874	32,277,375
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(231,803)	(221,039)
Total all other governmental fund	<u>\$ 39,377,530</u>	<u>\$ 35,986,254</u>	<u>\$ 33,857,600</u>	<u>\$ 32,290,228</u>	<u>\$ 32,056,336</u>
TOTAL FUND BALANCES	\$ 63,576,176	\$ 54,034,602	\$ 49,297,702	\$ 46,738,178	\$ 46,014,745



**City of Madera**  
**Schedule 3**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting) (Continued)**

	Fiscal Years				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 2,014,105
Reserved	-	-	-	-	9,057,188
Nonspendable	282,184	362,753	49,121	64,621	-
Restricted	87,453	-	1,554,240	-	-
Committed	-	-	952,768	-	-
Assigned	1,199,518	1,174,374	86,003	-	-
Unassigned	11,280,658	8,651,615	7,833,114	9,977,418	-
Total general fund	<u>12,849,813</u>	<u>10,188,742</u>	<u>10,475,246</u>	<u>10,042,039</u>	<u>11,071,293</u>
All other governmental funds					
Reserved	-	-	-	-	7,783,752
Unreserved: designations	-	-	-	-	1,373,436
Unreserved: special revenue funds	-	-	-	-	30,795,400
Nonspendable	-	-	7,280	2,139,840	-
Restricted	32,615,786	25,059,067	11,719,619	19,532,483	-
Committed	-	-	6,146,083	5,799,175	-
Assigned	-	-	40,025	470,313	-
Unassigned	42,897	(148,056)	12,912,675	6,520,986	-
Total all other governmental fund	<u>\$ 32,658,683</u>	<u>\$ 24,911,011</u>	<u>\$ 30,825,682</u>	<u>\$ 34,462,797</u>	<u>\$ 39,952,588</u>
TOTAL FUND BALANCES	\$ 45,508,496	\$ 35,099,753	\$ 41,300,928	\$ 44,504,836	\$ 51,023,881

**City of Madera**  
**Schedule 4**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Years				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>					
Taxes	\$ 4,332,639	\$ 3,825,921	\$ 4,054,503	\$ 3,115,740	\$ 3,087,520
Sales and used taxes	13,399,196	13,262,908	8,741,373	6,506,004	5,638,847
Franchises	649,666	666,238	649,415	678,438	612,474
Other taxes	2,081,211	1,707,452	1,698,487	2,141,433	2,041,961
Licenses, permits and fees	1,322,830	1,049,103	701,825	646,800	595,255
Fines	591,298	588,584	750,388	935,358	985,169
Revenue from use of money and property	2,078,944	392,428	358,735	767,778	463,853
Aid from governmental agencies	16,380,444	11,781,034	12,654,660	16,326,841	15,934,329
Charges for services	3,322,989	3,457,257	3,497,588	3,240,452	6,041,361
Other revenue	1,048,977	924,918	632,560	437,305	908,991
Donations	-	-	-	-	-
Unrealized gain (loss) on investments	-	-	-	-	-
Total revenues	<u>45,208,194</u>	<u>37,655,843</u>	<u>33,739,534</u>	<u>34,796,149</u>	<u>36,309,760</u>
<b>Expenditures</b>					
General government	3,075,710	2,106,580	1,796,055	2,959,739	5,123,445
Public protection	17,196,886	16,932,579	14,934,669	14,621,471	13,616,969
Public ways and facilities	4,233,896	3,476,106	3,101,070	3,834,908	2,532,178
Social services	192,633	309,121	405,251	357,699	330,062
Culture and recreation	3,429,815	3,800,416	3,831,163	3,392,870	3,425,208
Community development	4,006,826	3,598,837	3,106,938	5,219,577	5,380,767
Capital outlay	6,802,125	2,519,381	3,143,357	7,073,119	5,255,764
Debt service:					
Principal	633,222	1,452,775	568,464	977,512	425,970
Interest	52,341	75,660	113,860	266,431	259,255
Total expenditures	<u>39,623,454</u>	<u>34,271,455</u>	<u>31,000,827</u>	<u>38,703,326</u>	<u>36,349,618</u>
Excess of revenues over (under) expenditures	<u>5,584,740</u>	<u>3,384,388</u>	<u>2,738,707</u>	<u>(3,907,177)</u>	<u>(39,858)</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of property	46,518	41,691	37,027	9,969	-
Proceeds from issuance of long-term debt	4,005,000	895,900	-	-	-
Premium on bond issuance	648,613	-	-	1,540,065	157,755
Cost of issuance	153,613	-	-	-	-
Transfers in	2,768,183	5,005,541	4,504,230	7,289,955	5,557,426
Transfers out	(2,992,087)	(5,284,157)	(4,812,845)	(6,109,973)	(5,111,740)
Total other financing sources (uses)	<u>4,629,840</u>	<u>658,975</u>	<u>(271,588)</u>	<u>2,730,016</u>	<u>603,441</u>
<b>Extraordinary items</b>					
Dissolution of Redevelopment Agency	-	-	-	-	-
Total extraordinary items	<u>4,629,840</u>	<u>658,975</u>	<u>(271,588)</u>	<u>2,730,016</u>	<u>603,441</u>
Net change in fund balances	<u>\$ 10,214,580</u>	<u>\$ 4,043,363</u>	<u>\$ 2,467,119</u>	<u>\$ (1,177,161)</u>	<u>\$ 563,583</u>
Debt service as a percentage of non-capital expenditures	2.1%	4.8%	2.4%	3.9%	2.2%

