



CITY OF MADERA
FIRE STATION 58



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

DEPARTMENT OF FINANCE

MADERA CITY HALL • 205 W. 4TH STREET • MADERA, CA 93637 • MADERA.GOV

City of Madera

Madera, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

Prepared by
Finance Department

City of Madera
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021
Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION (Unaudited)</u>	
Table of Contents	i
Letter of Transmittal.....	v
Principal Officials.....	viii
Organization Chart	viii
<u>FINANCIAL SECTION</u>	
Independent Auditors’ Report	1
Management’s Discussion and Analysis (Unaudited)	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	24
Statement of Activities and Changes in Net Position.....	26
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet.....	32
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balances	36
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.....	38
Proprietary Funds Financial Statements:	
Statement of Net Position	40
Statement of Revenues, Expenses and Changes in Net Position	42
Statement of Cash Flows	44
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position.....	49
Statement of Changes in Fiduciary Net Position	50
 Notes to the Basic Financial Statements	 57

City of Madera
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021
Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Required Supplementary Information (Unaudited):	
Budgetary Information.....	117
Budgetary Comparison Schedules:	
General Fund.....	118
General Development Impact Fee Special Revenue Fund.....	119
Schedule of Changes in the Net Pension Liability and Related Ratios.....	120
Schedule of the City’s Proportionate Share of the Net Pension Liability and Related Ratios.....	121
Schedules of Contributions.....	122
Schedule of Changes in Total OPEB Liability and Related Ratios.....	124
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet.....	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	132
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Schedules:	
Special Gas Tax Special Revenue Fund.....	136
Measure “T” Fund.....	137
Business Improvement District Special Revenue Fund.....	138
Park Development Special Revenue Fund.....	139
Parking District Special Revenue Fund.....	140
Federal Aid Urban Special Revenue Fund.....	141
Street Construction Special Revenue Fund.....	142
Landscape Assessment Special Revenue Fund.....	143
Supplemental Law Enforcement Special Revenue Fund.....	144
Intermodal Building Special Revenue Fund.....	145
Economic Development Special Revenue Fund.....	146
Residential Rehab Special Revenue Fund.....	147
Low and Moderate Income Housing Special Revenue Fund.....	148
Community Facilities District Special Revenue Fund.....	149
Non-Major Enterprise Funds:	
Combining Statement of Net Position.....	152
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	153
Combining Statement of Cash Flows.....	154

City of Madera
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021
Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Supplementary Information (Continued):	
Internal Service Funds:	
Combining Statement of Net Position.....	158
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	159
Combining Statement of Cash Flows.....	160
Custodial Funds:	
Combining Statement of Fiduciary Net Position.....	164
Combining Statement of Changes in Fiduciary Net Position.....	165
<u>STATISTICAL SECTION (Unaudited)</u>	
Table of Contents	169
Financial Trends:	
Net Position by Component – Last Ten Fiscal Years	170
Changes in Net Position – Last Ten Fiscal Years.....	172
Fund Balances of Governmental Funds – Last Ten Fiscal Years	176
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	178
Revenue Capacity:	
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	181
Assessed Value of Taxable Property – Last Ten Fiscal Years.....	182
Property Tax Levies and Collections – Last Ten Fiscal Years	184
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	185
Top Ten Principal Property Taxpayers – Fiscal Year 2020 and Ten Years Prior.....	186
Debt Capacity:	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	187
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	188
Direct and Overlapping Governmental Activities Debt.....	189
Legal Debt Margin Information – Last Ten Fiscal Years.....	190
Pledged Revenue Coverage – Last Ten Fiscal Years	192
Demographic and Economic Information:	
Demographic and Economic Statistics – Last Ten Fiscal Years	194
Principal Employers – Fiscal Year 2020 and Ten Years Prior	195
Operating Information:	
Full Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	197
Operating Indicators by Function Program – Last Ten Fiscal Years.....	198
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	200

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Financial Services Department

July 18, 2022

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 Annual Comprehensive Financial Report (ACFR).

State law requires local governments to prepare a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2021. 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, 2021, 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, 2021, 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 a separately issued report, the Single Audit and Independent Auditors' Reports.

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

Budget projections for the Fiscal Year 2021/22 were influenced by experts and consultants' analysis from the results of the previous year's pandemic shutdowns, as well as actual revenues realized following the re-opening of businesses. The pandemic has undoubtedly affected the City's finances, operational performance, and compliance burdens in all departments; however, the local economy is showing signs of recovery. While the pandemic continues to linger and create uncertainty, there are a few key items worth highlighting:

- Experts and municipal leaders projected that sales tax revenue would remain flat when compared to the previous year's results due to the continuing effects of the pandemic in the current fiscal year. Actual sales tax revenues over the last two quarters have exceeded projections, with growth in most sectors of the economy and is expected to remain stable.
- Property values for both commercial and residential increased slightly. Real estate market remains active resulting in growth in property tax revenues.
- SB 1383 will require the City to implement additional procedures associated with garbage collection and recycle, resulting in an increase in costs for solid waste disposal. The City is currently conducting a rate study to determine anticipated cost increases.
- The American Rescue Plan Act (ARPA) passed into law in March 2021, has provided the City of Madera with approximately \$23 Million in federal grant funds. The City Council has committed these grant funds to infrastructure needs in both the Sewer Fund and Water Fund.

Despite the impact of the pandemic, the financial outcomes were in line with the projections made. Actual sales tax revenue came in higher than projected as of June 30, 2021. While some industry sectors were impacted, Madera was not as severely impacted in comparison to other communities. This may partially be attributed to the composition of the City's economy which is not heavily reliant on tourism or entertainment. While the City experienced decreases in some categories, this was partially offset by an increase in sales tax revenue generated by online shopping and revenue from auto sales.

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 for the fiscal year was 17% during the peak of the pandemic but significant improvements are now visible with 7.7% rate towards the end of January 2022.

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 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 2021 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 fund level for all 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) has a \$390,000 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 with the cost of construction. For the combined fiscal years 2018-19 and 2019-20, the City implemented a 6% increase in water rates. The City implemented no increase in the water rates for fiscal year 2021-22.

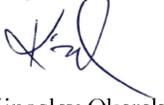
Cash Management

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 ACFR 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,



Kingsley Okereke
Interim Director of Financial Services

CITY COUNCIL MEMBERS

Santos Garcia, Mayor
Mayor Pro Tem Artemio Villegas, District 6
Council Member Cece Gallegos, District 1
Council Member José Rodriguez, District 2
Council Member Steve Montes, District 3
Council Member Anita Evans, District 4
Vacant, District 5

EXECUTIVE MANAGMENT

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

DEPARTMENT DIRECTORS

Gary Conte, Planning Manager
Dino Lawson, Police Chief
Ivette Iraheta, Grants Administrator
Daniel Foss, 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

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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 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, 2021, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 unmodified, qualified, and adverse audit opinions.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Discretely Presented Component Unit	Adverse
General Fund	Unmodified
General Development Impact Fee Special Revenue Fund	Unmodified
Solar Energy Lease Capital Projects Fund	Unmodified
Water Enterprise Fund	Unmodified
Sewer Enterprise Fund	Unmodified
Solid Waste Enterprise Fund	Unmodified
Drainage Operations Enterprise Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on Discretely Presented Component Unit

The financial statements referred to above do not include financial data for the City’s discretely presented component unit. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the City’s primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the discretely presented component unit would have been presented as 100% of the assets, net position, and revenues, respectively.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Discretely Presented Component Unit” paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the City of Madera, as of June 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madera, as of June 30, 2021, 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.

Emphasis of a Matter

Implementation of GASB Statement No. 84

As discussed in Note 1 to the financial statements, the City implemented GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation, the City converted the former agency funds, which previously reported assets and liabilities only, to custodial funds and reported a restatement of its net position in the amount of \$380,534. Our opinion is not modified with respect to this matter.

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 20 and 117 through 124 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2022, 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.


Santa Ana, California
July 18, 2022

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City of Madera
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

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, 2021. Please read it in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

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 \$316.1 million. Of this amount, \$23.7 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 \$47.3 million and is dedicated to specific purposes. Lastly, net position of \$245.1 million is the City's net investment in capital assets.
- The City's total net position increased by \$18.0 million or 6.1% during 2020-2021 to \$316.1 million from \$298.1 million.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$75.0 million, a decrease of \$4.5 million or 5.63% in comparison with the prior year. Approximately \$4.0 million or 5.4% 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 \$30.7 million, which represents a net increase of approximately \$5.6 million from the previous year. The General Fund unassigned balance of \$5.5 million is available for carryover to fund future general fund expenditures.
- Net Pension Liability increased by \$2.3 million or 4.7% during 2020-2021 to \$51.5 million from \$49.2 million. Deferred outflows of resources related to pensions increased by \$0.7 million or 7.6% and deferred inflows of resources related to pensions decreased by \$1 million or 50.2%. The Net Pension Liability is based on an Actuarial Valuation and there was no change in the discount rate of 7.15% from the prior year.

During this year, the rates for water and sewer services remained static. Prior to this year, 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 increased between 9-10% during each of the five years covered in the rate schedule, except for FY 2018-19 when Council considered a revised water rate analysis and adjusted the increase to 6%. In October 2021, the City issued an RFP for a Proposition 218 Rate Study for water, sewer, storm drainage and solid waste utility rates. It is anticipated that the new rate study will be considered by City Council in June 2022.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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, deferred outflows, liabilities, and deferred inflows 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 24-27 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 a particular purpose 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, proprietary and fiduciary funds.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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 governments 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 Solar Energy Lease – Capital Projects 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 32-38 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 utilities and transit services. 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 40-45 of this report.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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 49-50 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 57-121 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 125-134 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 138-177 of this report.