**City of Madera**  
**Schedule 4**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting) (Continued)**

	Fiscal Years				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>					
Taxes	\$ 2,869,599	\$ 2,581,565	\$ 7,295,050	\$ 7,139,383	\$ 8,149,256
Sales and used taxes	5,539,847	4,505,707	15,573,874	5,341,362	5,040,743
Franchises	591,116	584,160	558,779	619,343	531,629
Other taxes	1,842,002	1,872,250	9,759,672	11,788,596	9,831,243
Licenses, permits and fees	395,730	313,382	344,732	246,139	206,367
Fines	874,861	1,028,320	1,487,506	904,913	570,404
Revenue from use of money and property	961,315	1,366,160	1,112,556	1,035,809	939,458
Aid from governmental agencies	28,437,678	18,255,556	6,139,170	8,516,744	8,552,793
Charges for services	5,775,536	5,489,685	6,119,574	5,364,830	5,400,811
Other revenue	1,453,736	612,804	521,575	1,170,483	937,738
Donations	-	-	101,333	411,950	136,136
Unrealized gain (loss) on investments	-	-	(408,926)	-	52,158
Total revenues	<u>48,741,420</u>	<u>36,609,589</u>	<u>48,604,895</u>	<u>42,539,552</u>	<u>40,348,736</u>
<b>Expenditures</b>					
General government	4,797,564	4,844,346	9,030,842	8,387,319	10,272,432
Public protection	13,177,569	12,829,516	12,384,317	12,551,085	12,110,239
Public ways and facilities	3,012,275	2,673,089	2,350,315	3,446,831	8,485,031
Social services	510,579	473,128	577,321	864,358	784,143
Culture and recreation	2,814,466	2,724,788	2,693,874	2,610,744	2,389,968
Community development	4,681,217	5,044,076	5,879,206	7,225,112	8,589,641
Capital outlay	10,925,198	6,931,137	10,341,664	10,999,374	7,053,979
Debt service:					
Principal	415,920	439,424	1,393,502	1,449,446	1,401,270
Interest	270,255	291,385	2,766,733	2,822,090	2,987,534
Total expenditures	<u>40,605,043</u>	<u>36,250,889</u>	<u>47,417,774</u>	<u>50,356,359</u>	<u>54,074,237</u>
Excess of revenues over (under) expenditures	<u>8,136,377</u>	<u>358,700</u>	<u>1,187,121</u>	<u>(7,816,807)</u>	<u>(13,725,501)</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of property	-	-	-	640,000	-
Proceeds from issuance of long-term debt	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Cost of issuance	-	-	-	-	-
Transfers in	6,338,959	5,044,924	5,956,838	14,603,608	29,766,391
Transfers out	(4,357,470)	(3,787,978)	(5,610,042)	(13,945,846)	(29,464,421)
Total other financing sources (uses)	<u>1,981,489</u>	<u>1,256,946</u>	<u>346,796</u>	<u>1,297,762</u>	<u>301,970</u>
Dissolution of Redevelopment Agency	-	-	(4,737,825)	-	-
Total other financing sources (uses)	<u>1,981,489</u>	<u>1,256,946</u>	<u>(4,737,825)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 10,117,866</u>	<u>\$ 1,615,646</u>	<u>\$ (3,203,908)</u>	<u>\$ (6,519,045)</u>	<u>\$ (13,423,531)</u>
Debt service as a percentage of non-capital expenditures	2.3%	2.5%	11.2%	10.9%	9.3%

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**City of Madera**  
**Schedule 5**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

<b>Sources of Tax Revenues</b>	<b>Business <u>Licenses</u></b>	<b>Franchise <u>Fees</u></b>	<b>Property <u>Tax</u><sup>1</sup></b>	<b>Sales <u>Tax</u><sup>3</sup></b>	<b>Transient <u>Occupancy</u></b>	<b>Gas <u>Tax</u><sup>2</sup></b>	<b><u>TOTAL</u></b>
2018-2019	1,322,830	649,666	4,332,639	13,399,196	903,124	7,623,871	28,231,326
2017-2018	1,049,103	666,238	3,467,163	12,934,817	-	3,425,547	21,542,868
2016-2017	701,825	649,415	3,696,995	8,741,373	-	-	13,789,608
2015-2016	646,800	678,438	3,115,740	6,506,004	-	3,215,791	14,162,773
2014-2015	595,255	612,474	3,087,520	5,638,847	-	-	9,934,096
2013-2014	395,730	591,116	2,869,599	5,539,847	-	4,007,477	13,403,769
2012-2013	313,382	584,160	2,581,565	4,505,707	-	4,679,304	12,664,118
2011-2012	344,732	558,779	2,333,736	5,384,826	-	1,655,468	10,277,541
2010-2011	-	-	-	-	-	-	-
2009-2010	376,747	531,629	8,149,256	5,040,743	421,766	3,400,946	17,921,087

NOTES:

- 1) Property tax amounts include state reimbursement of homeowners property tax relief and real property transfer tax and property tax in lieu of MVLFF. Property tax for fiscal years 2012 and earlier included redevelopment tax increment.
- 2) Increase in Gas Tax from FY 2010 onward was due to the "Fuel Tax Swap of 2010". This was the addition of Section 2103 fund allocation from a new motor vehicle excise tax that replace the allocation from Prop. 42 sales tax on gasoline.  
Figures for fiscal years 2010 and earlier did not include the Prop. 42 revenue.
- 3) The City passed "Measure L" allowing an additional increase of 0.75% in the local sale tax rate. This local measure became effective on October 1, 2012 and ended on March 31, 2018 when it was replaced by "Measure V" allowing an increase 1% in the local sales tax rate. Measure V becomes effective April 1, 2018 and will sunset on March 31, 2025

**City of Madera**  
**Schedule 6**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years (RATE PER \$100 OF TAXABLE VALUE)**