Government-wide Financial Analysis

Below is a table showing the City's net position for the fiscal year ended June 30, 2021, with comparative data for the fiscal year ended June 30, 2020.

	City of Madera's Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 104,291,965	\$ 89,506,833	\$ 48,417,863	\$ 39,841,899	\$ 152,709,828	\$ 129,348,732
Capital Assets	196,974,509	185,695,023	106,292,493	106,911,614	303,267,002	292,606,637
Total assets	<u>301,266,474</u>	<u>275,201,856</u>	<u>154,710,356</u>	<u>146,753,513</u>	<u>455,976,830</u>	<u>421,955,369</u>
Deferred outflows of resources	<u>9,130,947</u>	<u>8,347,124</u>	<u>2,073,579</u>	<u>2,090,761</u>	<u>11,204,526</u>	<u>10,437,885</u>
Liabilities:						
Current and other liabilities	23,267,879	7,370,919	8,619,361	7,039,842	31,887,240	14,410,761
Noncurrent liabilities	71,091,824	68,578,034	46,864,701	48,890,485	117,956,525	117,468,519
Total liabilities	<u>94,359,703</u>	<u>75,948,953</u>	<u>55,484,062</u>	<u>55,930,327</u>	<u>149,843,765</u>	<u>131,879,280</u>
Deferred inflows of resources	<u>515,271</u>	<u>1,444,949</u>	<u>922,153</u>	<u>1,007,249</u>	<u>1,437,424</u>	<u>2,452,198</u>
Net position:						
Net investment in capital assets	178,947,614	160,970,918	65,967,085	64,433,636	244,914,699	225,404,554
Restricted	46,349,016	55,679,367	963,474	1,166,101	47,312,490	56,845,468
Unrestricted	(9,774,183)	(10,495,207)	33,447,161	26,306,961	23,672,978	15,811,754
Total net position	<u>\$ 215,522,447</u>	<u>\$ 206,155,078</u>	<u>\$ 100,377,720</u>	<u>\$ 91,906,698</u>	<u>\$ 315,900,167</u>	<u>\$ 298,061,776</u>

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

As of June 30, 2021, the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$315.9 million. Governmental activities finished the year with a positive net position balance of \$215.5 million, an increase of \$9.4 million, or 4.5% compared to 2020. Business-type activities finished the year with a positive balance of \$100.4 million, an increase of \$8.5 million or 9.2% compared to 2020. Net position, as noted earlier, may serve over time as a useful indicator of the City's financial position. Of the total net position, \$244.9 million or 77.5% 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 \$19.5 million, restricted net position decreased by \$9.5 million and unrestricted net position increased by \$7.9 million, accounting for the increase in total net position of \$18 million. The increase in net investment in capital assets is primarily due to additions to capital assets of \$24.3 million offset by depreciation expense of \$13.1 million a decrease in capital-related debt of \$2.3 million, and a reclassification of unspent proceeds of \$6.3 million from unrestricted net position to net investment in capital assets in the current year. The decrease 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 \$0.2 million, capital projects decreased by \$8.8 million and debt service decreased by \$0.2 million compared to prior year. The increase 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 \$47.3 million or 15.0% 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 \$23.7 million or 7.5% of the total net position, which is an increase of \$7.9 million or 49.7% from the previous year. Governmental activities account for a negative \$9.8 million of the total unrestricted net position and increased by \$0.7 million or 6.9% compared to last year. Business-type activities account for \$33.4 million of the total unrestricted net position and increased by \$7.1 million or 27.1% compared to last year.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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

	Statement of Activities					
	For the Year Ended June 30, 2021					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 7,700,139	\$ 5,745,761	\$ 33,368,637	\$ 30,645,300	\$ 41,068,776	\$ 36,391,061
Operating grants and contributions	10,035,691	9,138,508	-	2,413,681	10,035,691	11,552,189
Capital grants and contributions	2,948,500	701,822	1,576,982	3,561,444	4,525,482	4,263,266
Total program revenues	<u>20,684,330</u>	<u>15,586,091</u>	<u>34,945,619</u>	<u>36,620,425</u>	<u>55,629,949</u>	<u>52,206,516</u>
General revenues:						
Property taxes	11,020,353	11,045,364	237,264	228,943	11,257,617	11,274,307
Sales and use taxes	16,894,337	15,227,811	-	-	16,894,337	15,227,811
Franchise taxes	721,028	688,563	-	-	721,028	688,563
Other taxes	1,813,979	2,019,087	-	-	1,813,979	2,019,087
Total taxes	<u>30,449,697</u>	<u>28,980,825</u>	<u>237,264</u>	<u>228,943</u>	<u>30,686,961</u>	<u>29,209,768</u>
Investment earnings	(97,360)	1,247,564	340,816	548,322	243,456	1,795,886
Gain (loss) on sale of capital assets	35,469	(42,920)	135,300	86,556	170,769	43,636
Miscellaneous	317,971	1,205,394	113,658	78,165	431,629	1,283,559
Total general revenues and transfers	<u>30,705,777</u>	<u>31,390,863</u>	<u>827,038</u>	<u>941,986</u>	<u>31,532,815</u>	<u>32,332,849</u>
Total revenues	<u>51,390,107</u>	<u>46,976,954</u>	<u>35,772,657</u>	<u>37,562,411</u>	<u>87,162,764</u>	<u>84,539,365</u>
Expenses:						
General government	9,782,970	9,574,371	-	-	9,782,970	9,574,371
Public safety	18,826,073	20,182,145	-	-	18,826,073	20,182,145
Social services	133,639	422,270	-	-	133,639	422,270
Public ways and facilities	3,741,698	7,369,948	-	-	3,741,698	7,369,948
Community development	5,993,699	4,056,088	-	-	5,993,699	4,056,088
Culture and recreation	3,509,000	4,654,520	-	-	3,509,000	4,654,520
Interest on long-term debt	692,894	509,977	-	-	692,894	509,977
Water	-	-	7,427,430	8,295,137	7,427,430	8,295,137
Sewer	-	-	9,216,976	10,038,430	9,216,976	10,038,430
Solid waste	-	-	5,758,119	5,875,225	5,758,119	5,875,225
Drainage operations	-	-	943,353	1,110,864	943,353	1,110,864
Local transit	-	-	2,499,127	2,403,789	2,499,127	2,403,789
Golf course	-	-	94,635	103,861	94,635	103,861
Airport	-	-	787,373	801,043	787,373	801,043
Total expenses	<u>42,679,973</u>	<u>46,769,319</u>	<u>26,727,013</u>	<u>28,628,349</u>	<u>69,406,986</u>	<u>75,397,668</u>
Change in net position	8,710,134	207,635	9,045,644	8,934,062	17,755,778	9,141,697
Transfers	574,622	352,225	(574,622)	(352,225)	-	-
Change in net position after transfers	9,284,756	559,860	8,471,022	8,581,837	17,755,778	9,141,697
Special items:						
Transfers of assets from Successor Agency	-	2,062,571	-	-	-	2,062,571
Total special items	-	2,062,571	-	-	-	2,062,571
Increase (decrease) in net position	9,284,756	2,622,431	8,471,022	8,581,837	17,755,778	11,204,268
Net position, beginning of year	206,155,078	203,532,647	91,906,698	83,324,861	298,061,776	286,857,508
Net position, end of year	<u>\$ 215,439,834</u>	<u>\$ 206,155,078</u>	<u>\$ 100,377,720</u>	<u>\$ 91,906,698</u>	<u>\$ 315,817,554</u>	<u>\$ 298,061,776</u>

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

Governmental activities. Governmental activities account for \$215.7 million or 68.2% of the total government-wide net position. This is an increase of \$9.6 million or 4.6% compared to June 30, 2020.

Total governmental revenues for the year were \$51.4 million, which is \$4.5 million or 9.5% more than in 2020.