10 Year Detail of Rates producing Revenue for City of Madera											
City General Fund Direct Rates							RDA Incremental Rate <sup>2</sup>		Total Direct Rate <sup>5</sup>		
City Share of 1%							1% + applicable voter approved debt				
Year	Levy per Prop. 13	Debt Rate(s)	Total City Rates								
2018-2019	0.00000%	0.00000%	0.05190%		-						
2017-2018	0.00000%	0.00000%	0.05190%		-						
2016-2017	0.00000%	0.00000%	0.05190%		-						
2015-2016	0.00000%	0.00000%	0.05190%		-						
2014-2015	0.00000%	0.00000%	0.05190%		-						
2013-2014	0.00000%	0.00000%	0.05468%		-						
2012-2013	0.00000%	0.00000%	0.05469%		1.00000%		0.00000%				
2011-2012	0.00000%	0.00000%	0.05469%		1.00000%		0.00000%				
2010-2011	0.00000%	0.00000%	0.05196%		1.00000%		0.00000%				
2009-2010	0.00000%	0.00000%	0.05196%		1.00000%		0.00000%				
10 Year Detail Breakdown of the Property Tax Dollar											
Agency	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	
City of Madera 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
Prop 13	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	
Madera Unified	0.09686	0.10282	0.11388	0.12786	0.07268	0.07859	0.07573	0.07667	0.07500	0.06706	
State Center Community College E	0.02297	0.02593	0.00848	0.00806	0.00931	0.00960	0.00936	0.00806	0.01005	0.01581	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
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NOTES:

- 1) City share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.
- 2) Redevelopment rate is based on the largest RDA tax rate area and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year
- 3) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
- 4) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter
- 5) Total Direct Rate is the weighted average of all individual direct rates applied by the City of Madera and excludes revenues derived from aircraft. Beginning in FY 2013/2014 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

**City of Madera**  
**Schedule 7**  
**Top Ten Principal Property Taxpayers**  
**Fiscal Year 2019 and Ten Years Prior**

	2018-2019			2009-2010		
		Taxable Assessed	Percentage of Total Taxable Assessed		Taxable Assessed	Percentage of Total Taxable Assessed
<u>Taxpayer</u>	<u>Rank</u>	<u>Value</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Value</u>
David L. and Patricia R. Berry	1	\$ 24,219,228	0.82%	1	\$ 26,228,940	1.08%
Oldcastle Precast, Inc.	2	19,672,228	0.67%	7	15,126,337	0.63%
Sealed Air Corporation	3	18,799,568	0.64%	6	16,156,825	0.67%
John Bean Technologies Corp.	4	15,693,763	0.53%			
Eurodrip USA Inc.	5	15,572,874	0.53%	11	12,842,467	0.53%
Yosemite Point Partnership	6	14,477,082	0.49%	8	14,633,312	0.61%
HPC Hallmark Investors LP	7	14,185,194	0.48%			
Color Box LLC	8	14,105,579	0.48%			
Advanced Drainage Systems, Inc.	9	14,051,447	0.48%	2	22,163,966	0.92%
CVS Caremark Corporation	10	13,183,485	0.45%			
DMP Development Corp.				3	19,329,140	0.80%
Claddagh LP				4	18,765,420	0.78%
Berry & Berry, Inc.				5	17,102,075	0.71%
Manufacturers Hanover				9	13,074,452	0.54%
Zelman Madera LLC				10	12,870,360	0.53%
Top Ten Totals		<u>\$ 163,960,448</u>	<u>5.58%</u>		<u>\$ 188,293,294</u>	<u>7.79%</u>
<b>CITY TOTALS</b>		<b>\$2,936,557,354</b>			<b>\$2,418,644,149</b>	