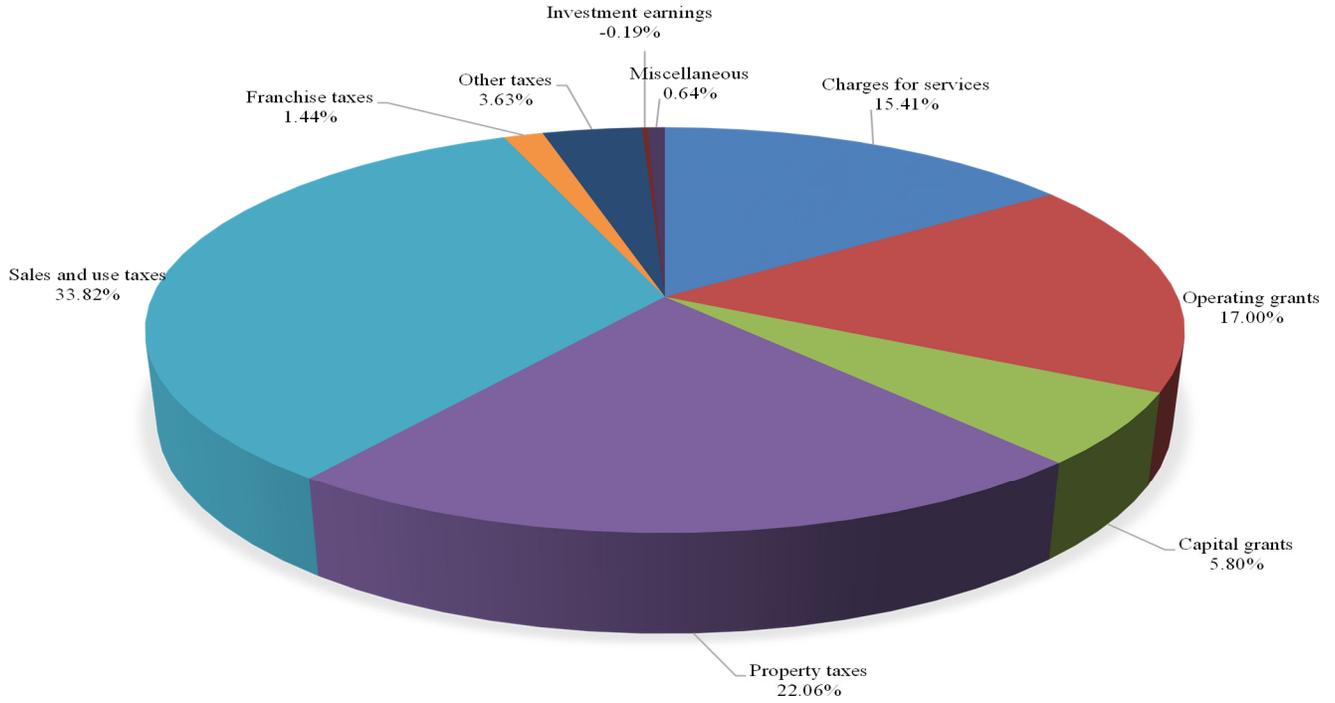
- Operating grants and contributions decreased by \$5.5 million or 35.5% from the previous year primarily due to receiving less grant funds from general government, public protection, and public ways and facilities.
- Capital grants and contributions increased by \$2.3 million or 327.0% from the previous year due to an increase in developer contributions of about \$1.4 million.
- Taxes, including property, sales, franchise, and other taxes account for approximately \$30.4 million or 49.6% of the City's governmental activities revenue. Total tax revenue decreased \$25 thousand or 0.2% from the previous year.
- Investment earnings decreased by \$1.3 million or 104.0% from the previous year due primarily to lower interest rates of return on investments.

Total governmental expenses for the year were \$42.6 million, which is \$4.2 million or 8.9% less than in 2020.

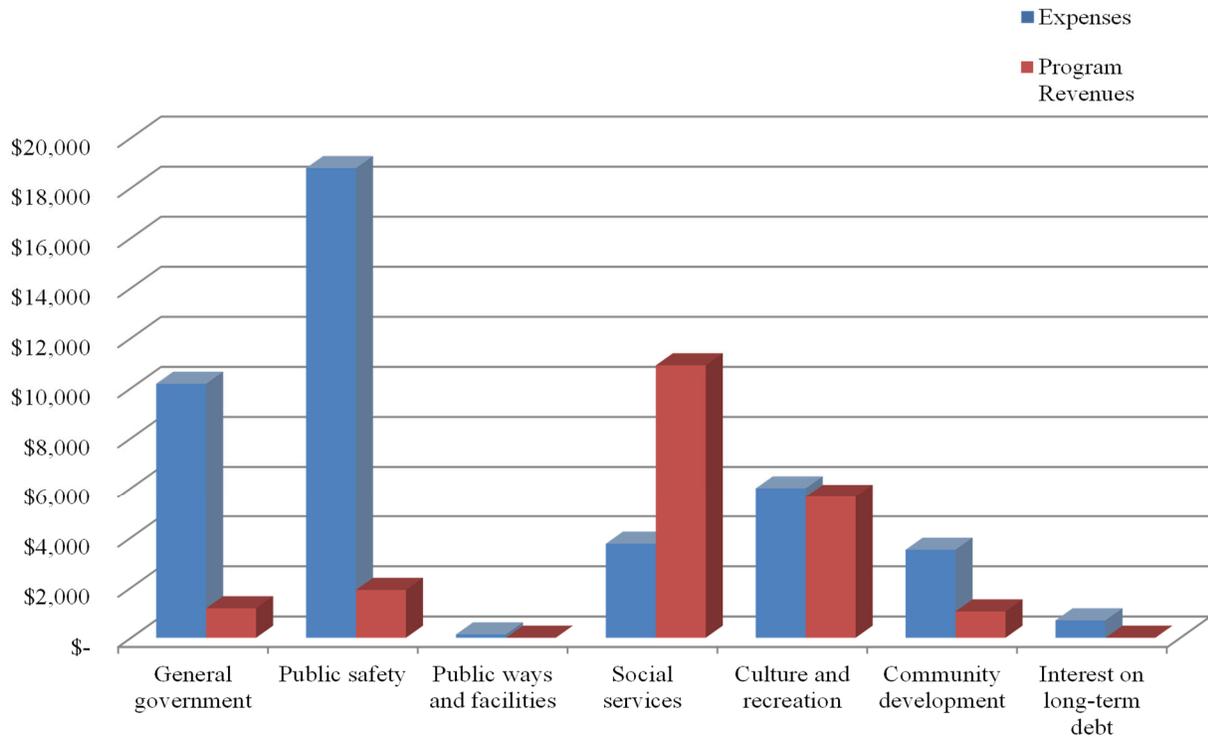
- General governmental expenses increased by \$208 thousand or 2.2% from the previous year.
- Public safety expenses decreased by \$1.4 million or 6.7% from the previous year.
- Public ways and facilities expenses decreased by \$3.7 million or 50.4% from the previous year.
- Community development expenses increased by \$1.9 million or 47.8% from the previous year.
- Culture and recreation expenses decreased by \$1.1 million or 24.6% from the previous year.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

Revenues by Source - Governmental Activities



Expenditures and Program Revenues - Governmental Activities



City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

Governmental program revenues that include charges for services and grants specific to certain programs account for \$20.7 million or 40.3% 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 \$100.4 million or 31.8% of the total government-wide net position. This is an increase of \$8.5 million from the prior year. Net investment in capital assets accounts for \$66.0 million or 65.7% of the total net position and is an increase of \$1.5 million from 2020. Restricted net position accounts for \$1.0 million, or 1.0% of total net position, represents a decrease of \$0.2 million from 2020. Unrestricted net position of \$33.4 million, or 33.3% of total net position, represents an increase of \$7.1 million from 2020.

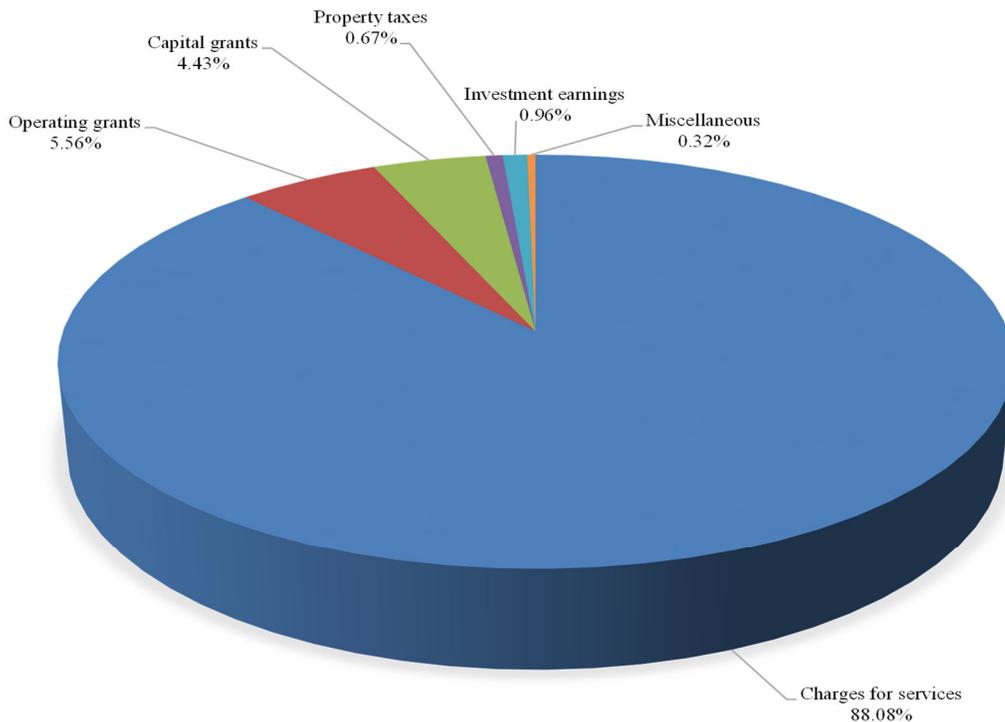
Total business-type revenue for the year was \$35.8 million, which is \$1.8 million or 4.8% less than in 2020.

Charges for services increased by \$2.7 million or 8.9% from the prior year. Additional water meters were installed where there were previously no meters. The result of adding meters to customers where no meter was originally installed typically increases charges for services.

Operating grants and contributions decreased by \$2.4 million or 100.0% from the prior year in local transit primarily due to reclassification of operating transit grant funds received in fiscal year 2020 to charges for services.