**City of Madera**  
**Schedule 8**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	GOVERNMENTAL ACTIVITIES						Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation <u>Bonds</u>	Redevelopment <u>Bonds</u> <sup>b</sup>	Special Assessment <u>Bonds</u>	Loans <u>Payable</u>	Capital <u>Lease</u>	Total Primary <u>Government</u>		
2019	-	39,862,859	-	738,900	492,602	41,094,361	0.65%	\$ 1,030
2018	-	43,765,850	-	863,554	1,023,325	45,652,729	0.77%	\$ 1,199
2017	-	45,039,358	-	60,088	2,425,766	47,525,212	0.83%	\$ 1,277
2016	-	46,207,821	2,683,119	98,022	3,002,145	51,991,107	0.93%	\$ 1,430
2015	-	47,346,304	2,722,525	661,052	1,874,496	52,604,377	0.96%	\$ 1,471
2014	-	48,439,787	2,756,931	842,091	1,964,615	54,003,424	1.08%	\$ 1,629
2013	-	49,488,270	2,786,337	1,053,926	2,179,997	55,508,530	1.16%	\$ 1,751
2012	-	50,567,725	2,825,000	-	2,461,155	55,853,880	1.23%	\$ 1,862
2011	-	51,541,099	2,845,000	-	2,412,717	56,798,816	1.32%	\$ 1,997
2010	-	52,479,473	2,860,000	-	3,095,856	58,435,329	2.04%	\$ 3,045

NOTES:

- a) See Schedule 15 Demographic and Economic Statistics for personal income and population data
- b) As of February 1, 2012 all redevelopment agencies in California ceased to exist per AB X1 26. The Madera Redevelopment Agencies's obligations were transferred to the Successor Agency.



**City of Madera**  
**Schedule 9**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

GOVERNMENTAL ACTIVITIES					Percentage of Taxable Assessed Property Values <sup>a</sup>	Per Capita <sup>b</sup>
Fiscal Year	General Obligation Bonds	Redevelopment Bonds <sup>c</sup>	Special Assessment Bonds	Total		
2019	-	39,862,859	-	39,862,859	1.36%	\$ 253
2018	-	43,794,788	-	43,794,788	1.55%	\$ 281
2017	-	45,039,358	-	45,039,358	1.62%	\$ 292
2016	-	46,231,429	2,683,119	48,914,548	1.80%	\$ 318
2015	-	47,379,250	2,722,525	50,101,775	1.88%	\$ 326
2014	-	48,459,969	2,756,931	51,216,900	1.96%	\$ 338
2013	-	49,455,270	2,786,337	52,241,607	2.04%	\$ 345
2012	-	50,567,725	2,825,000	53,392,725	2.12%	\$ 352
2011	-	51,541,099	2,845,000	54,386,099	2.20%	\$ 360
2010	-	52,479,473	2,860,000	55,339,473	2.29%	\$ 371

NOTES:

- a) Assessed Value and Actual Value of Taxable Property
- b) Demographic and Economic Statistics for personal income and population data
- c) As of February 1, 2012 all redevelopment agencies in California ceased to exist per AB X1 26. The Madera Redevelopment Agencies's obligations were transferred to the Successor Agency.

**City of Madera**  
**Schedule 10**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2019**

**2018-19 Assessed Valuation: \$3,217,917,151**

	Debt Outstanding 6/30/2019	% Applicable <sup>1</sup>	City's Share of Debt as of 6/30/19
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
State Center Community College District	\$ 174,485,000	3.763%	\$ 6,565,871
Madera Unified School District	144,536,440	49.114%	\$ 70,987,627
City of Madera Community Facilities District No. 2006-1	2,389,616	100.000%	\$ 2,389,616
			\$ 79,943,114
<b><u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u></b>			
Madera County Certificates of Participation	10,075,269	22.347%	2,251,520
Madera County Board of Education General Fund Obligations	20,772,208	22.347%	4,641,965
Madera Unified School District Certificates of Participation	88,480,000	49.114%	43,456,067
<b>City of Madera</b>	<b>6,112,000</b>	<b>100.000%</b>	<b>6,112,000</b>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 56,461,553
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	35,510,000	96.592%	\$ 34,299,819
<b>TOTAL DIRECT DEBT</b>			<b>\$ 6,112,000</b>
TOTAL OVERLAPPING DEBT			\$ 164,592,486
<b>COMBINED TOTAL DEBT</b>			<b>\$ 170,704,486</b>

NOTES:

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
- 2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