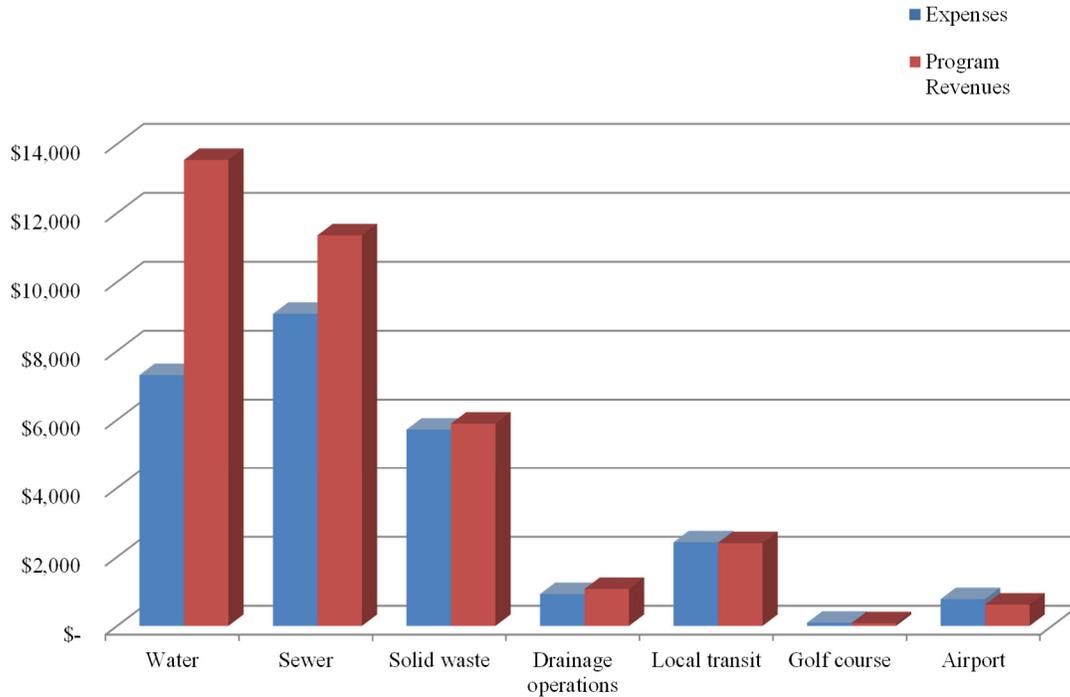
Capital grants and contributions decreased by \$2.0 million or 55.6% from the prior year. The fixed route fund received nearly \$2.0 million less in federal capital grant funds compared to the previous fiscal year.

Revenues by Source - Business-Type Activities



City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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. Operating transit grant funds which are the primary revenue for the transit fund are included in charges for services.

Total business-type expenses for the year were \$26.7 million, which is \$1.9 million or 6.6% less than in 2020.

Water expenses decreased by \$0.9 million or 10.5% compared to the prior year, primarily due to salary savings and operational cost decreases. A multi-year water system construction and maintenance project was completed in the prior year. Maintenance and infrastructure improvements were made over a four-year period and the final costs associated with that project occurred in 2020.

Sewer expenses decreased by \$0.8 million or 8.2% compared to the prior year.

Solid Waste expenses decreased by \$157 thousand or 2.7% compared to the prior year.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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 \$75.0 million, \$4.5 million or 5.6% less than the previous year. The decrease is primarily due to the completion of capital projects throughout the year.

Of the total fund balance, \$4.0 million or 5.4% 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 a particular purpose, committed for a particular purpose, or assigned for a particular purpose. The details of the remainder are as follows:

Nonspendable	
Prepaid items	\$ 47,451
Inventories	59,681
Advances to other funds	36,721
Total nonspendable	143,853
Restricted	
Community development	11,620,421
Park development	104,975
Parking improvements	126,261
Public works and transportation	12,137,998
Special assessment project	460,571
Public protection	219,724
Capital projects and improvements	21,022,921
Total restricted	45,692,871
Committed	
General Fund stabilization reserve	9,354,964
Measure K - Police/Fire Protection	1,840,000
Total committed	11,194,964
Assigned	
Golf course capital	20,000
Debt service	1,034,200
OPEB liability	97,339
Insurance reserve	3,038,867
Health insurance premiums	2,714,000
Future annual stipend payments	1,300,000
Measure K - Police/Fire Protection	5,701,872
Total assigned	13,906,278
Unassigned	
Total fund balances	\$ 74,960,064

City of Madera
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

General Fund

The General Fund is the chief operating fund of the City. As of June 30, 2021, the total fund balance (including all categories) of the general fund was \$30.7 million, up \$5.6 million from June 30, 2020. The total fund balance of \$30.7 million includes non-spendable balances of \$0.1 million, restricted balances of \$1.1 million, committed balances of \$11.2 million, assigned balances of \$12.9 million, and an unassigned balance of \$5.5 million.

The *assigned* fund balance increased \$7.1 million when compared to June 30, 2020, primarily due to the \$2.7 million increase to the health insurance premiums reserve, the \$2.7 million increase to the health insurance premiums reserve, the \$1.3 million increase for future annual stipend payments, the \$1.0 million increase in Measure K fund balance, and the \$1.0 million increase in debt service balance.

The *unassigned* fund balance decreased \$2.0 million when compared to June 30, 2020, primarily due to Council's decision to cover future health insurance premiums of all employees in the amount of \$2.7 million and \$1.3 million to cover future annual stipends. The \$5.5 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 and to augment the maintenance of the water and sewer infrastructure as necessary. 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 17.2% of total General Fund expenditures, while total fund balance represents approximately 97.2% of total General Fund expenditures.

Other Major Funds

The General Development Impact Fee Special Revenue Fund, a major fund, had a \$0.5 million increase in fund balance during Fiscal Year 2021. The ending fund balance of \$15.7 million is restricted for capital projects and improvements.

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	\$ 38,473,656
Sewer Fund	21,350,436
Solid waste Fund	570,730
Drainage Operations Fund	18,527,099
Local Transit Fund	8,131,554
Golf Course Fund	694,759
Airport Fund	12,629,486
Fleet Maintenance Fund	4,837,022
Facilities Maintenance Fund	185,376
Technology Fund	299,907

As noted earlier in the discussion of business-type activities, revenues for local transit services decreased by 59.1% in the current year from reduction in services due to the pandemic. The water fund had increased revenue of \$1 million compared to 2020 while the sewer, solid waste, and drainage funds experienced approximately the same revenue compared to last year.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

General Fund Budgetary Highlights

The general fund ended fiscal year 2021 with \$10.9 million under budget. This variance was primarily the result of \$2.5 million more revenues than anticipated, and \$8.2 million expenditures under budget.

- Actual expenditures for General Government came in \$155 thousand 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 \$1.0 million under budget due to savings in contracted services and personnel costs.
- Actual expenditures for Public Ways and Facilities were \$606 thousand under budget due to savings in supplies and materials, contracted services, and personnel costs.
- Actual expenditures for Community Development came in at \$315 thousand under budget due to savings in contracted services and personnel costs.
- Actual expenditures for Culture and Recreation came in at \$505 thousand under budget due to savings in personnel costs related to COVID-19 reduction in recreational programs, contracted services and conference/training.
- Actual expenditures for Capital Outlay were \$5.3 million under budget due to the carrying-forward of capital project budgets that were not started or completed during the current fiscal year.

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, 2021, amount to \$303.5 million (net of depreciation), an increase of \$10.9 million compared to 2020. This increase is primarily due to the additions to capital assets of \$24.5 million offset by depreciation expense of \$13.1 million.

Major capital asset additions this year include the following:

- Road network improvements - \$11.1 million
 - Developer donations (sidewalk, pavement, pipelines, and others) - \$2.5 million
 - Various other street improvement projects - \$6.9 million
 - Various parks improvement projections - \$608 thousand
 - Various traffic signal improvement projects - \$1.1 million
- Fire station - \$851 thousand
- Equipment, property, and software purchases - \$1.4 million
- Water Well improvement - \$2.1 million
- Solar Power Improvement - \$8.8 million

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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:

- Sewer mains replacement: various locations
- Street improvements: Raymond Road, Cleveland Ave, Olive Ave, Gateway Dr, Gateway Dr, Central Ave, Stadium Road, Maple Street, Santa Cruz Street, Monterey Street, Lilly Street and Vineyard Avenue.
- Trail construction: Gateway Drive
- Water storage tank installation: Avenue 17 and Lake Street
- Water Well: Sharon Blvd and Ave 17

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

- Melanie Meadows Phase I, II, III
- Madera County Public Health and Social Service
- West Cleveland Ave (between Road 24 and Westberry Boulevard)

Capital Assets

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 12,409,951	\$ 12,399,951	\$ 9,347,017	\$ 9,347,017	\$ 21,756,968	\$ 21,746,968
Construction in progress	29,218,024	16,590,872	1,612,044	1,426,412	30,830,068	18,017,284
Buildings and improvements	24,965,790	24,965,790	69,924,082	67,924,082	94,889,872	92,889,872
Equipment	16,399,608	17,135,262	5,672,034	5,998,392	22,071,642	23,133,654
Infrastructure	307,244,162	300,782,173	101,307,678	100,160,267	408,551,840	400,942,440
Less: accumulated depreciation	(193,263,026)	(186,179,025)	(81,570,362)	(77,944,556)	(274,833,388)	(264,123,581)
Total	\$ 196,974,509	\$ 185,695,023	\$ 106,292,493	\$ 106,911,614	\$ 303,267,002	\$ 292,606,637

Detailed information on the City's capital assets can be found in Note 6 on pages 80-82.

Long-term Debt. The City's long-term debt as of June 30, 2021, was \$64.3 million with governmental activities accounting for \$24.3 million or 37.8%, and business-type activities accounting for \$40.0 million or 62.2%. The total debt decreased by \$2.57 million or 3.8% during the current fiscal year. The reason for the decrease was due to the principal payments made during the current year.

Long-Term Debt

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital leases	\$ 19,432,000	\$ 19,595,500	\$ -	\$ -	\$ 19,432,000	\$ 19,595,500
Loans payable	525,400	633,600	7,309,220	7,831,103	7,834,620	8,464,703
Bonds payable	4,331,850	4,495,005	32,713,042	34,322,823	37,044,892	38,817,828
Total	\$ 24,289,250	\$ 24,724,105	\$ 40,022,262	\$ 42,153,926	\$ 64,311,512	\$ 66,878,031

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 \$535.8 million. Detailed information on the City's long-term debt activity can be found in Note 7 on pages 83-92.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

Economic Factors and Next Year's Budgets and Rates

The 2021 economy experienced significant challenges associated with the COVID-19 pandemic. The state continued to observe the state mandated “stay at home” order, which continued to affect many businesses. This continued to result in a reduction in travel, entertainment related sales such as dine in restaurants, theaters and hotels. The fuel sales also continued to decline because of the reduction in driving for work and travel. Throughout the pandemic, the national economy, as well as local economies, were experiencing significant reductions in economic growth and a continued decline in unemployment. Surprisingly, as the economy progressed through the pandemic, unemployment decreased to 9.7% by June 2021, down from 12.1% in the previous year. In early 2022 the economy began to open, some businesses opened to limited service and many employees returned to work. Unemployment figures are expected to improve, sales will experience some recovery as businesses continue to open up. In California, new home starts are expected to rise modestly over the next two years, as well as the value of existing homes.

The city experienced a decrease in its investment earnings from its previous year primarily due to a lower rate of return on investments compared to prior fiscal year. Measure K sales tax contributed to the increase in cash and investments bringing in \$5.4 million 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 was completed June 2021.

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 was completed April 2021. 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 4.9% over the final quarter of 2021. Economic growth remained consistent with the prior year over the first few months of 2022. At the state level, California GDP continues to be the highest of all the states even though there was a slight decrease for the current fiscal year. 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.

The City of Madera has continued to see negative effects of the pandemic throughout this fiscal year. Budgets were adjusted to reflect a more conservative outcome of tax revenues as well as spending was curtailed as an attempt to negate the pandemic's affect. The City of Madera, along with other cities and states, has continued its' stay at home policies and are actively working with authorities to contain the outbreak of COVID-19.

In the last year, the County of Madera had added approximately 3,150 jobs. In January 2022, the unemployment rate in the County was 7.7%, down from the yearly high of 12.9% in June of 2021, according to the United States Bureau of Labor Statistics. The effect of the pandemic appeared to be waning over the past year. At the state level, unemployment is averaging 5.7%.

The City of Madera has seen a decline in certain sectors in consumer spending, especially those sectors related to travel and entertainment, however on-line sales and building & construction have experienced some growth in sales tax. This trend is reflected in stable overall sales tax revenue. Sales tax figures are projected to meet expected budget amounts.

Economic development activity continues to remain stable 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.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2021

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 continues to grow, with 153 homes permitted in fiscal year 2020 and increasing to 200 in fiscal year 2021. It is anticipated that the growth in homes permitted will continue with several subdivisions in northwest quadrant currently being built. The projects cover approximately 3 square miles, over 5,000 new homes, retail and commercial use, elementary schools and expanses of open space and park amenities.

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 2021/21. 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.

While 2022 continued to experience the effects of the pandemic the economic outlook for the year ahead remains cautiously optimistic even though the COVID-19 pandemic has disrupted the world’s economy. Interest rates have declined but are expected to increase due to the inflationary effect of the federal governments stimulus packages issued over the last year. While the pandemic has impaired economic growth in some industries such as entertainment and travel, other industries have experienced continued growth including building and construction and sales tax related to on-line sales remain constant. Containment efforts have been prolonged (over a year) and are 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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Madera
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 76,807,229	\$ 44,474,057	\$ 121,281,286
Accounts receivable, net	10,902,850	4,021,036	14,923,886
Prepaid items	85,279	49,879	135,158
Inventories	59,681	-	59,681
Due from Fiduciary Funds	410,411	-	410,411
Internal balances	1,090,583	(1,090,583)	-
Total current assets	89,356,033	47,454,389	136,810,422
Noncurrent assets:			
Restricted cash and investments	6,262,355	963,474	7,225,829
Notes receivable	8,003,577	-	8,003,577
Land held for resale	670,000	-	670,000
Capital assets:			
Non-depreciable	41,627,975	10,959,061	52,587,036
Depreciable, net	155,346,534	95,333,432	250,679,966
Total capital assets	196,974,509	106,292,493	303,267,002
Total noncurrent assets	211,910,441	107,255,967	319,166,408
Total assets	301,266,474	154,710,356	455,976,830
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	568,869	74,052	642,921
Related to pensions	8,562,078	1,999,527	10,561,605
Total deferred outflows of resources	9,130,947	2,073,579	11,204,526

City of Madera
Statement of Net Position (Continued)
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	8,810,492	3,734,851	12,545,343
Accrued payroll	846,348	92,091	938,439
Deposits	627,873	443,891	1,071,764
Interest payable	117,273	1,577,531	1,694,804
Unearned revenue	11,649,038	174,627	11,823,665
Compensated absences - due within one year	182,655	224,083	406,738
Long-term debt - due within one year	1,034,200	2,372,287	3,406,487
Total current liabilities	<u>23,267,879</u>	<u>8,619,361</u>	<u>31,887,240</u>
Noncurrent liabilities:			
Aggregate net pension liability	42,898,235	8,583,714	51,481,949
Total OPEB liability	3,320,208	452,058	3,772,266
Compensated absences - due in more than one year	1,618,331	178,954	1,797,285
Long-term debt - due in more than one year	23,255,050	37,649,975	60,905,025
Total noncurrent liabilities	<u>71,091,824</u>	<u>46,864,701</u>	<u>117,956,525</u>
Total liabilities	<u>94,359,703</u>	<u>55,484,062</u>	<u>149,843,765</u>
DEFERRED INFLOWS OF RESOURCES			
Related to service concession arrangement	-	16,670	16,670
Gain on refunding of debt	-	303,146	303,146
Related to OPEB	137,764	22,408	160,172
Related to pensions	377,507	579,929	957,436
Total deferred inflows of resources	<u>515,271</u>	<u>922,153</u>	<u>1,437,424</u>
NET POSITION			
Net investment in capital assets	178,947,614	65,967,085	244,914,699
Restricted:			
Community development	11,620,421	-	11,620,421
Park development	104,975	-	104,975
Parking improvements	126,261	-	126,261
Public works and transportation	12,663,310	-	12,663,310
Special assessment project	460,571	-	460,571
Law enforcement	350,557	-	350,557
Capital projects and improvements	21,022,921	-	21,022,921
Debt service	-	963,474	963,474
Total restricted	<u>46,349,016</u>	<u>963,474</u>	<u>47,312,490</u>
Unrestricted (deficit)	<u>(9,774,183)</u>	<u>33,447,161</u>	<u>23,672,978</u>
Total net position	<u>\$ 215,522,447</u>	<u>\$ 100,377,720</u>	<u>\$ 315,900,167</u>

City of Madera
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 9,782,970	\$ 206,027	\$ 868,717	\$ 99,363	\$ 1,174,107
Public protection	18,826,073	793,663	1,112,671	-	1,906,334
Social services	133,639	-	-	-	-
Public ways and facilities	3,741,698	2,715,216	5,345,692	2,849,137	10,910,045
Community development	5,993,699	3,054,194	2,591,111	-	5,645,305
Culture and recreation	3,509,000	931,039	117,500	-	1,048,539
Interest on long-term debt	692,894	-	-	-	-
Total governmental activities	42,679,973	7,700,139	10,035,691	2,948,500	20,684,330
Business-type activities:					
Water	7,427,430	13,464,704	-	73,515	13,538,219
Sewer	9,216,976	10,567,703	-	784,905	11,352,608
Solid waste	5,758,119	5,874,476	-	16,349	5,890,825
Drainage operations	943,353	866,007	-	204,270	1,070,277
Local transit	2,499,127	1,980,522	-	417,507	2,398,029
Golf course	94,635	78,053	-	-	78,053
Airport	787,373	537,172	-	80,436	617,608
Total business-type activities	26,727,013	33,368,637	-	1,576,982	34,945,619
Total primary government	\$ 69,406,986	\$ 41,068,776	\$ 10,035,691	\$ 4,525,482	\$ 55,629,949

City of Madera
Statement of Activities and Changes in Net Position (Continued)
For the Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (8,608,863)	\$ -	\$ (8,608,863)
Public protection	(16,919,739)	-	(16,919,739)
Social services	(133,639)	-	(133,639)
Public ways and facilities	7,168,347	-	7,168,347
Community development	(348,394)	-	(348,394)
Culture and recreation	(2,460,461)	-	(2,460,461)
Interest on long-term debt	(692,894)	-	(692,894)
Total governmental activities	(21,995,643)	-	(21,995,643)
Business-type activities:			
Water	-	6,110,789	6,110,789
Sewer	-	2,135,632	2,135,632
Solid waste	-	132,706	132,706
Drainage operations	-	126,924	126,924
Local transit	-	(101,098)	(101,098)
Golf course	-	(16,582)	(16,582)
Airport	-	(169,765)	(169,765)
Total business-type activities	-	8,218,606	8,218,606
Total primary government	(21,995,643)	8,218,606	(13,777,037)
General Revenues and Transfers:			
General revenues:			
Taxes:			
Property taxes	11,020,353	237,264	11,257,617
Sales and use taxes	16,894,337	-	16,894,337
Franchise taxes	721,028	-	721,028
Other taxes	1,813,979	-	1,813,979
Total taxes	30,449,697	237,264	30,686,961
Investment income (loss)	(97,360)	340,816	243,456
Gain on sale of capital assets	35,469	135,300	170,769
Miscellaneous revenue	317,971	113,658	431,629
Transfers	574,622	(574,622)	-
Total general revenues and transfers	31,280,399	252,416	31,532,815
Change in net position	9,284,756	8,471,022	17,755,778
Net Position:			
Beginning of year	206,155,078	91,906,698	298,061,776
End of year	\$ 215,439,834	\$ 100,377,720	\$ 315,817,554

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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 accounts for and reports the proceeds of the AB1600 development impact fee monies that are restricted or committed to expenditures for the intended purposes.