**City of Madera**  
**Schedule 11**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Assessed value	\$ 3,217,917,151	\$ 2,987,907,906	\$ 2,845,369,165	\$ 2,720,749,149	\$ 2,584,595,788
Debt limit (15% of assessed value)	482,687,573	448,186,186	426,805,375	408,112,372	387,689,368
Debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Less: Amount set aside for repayment of general obligation debt	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-
Legal Debt Margin	482,687,573	448,186,186	426,805,375	408,112,372	387,689,368
Total debt applicable to the limit as a percentage of debt limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

NOTES:

Under State Finance Law, the City's outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of Madera**  
**Schedule 11**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2010</u>
Assessed value	\$ 2,470,166,846	\$ 2,393,305,788	\$ 2,391,018,513	\$ 2,399,868,652	\$ 2,618,406,469
Debt limit (15% of assessed value)	370,525,027	358,995,868	358,652,777	359,980,298	392,760,970
Debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Less: Amount set aside for repayment of general obligation debt	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-
Legal Debt Margin	370,525,027	358,995,868	358,652,777	359,980,298	392,760,970
Total debt applicable to the limit as a percentage of debt limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

NOTES:

Under State Finance Law, the City's outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of Madera**  
**Schedule 12**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

**2010 and 2015 Water Revenue Bonds**

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
2019	11,592,927	7,089,979	395,000	527,622	7.68
2018	11,876,412	3,289,860	385,000	539,662	3.56
2017	9,139,387	(301,986)	370,000	554,252	(0.33)
2016	7,265,789	2,234,038	295,000	509,635	2.78
2015	5,590,602	539,861	245,000	498,462	0.73
2014	5,716,031	1,507,176	150,000	502,962	2.31
2013	5,456,783	900,616	65,000	504,912	1.58
2012	1,876,199	235,086	-	504,912	0.47
2011	4,725,435	(4,752,168)	-	155,681	(30.53)
2010			-		-

**2015 Wastewater Revenue Bonds**

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
2019	9,776,777	986,633	1,045,000	964,775	0.49
2018	8,788,389	266,204	1,005,000	1,001,960	0.13
2017	8,042,174	613,008	970,000	1,037,850	0.31
2016	7,407,933	788,484	65,000	257,174	2.45
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-

**Successor Agency 2018 Tax Allocation Bonds**

<u>Fiscal Year</u>	<u>Special Assessment Collections</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
2019	3,343,667	2,227,379	1,215,000	1,777,468	0.74
2018	3,686,763	2,917,577	1,295,000	2,269,784	0.82
2017	3,879,515	2,780,354	1,250,000	2,323,983	0.78
2016	1,951,305	209,883	1,190,000	2,374,693	0.06
2015	6,218,663	5,727,877	1,140,000	2,427,021	1.61
2014	724,744	444,534	1,095,000	2,474,236	0.12
2013	4,877,524	2,730,101	1,055,000	2,516,502	0.76
2012	4,961,314	4,310,943	1,015,000	2,555,078	1.21
2011	4,912,960	(1,161,632)	980,000	2,590,024	(0.33)
2010	5,555,646	(6,741,555)	945,000	2,621,858	(1.89)

**City of Madera**  
**Schedule 13**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Personal Per Capita Income (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2019	157,672	6,290,639,784	39,897	31,925	6.2%
2018	155,904	5,934,018,048	38,062	31,728	7.8%
2017	154,160	5,736,139,440	37,209	31,468	8.9%
2016	153,739	5,589,488,823	36,357	31,077	n/a
2015	153,590	5,491,456,860	35,754	30,865	n/a
2014	151,470	5,022,745,200	33,160	30,861	10.7%
2013	151,594	4,805,226,612	31,698	30,478	12.4%
2012	151,702	4,549,846,384	29,992	30,308	15.8%
2011	151,006	4,295,516,676	28,446	29,993	16.5%
2010	149,234	2,863,501,992	19,188	29,643	15.8%