Solar Energy Lease Capital Projects Fund - This fund accounts for the construction of the Solar Energy Lease Purchase projects. These projects are funded by the Solar Energy Lease Purchase debt obligations.

**City of Madera
Balance Sheet
Governmental Funds
June 30, 2021**

	Major Funds		
	General Fund	General Development Impact Fee Fund	Solar Energy Lease Capital Projects Fund
ASSETS			
Cash and investments	\$ 36,320,603	\$ 18,847,555	\$ -
Restricted cash and investments	-	-	6,262,355
Accounts receivable, net	5,480,927	6,768	-
Notes receivable	-	-	-
Prepaid items	43,441	-	-
Inventories	59,681	-	-
Due from other funds	2,654,902	-	-
Due from Fiduciary Funds	410,411	-	-
Advances to other funds	61,201	-	-
Land held for resale	-	-	-
Total assets	\$ 45,031,166	\$ 18,854,323	\$ 6,262,355
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,861,934	\$ 2,522,789	\$ 823,812
Accrued payroll	810,791	-	-
Due to other funds	-	-	123,385
Deposits payable	-	627,799	-
Unearned revenues	11,535,187	-	-
Total liabilities	14,207,912	3,150,588	947,197
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	99,480	-	-
Total deferred inflows of resources	99,480	-	-
Fund Balances:			
Nonspendable	139,843	-	-
Restricted	-	15,703,735	5,315,158
Committed	11,194,964	-	-
Assigned	13,906,278	-	-
Unassigned (deficit)	5,482,689	-	-
Total fund balances	30,723,774	15,703,735	5,315,158
Total liabilities, deferred inflows of resources, and fund balances	\$ 45,031,166	\$ 18,854,323	\$ 6,262,355

City of Madera
Balance Sheet (Continued)
Governmental Funds
June 30, 2021

	Non-major Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 16,985,047	\$ 72,153,205
Restricted cash and investments	-	6,262,355
Accounts receivable, net	5,309,713	10,797,408
Notes receivable	8,003,577	8,003,577
Prepaid items	4,010	47,451
Inventories	-	59,681
Due from other funds	-	2,654,902
Due from Fiduciary Funds	-	410,411
Advances to other funds	-	61,201
Land held for resale	670,000	670,000
Total assets	\$ 30,972,347	\$ 101,120,191
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 3,404,790	\$ 8,613,325
Accrued payroll	5,624	816,415
Due to other funds	1,502,135	1,625,520
Deposits payable	74	627,873
Unearned revenues	113,851	11,649,038
Total liabilities	5,026,474	23,332,171
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	2,728,476	2,827,956
Total deferred inflows of resources	2,728,476	2,827,956
Fund Balances:		
Nonspendable	4,010	143,853
Restricted	24,673,978	45,692,871
Committed	-	11,194,964
Assigned	-	13,906,278
Unassigned (deficit)	(1,460,591)	4,022,098
Total fund balances	23,217,397	74,960,064
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,972,347	\$ 101,120,191

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City of Madera
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds	<u>\$ 74,960,064</u>
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
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 \$582,543)	<u>2,827,956</u>
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	196,974,509
Less: capital assets reported in Internal Service Funds	<u>(3,407,390)</u>
Total capital assets	<u>193,567,119</u>
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	(182,655)
Compensated absences - due in more than one year	(1,618,331)
Long-term debt - due within one year	(1,034,200)
Long-term debt - due in more than one year	(23,255,050)
Less: amount reported in Internal Service Funds:	
Compensated absences - due within one year	86,804
Compensated absences - due in more than one year	101,691
Total long-term liabilities	<u>(25,901,741)</u>
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.	<u>(117,273)</u>
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	(42,898,235)
Total OPEB liability	(3,320,208)
Less: amount reported in Internal Service Funds:	
Net pension liability	<u>2,911,070</u>
	<u>(43,307,373)</u>
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	568,869
Deferred outflows of resources related to pensions	8,562,078
Less: amount reported in Internal Service Funds:	
Deferred outflows of resources related to pensions	<u>(657,645)</u>
Total deferred outflows of resources	<u>8,473,302</u>
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	(137,764)
Deferred inflows of resources related to pensions	(377,507)
Less: amount reported in Internal Service Funds:	
Deferred inflows of resources related to pensions	<u>213,359</u>
Total deferred inflows of resources	<u>(301,912)</u>
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.	<u>5,322,305</u>
Net Position of Governmental Activities	<u><u>\$ 215,522,447</u></u>

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, 2021

	Major Funds		
	General Fund	General Development Impact Fee Fund	Solar Energy Lease Capital Projects Fund
REVENUES:			
Property taxes	\$ 3,882,014	\$ -	\$ -
Sales and use taxes	16,894,337	-	-
Other taxes	1,516,879	-	-
Investment income (loss)	(272,673)	143,342	-
Franchise fees	721,028	-	-
Licenses and permits	1,555,955	-	-
Fines and forfeitures	423,780	-	-
Intergovernmental	8,954,582	-	-
Charges for services	1,314,019	3,713,231	-
Miscellaneous	405,340	-	-
Total revenues	35,395,261	3,856,573	-
EXPENDITURES:			
Current:			
General government	3,537,496	-	-
Public protection	19,631,384	-	-
Social services	131,881	-	-
Public ways and facilities	1,723,490	183,806	-
Community development	3,646,501	-	-
Culture and recreation	2,790,227	6,047	-
Capital outlay	934,925	2,765,788	8,828,030
Debt service:			
Principal	401,700	-	-
Interest and fiscal charges	192,161	-	538,183
Total expenditures	32,989,765	2,955,641	9,366,213
REVENUES OVER (UNDER) EXPENDITURES	2,405,496	900,932	(9,366,213)
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of property	91,475	-	-
Transfers in	3,562,072	-	538,183
Transfers out	(441,429)	(390,020)	-
Total other financing sources (uses)	3,212,118	(390,020)	538,183
NET CHANGE IN FUND BALANCES	5,617,614	510,912	(8,828,030)
FUND BALANCES:			
Beginning of year	25,106,160	15,192,823	14,143,188
End of year	\$ 30,723,774	\$ 15,703,735	\$ 5,315,158

City of Madera
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2021

	Non-major Governmental Funds	Total Governmental Funds
REVENUES:		
Property taxes	\$ 449,008	\$ 4,331,022
Sales and use taxes	-	16,894,337
Other taxes	404,868	1,921,747
Investment income (loss)	452,900	323,569
Franchise fees	-	721,028
Licenses and permits	-	1,555,955
Fines and forfeitures	28,539	452,319
Intergovernmental	8,687,148	17,641,730
Charges for services	91,433	5,118,683
Miscellaneous	173,556	578,896
Total revenues	10,287,452	49,539,286
EXPENDITURES:		
Current:		
General government	90,984	3,628,480
Public protection	222,974	19,854,358
Social services	-	131,881
Public ways and facilities	1,494,336	3,401,632
Community development	2,192,927	5,839,428
Culture and recreation	-	2,796,274
Capital outlay	5,926,861	18,455,604
Debt service:		
Principal	-	401,700
Interest and fiscal charges	-	730,344
Total expenditures	9,928,082	55,239,701
REVENUES OVER (UNDER) EXPENDITURES	359,370	(5,700,415)
OTHER FINANCING SOURCES (USES):		
Proceeds from sale of property	421,792	513,267
Transfers in	1,003,500	5,103,755
Transfers out	(3,553,181)	(4,384,630)
Total other financing sources (uses)	(2,127,889)	1,232,392
NET CHANGE IN FUND BALANCES	(1,768,519)	(4,468,023)
FUND BALANCES:		
Beginning of year	24,985,916	79,428,087
End of year	\$ 23,217,397	\$ 74,960,064

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, 2021

Total Fund Balances - Total Governmental Funds \$ (4,468,023)

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 \$576,345 added in internal service funds).	18,538,217
In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution (net of \$4,925 added in internal service funds).	1,365,814
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 \$589,095, was not reported as expenditures in the Governmental Funds.	(8,133,997)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(477,798)
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	401,700
Amortization of bond premium	33,155
Interest expense 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.	4,295
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. (net of \$30,083 deducted in internal service funds).	41,600
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.	350,175
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	811,566
Changes in net pension liabilities	(2,139,077)
Changes in pension related deferred inflows of resources	878,954
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	(8,136)
Changes in total OPEB liabilities	(421,670)
Changes in OPEB related deferred inflows of resources	27,147
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.	2,563,447

Change in Net Position of Governmental Activities \$ 9,367,369

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, 2021

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
ASSETS				
Current assets:				
Cash and investments	\$ 29,828,745	\$ 9,320,727	\$ 2,714,683	\$ 861,185
Accounts receivable, net	1,299,284	1,103,298	808,387	75,477
Prepaid items	34,523	6,581	38	-
Total current assets	<u>31,162,552</u>	<u>10,430,606</u>	<u>3,523,108</u>	<u>936,662</u>
Noncurrent assets:				
Restricted cash and investments	-	963,474	-	-
Capital assets:				
Non-depreciable	630,904	2,996,061	-	3,660,651
Depreciable, net	22,743,366	40,207,720	-	14,482,202
Total capital assets	<u>23,374,270</u>	<u>43,203,781</u>	<u>-</u>	<u>18,142,853</u>
Total noncurrent assets	<u>23,374,270</u>	<u>44,167,255</u>	<u>-</u>	<u>18,142,853</u>
Total assets	<u>54,536,822</u>	<u>54,597,861</u>	<u>3,523,108</u>	<u>19,079,515</u>
DEFERRED OUTFLOW OF RESOURCES				
Related to OPEB	37,026	37,026	-	-
Related to pensions	765,667	594,521	333,463	145,245
Total deferred outflow of resources	<u>802,693</u>	<u>631,547</u>	<u>333,463</u>	<u>145,245</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,328,980	646,459	1,730,492	5,031
Accrued payroll	30,910	34,492	8,571	4,798
Due to other funds	-	-	-	-
Interest payable	92,801	345,838	-	-
Deposits payable	1,563,356	-	-	-
Unearned revenue	84,794	-	89,633	200
Compensated absences - due within one year	80,754	88,240	20,545	11,350
Long-term debt - due within one year	418,148	1,622,000	-	-
Total current liabilities	<u>3,599,743</u>	<u>2,737,029</u>	<u>1,849,241</u>	<u>21,379</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Aggregate net pension liability	3,253,753	2,686,101	1,341,877	620,348
Total OPEB liability	226,029	226,029	-	-
Compensated absences - due in more than one year	85,590	48,397	23,331	9,267
Long term debt - due in more than one year	9,464,894	27,680,000	-	-
Total noncurrent liabilities	<u>13,030,266</u>	<u>30,640,527</u>	<u>1,365,208</u>	<u>629,615</u>
Total liabilities	<u>16,630,009</u>	<u>33,377,556</u>	<u>3,214,449</u>	<u>650,994</u>
DEFERRED INFLOWS OF RESOURCES				
Related to service concession arrangement	-	-	-	-
Gain on refunding of debt	20,335	282,811	-	-
Related to OPEB	11,204	11,204	-	-
Related to pensions	204,311	207,401	71,392	46,667
Total deferred inflows of resources	<u>235,850</u>	<u>501,416</u>	<u>71,392</u>	<u>46,667</u>
NET POSITION				
Net investment in capital assets	13,470,893	13,618,970	-	18,142,853
Restricted	-	963,474	-	-
Unrestricted (deficit)	25,002,763	6,767,992	570,730	384,246
Total net position	<u>\$ 38,473,656</u>	<u>\$ 21,350,436</u>	<u>\$ 570,730</u>	<u>\$ 18,527,099</u>

City of Madera
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2021

	Non-major Funds	Total	Governmental Activities Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 1,748,717	\$ 44,474,057	\$ 4,654,024
Accounts receivable, net	734,590	4,021,036	105,442
Prepaid items	8,737	49,879	37,828
Total current assets	<u>2,492,044</u>	<u>48,544,972</u>	<u>4,797,294</u>
Noncurrent assets:			
Restricted cash and investments	-	963,474	-
Capital assets:			
Non-depreciable	3,671,445	10,959,061	-
Depreciable, net	17,900,144	95,333,432	3,407,390
Total capital assets	<u>21,571,589</u>	<u>106,292,493</u>	<u>3,407,390</u>
Total noncurrent assets	<u>21,571,589</u>	<u>107,255,967</u>	<u>3,407,390</u>
Total assets	<u>24,063,633</u>	<u>155,800,939</u>	<u>8,204,684</u>
DEFERRED OUTFLOW OF RESOURCES			
Related to OPEB	-	74,052	-
Related to pensions	160,631	1,999,527	657,645
Total deferred outflow of resources	<u>160,631</u>	<u>2,073,579</u>	<u>657,645</u>
LIABILITIES			
Current liabilities:			
Accounts payable	23,889	3,734,851	197,167
Accrued payroll	13,320	92,091	29,933
Due to other funds	1,029,382	1,029,382	-
Interest payable	5,252	443,891	-
Deposits payable	14,175	1,577,531	-
Unearned revenue	-	174,627	-
Compensated absences - due within one year	23,194	224,083	86,804
Long-term debt - due within one year	332,139	2,372,287	-
Total current liabilities	<u>1,441,351</u>	<u>9,648,743</u>	<u>313,904</u>
Noncurrent liabilities:			
Advances from other funds	61,201	61,201	-
Aggregate net pension liability	681,635	8,583,714	2,911,070
Total OPEB liability	-	452,058	-
Compensated absences - due in more than one year	12,369	178,954	101,691
Long term debt - due in more than one year	505,081	37,649,975	-
Total noncurrent liabilities	<u>1,260,286</u>	<u>46,925,902</u>	<u>3,012,761</u>
Total liabilities	<u>2,701,637</u>	<u>56,574,645</u>	<u>3,326,665</u>
DEFERRED INFLOWS OF RESOURCES			
Related to service concession arrangement	16,670	16,670	-
Gain on refunding of debt	-	303,146	-
Related to OPEB	-	22,408	-
Related to pensions	50,158	579,929	213,359
Total deferred inflows of resources	<u>66,828</u>	<u>922,153</u>	<u>213,359</u>
NET POSITION			
Net investment in capital assets	20,734,369	65,967,085	3,407,390
Restricted	-	963,474	-
Unrestricted (deficit)	721,430	33,447,161	1,914,915
Total net position	<u>\$ 21,455,799</u>	<u>\$ 100,377,720</u>	<u>\$ 5,322,305</u>

City of Madera
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
OPERATING REVENUES:				
Charges for services	\$ 13,464,704	\$ 10,567,703	\$ 5,874,476	\$ 866,007
Other	821	5,539	85,860	56
Total operating revenues	<u>13,465,525</u>	<u>10,573,242</u>	<u>5,960,336</u>	<u>866,063</u>
OPERATING EXPENSES:				
Salaries and benefits	1,961,809	2,164,223	592,579	298,124
General and administrative	2,218,324	2,262,567	5,120,341	228,198
Supplies and miscellaneous	301,301	316,872	32,743	35,479
Parts and supplies	54,525	61,613	-	889
Utilities	1,723,819	745,868	12,456	35,666
Depreciation	884,171	2,471,765	-	344,997
Total operating expenses	<u>7,143,949</u>	<u>8,022,908</u>	<u>5,758,119</u>	<u>943,353</u>
OPERATING INCOME (LOSS)	<u>6,321,576</u>	<u>2,550,334</u>	<u>202,217</u>	<u>(77,290)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	230,616	70,171	19,022	6,810
Property taxes	-	97,248	-	-
Capital grants	-	-	16,349	-
Gain (loss) on sale of capital assets	-	-	-	-
Interest expense	(283,481)	(1,194,068)	-	-
Other nonoperating expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>(52,865)</u>	<u>(1,026,649)</u>	<u>35,371</u>	<u>6,810</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>6,268,711</u>	<u>1,523,685</u>	<u>237,588</u>	<u>(70,480)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	73,515	784,905	-	204,270
Transfers in	-	250,000	50,000	-
Transfers out	(311,801)	(159,240)	(611,954)	(67,451)
Total capital contributions and transfers	<u>(238,286)</u>	<u>875,665</u>	<u>(561,954)</u>	<u>136,819</u>
Changes in net position	6,030,425	2,399,350	(324,366)	66,339
NET POSITION:				
Beginning of year	32,443,231	18,951,086	895,096	18,460,760
End of year	<u>\$ 38,473,656</u>	<u>\$ 21,350,436</u>	<u>\$ 570,730</u>	<u>\$ 18,527,099</u>

City of Madera
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2021

	Non-major Funds	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:			
Charges for services	\$ 2,595,747	\$ 33,368,637	\$ 6,470,752
Other	21,382	113,658	47,063
Total operating revenues	<u>2,617,129</u>	<u>33,482,295</u>	<u>6,517,815</u>
OPERATING EXPENSES:			
Salaries and benefits	448,350	5,465,085	2,029,438
General and administrative	1,963,054	11,792,484	738,119
Supplies and miscellaneous	180,954	867,349	202,342
Parts and supplies	-	117,027	179,538
Utilities	32,167	2,549,976	172,587
Depreciation	724,363	4,425,296	589,095
Total operating expenses	<u>3,348,888</u>	<u>25,217,217</u>	<u>3,911,119</u>
OPERATING INCOME (LOSS)	<u>(731,759)</u>	<u>8,265,078</u>	<u>2,606,696</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	14,197	340,816	-
Property taxes	140,016	237,264	-
Capital grants	415,330	431,679	99,363
Gain (loss) on sale of capital assets	135,300	135,300	-
Interest expense	(32,247)	(1,509,796)	-
Other nonoperating expense	-	-	-
Total nonoperating revenues (expenses)	<u>672,596</u>	<u>(364,737)</u>	<u>99,363</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(59,163)</u>	<u>7,900,341</u>	<u>2,706,059</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	82,613	1,145,303	1,891
Transfers in	298,804	598,804	-
Transfers out	(22,980)	(1,173,426)	(144,503)
Total capital contributions and transfers	<u>358,437</u>	<u>570,681</u>	<u>(142,612)</u>
Changes in net position	299,274	8,471,022	2,563,447
NET POSITION:			
Beginning of year	21,156,525	91,906,698	2,758,858
End of year	<u>\$ 21,455,799</u>	<u>\$ 100,377,720</u>	<u>\$ 5,322,305</u>