NOTES:

1. Provided by U.S. Bureau of Economic Analysis (BEA)
2. California Department of Education, California Basic Educational Data System
3. Unemployment rates are provided by the Employment Development Department

n/a = not available

Source: MuniServices, LLC  
[www.cde.ca.gov](http://www.cde.ca.gov)

**City of Madera**  
**Schedule 14**  
**Principal Employers**  
**Fiscal Year 2019 and Ten Years Prior**

<u>Employer</u>	<u>2018-2019</u>			<u>2008-2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Children Hospital Central CA	3000	1	6.67%	2700	1	N/A
Madera Unifies School District	2013	2	4.48%	1800	3	N/A
State of California	1953	3	4.34%	2700	2	N/A
County of Madera	1188	4	2.64%	1500	4	N/A
Madera Community Hospital	936	5	2.08%	950	5	N/A
Constellation wines	400	6	0.89%	430	6	N/A
Ardagh Group	350	7	0.78%	-		N/A
City of Madera	310	8	0.69%	345	7	N/A
Sierra Tel Communications Group	256	9	0.57%	-		N/A
Baltimore Aircoil Company	242	10	0.54%	-		N/A
	10648		8.19%	10425		0.00%
Total City Employment (1)			44,980	-		

Source: California Employment Department or employer provided

Total City Employment not available for 2008-2009

( - ) No data available.

**City of Madera**  
**Schedule 15**  
**Full Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years (As of June 30)**

FUNCTION/PROGRAM	Fiscal Years									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
City Attorney	2	2	2	2	2	2	2	3	3	3
City Council	7	7	7	7	7	7	7	7	5	5
City Manager	1.7	1.95	2.7	0.7	0.7	1	2	2	2	3
City Clerk	2	2	2	2	2	2	2	2	2	2
Finance	24.73	23.73	24.5	24.03	24.45	25.48	25.28	26.78	28.7	27
Information Technology	4.25	4	4	4	4	4	4	4	4	4
Human Resources	4	4	4	4	4	4	4	4	3	3
Community Development	19.59	21.46	21.86	22.13	21.38	21.27	24.8	26.13	27.12	25.66
Planning Commissioners	0	0	0	0	0	0	0	0	0	0
Public Safety										
Police Officers-Sworn	70.01	69.84	60	57.25	57	57	58	59	61.77	57
Other Full Time Employees	23.48	23.48	20	20	20	20	20.26	21.56	24.26	22.03
PACT Volunteers	0	0	0	0	0	0	0	0	0	0
Public Works										
Engineering	14.67	11.21	11.69	11.85	10.74	10.61	11.52	14.11	13.99	14.35
Maintenance	27.33	28.88	29.57	30.97	30.71	34.78	28.8	27.28	31.31	31.64
Transit Services	3.08	3.08	3.38	3.38	2.98	2.98	3.73	3.73	3.93	3.89
Airport	2.88	2.98	2.46	2.46	2.36	2.58	2.36	2.03	2.68	2.88
Solid Waste Disposal	6.48	8.88	9.02	7.77	6.69	3.38	5.48	1.99	2.72	2.87
Storm Drainage	5.74	4.54	5.19	4.89	5.89	5.45	6.2	6.77	7.52	7.57
Waster	23.08	25.18	20.66	18.66	16.81	14.74	16.76	17.96	19.42	18.62
Wastewater/Sewer	26.29	26.62	20.32	20.07	19.04	17.59	20.49	20.92	22.12	21.03
Waste Disposal Recycling	1	1.3	1.35	1.3	1.2	0	0	3.14	3.18	3
Successor Agency/RDA	1.8	2.3	2.3	2.3	2.59	2.62	2.62	3.5	4.8	4.8
Culture & Recreation	51.42	56.05	61.12	60.9	53.01	45.67	47.89	50.88	54.27	60.27
Total	322.53	330.48	315.12	307.66	294.55	284.15	295.19	307.78	326.79	322.61