City of Madera
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 13,207,792	\$ 9,879,946	\$ 5,380,418	\$ 816,889
Cash payments to suppliers for goods and services	(3,483,820)	(3,364,598)	(4,169,624)	(302,711)
Cash payments to employees for services	(1,909,096)	(2,105,601)	(593,916)	(293,125)
Other operating revenues and expenses	821	5,539	85,860	56
Net cash provided by (used in) operating activities	7,815,697	4,415,286	702,738	221,109
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	-	97,248	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Transfers from other funds	-	250,000	50,000	-
Transfers to other funds	(311,801)	(159,240)	(611,954)	(67,451)
Net cash provided by (used in) noncapital financing activities	(311,801)	188,008	(561,954)	(67,451)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	-	-	16,349	-
Acquisition of capital assets	(2,265,969)	(4,383)	-	-
Proceeds from refinancing of debt	-	6,472,000	-	-
Principal payment of long-term debt	(489,781)	(7,817,283)	-	-
Interest paid on debt	(289,476)	(1,247,112)	-	-
Net cash provided by (used in) capital and related financing activities	(3,045,226)	(2,596,778)	16,349	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest from investments	230,616	70,171	19,022	6,810
Net cash provided by investing activities	230,616	70,171	19,022	6,810
Net change in cash and cash equivalents	4,689,286	2,076,687	176,155	160,468
CASH AND CASH EQUIVALENTS:				
Beginning of year	25,139,459	8,207,514	2,538,528	700,717
End of year	<u>\$ 29,828,745</u>	<u>\$ 10,284,201</u>	<u>\$ 2,714,683</u>	<u>\$ 861,185</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 6,321,576	\$ 2,550,334	\$ 202,217	\$ (77,290)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation	884,171	2,471,765	-	344,997
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(280,437)	(687,757)	(494,058)	(49,118)
Prepaid items	(4,172)	(3,076)	-	-
Deferred outflows - OPEB related	(16,328)	(16,328)	-	-
Deferred outflows - pension related	18,058	19,537	5,693	2,678
Accounts payable	818,321	25,398	995,916	(2,479)
Accrued payroll	(111)	929	(1,213)	360
Deposits payable	4,825	-	-	-
Unearned revenue	18,700	-	-	-
Compensated absences	11,849	14,561	(8,431)	733
Aggregate net pension liability	30,005	32,462	9,460	4,449
Total OPEB liability	33,084	33,084	-	-
Deferred inflows - OPEB related	(2,130)	(2,130)	-	-
Deferred inflows - pension related	(21,714)	(23,493)	(6,846)	(3,221)
Total adjustments	1,494,121	1,864,952	500,521	298,399
Net cash provided by (used in) operating activities	\$ 7,815,697	\$ 4,415,286	\$ 702,738	\$ 221,109
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed property, plant and equipment	\$ -	\$ 784,905	\$ -	\$ -
Total noncash capital and related financing activities	\$ -	\$ 784,905	\$ -	\$ -

City of Madera
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2021

	Non-major Funds	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 3,725,821	\$ 33,010,866	\$ 6,369,025
Cash payments to suppliers for goods and services	(2,501,012)	(13,821,765)	(1,231,367)
Cash payments to employees for services	(429,898)	(5,331,636)	(1,975,486)
Other operating revenues and expenses	21,382	113,658	47,063
Net cash provided by (used in) operating activities	816,293	13,971,123	3,209,235
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Property taxes	140,016	237,264	-
Due to other funds	(861,980)	(861,980)	-
Advances from other funds	(24,480)	(24,480)	-
Transfers from other funds	298,804	598,804	-
Transfers to other funds	(22,980)	(1,173,426)	(144,503)
Net cash provided by (used in) noncapital financing activities	(470,620)	(1,223,818)	(144,503)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital grants	415,330	431,679	99,363
Acquisition of capital assets	(255,219)	(2,525,571)	(574,454)
Proceeds from refinancing of debt	-	6,472,000	-
Principal payment of long-term debt	(296,600)	(8,603,664)	-
Interest paid on debt	(32,741)	(1,569,329)	-
Net cash provided by (used in) capital and related financing activities	(169,230)	(5,794,885)	(475,091)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest from investments	14,197	340,816	-
Net cash provided by investing activities	14,197	340,816	-
Net change in cash and cash equivalents	190,640	7,293,236	2,589,641
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,558,077	38,144,295	2,064,383
End of year	<u>\$ 1,748,717</u>	<u>\$ 45,437,531</u>	<u>\$ 4,654,024</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (731,759)	\$ 8,265,078	\$ 2,606,696
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	724,363	4,425,296	589,095
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	1,129,399	(381,971)	(101,727)
Prepaid items	(7,049)	(14,297)	5,510
Deferred outflows - OPEB related	-	(32,656)	-
Deferred outflows - pension related	3,872	49,838	19,607
Accounts payable	(317,788)	1,519,368	55,709
Accrued payroll	5,635	5,600	(4,740)
Deposits payable	675	5,500	-
Unearned revenue	-	18,700	-
Compensated absences	7,168	25,880	30,083
Aggregate net pension liability	6,434	82,810	32,579
Total OPEB liability	-	66,168	-
Deferred inflows - OPEB related	-	(4,260)	-
Deferred inflows - pension related	(4,657)	(59,931)	(23,577)
Total adjustments	1,548,052	5,706,045	602,539
Net cash provided by (used in) operating activities	\$ 816,293	\$ 13,971,123	\$ 3,209,235
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Contributed property, plant and equipment	\$ 82,613	\$ 867,518	\$ 1,891
Total noncash capital and related financing activities	\$ 82,613	\$ 867,518	\$ 1,891

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Fiduciary Funds Financial Statements

Custodial Funds - These funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. This includes the San Mateo General Deposit Custodial Fund and Community Facilities Districts Custodial Fund.

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).

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City of Madera
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds	RDA Successor Agency Private Purpose Trust Fund
ASSETS		
Cash and investments	\$ 1,893,097	\$ 6,238,586
Accounts receivable, net	1,936	6,137
Prepaid items	875	421
Restricted cash and investments with fiscal agent	47,031	1
Land held for resale	-	278,207
Capital asset, not being depreciated	-	16,702
Capital asset, being depreciated, net	-	1,563,224
Total assets	1,942,939	8,103,278
LIABILITIES		
Accounts payable	17,930	140
Accrued liabilities	-	293
Interest payable	-	496,600
Due to City	-	410,411
Deposits payable	1,539,738	-
Long-term debt - due within one year	-	1,390,000
Long-term debt - due in more than one year	-	35,472,970
Total liabilities	1,557,668	37,770,414
NET POSITION (DEFICIT)		
Restricted for:		
Individuals, organizations, and other governments	385,271	-
Held in trust for dissolution of RDA	-	(29,667,136)
Total net position (deficit)	\$ 385,271	\$ (29,667,136)

City of Madera
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds	RDA Successor Agency Private Purpose Trust Fund
ADDITIONS:		
Special assessments for other governments	\$ 178,165	\$ -
Investment income	1,021	31,777
RDA property tax trust fund distribution	-	3,375,855
Other payments received	-	4,186
Total additions	179,186	3,411,818
DEDUCTIONS:		
Administration	7,865	-
Project payments	-	319,145
Payments on conduit bonds - principal	79,232	-
Payments on conduit bonds - interest	87,352	-
Depreciation	-	65,849
Interest expense	-	1,033,070
Total deductions	174,449	1,418,064
Change in net position	4,737	1,993,754
NET POSITION (DEFICIT):		
Beginning of year	380,534	(31,660,890)
End of period	<u>\$ 385,271</u>	<u>\$ (29,667,136)</u>

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, 2021

Note 1 – Summary of Significant Accounting Policies.....	57
A. Financial Reporting Entity	57
B. Basis of Presentation, Accounting and Measurement Focus.....	58
C. Deferred Outflows and Inflows of Resources	62
D. Cash, Cash Equivalents and Investments	62
E. Restricted Assets	63
F. Receivables.....	63
G. Interfund Transactions.....	64
H. Inventory	64
I. Prepaid Items.....	64
J. Land Held for Resale.....	64
K. Capital Assets	64
L. Long-Term Debt.....	65
M. Compensated Absences	65
N. Pension Plans.....	66
O. Other Postemployment Benefits (OPEB).....	66
P. Fund Balances	67
Q. Net Position	68
R. Property Taxes.....	68
S. Use of Accounting Estimates	68
T. Implementation of New GASB Pronouncements for the Year Ended June 30, 2021	68
U. Upcoming Government Accounting Standards Implementations	69
 Note 2 – Cash and Investments	 71
A. Demand Deposits.....	72
B. Investments Authorized by the California Government Code and the City’s Investment Policy	72
C. Investments Authorized by Debt Agreements.....	73
D. Fair Value Measurement	73
E. Risk Disclosure.....	74
F. Investment in State Investment Pool	76
 Note 3 –Notes Receivables	 76
A. Summary	76
B. Governmental Activities.....	77
 Note 4 – Interfund Receivables, Payables, and Transfers.....	 78
A. Due To / From Other Funds	78
B. Transfers.....	78
C. Long-Term Advances.....	79
 Note 5 – Due from Fiduciary Funds	 80
 Note 6 – Capital Assets	 80
A. Governmental Activities.....	80
B. Business-Type Activities.....	81
C. Fiduciary Fund Financial Statements	82

City of Madera
Index of Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Liabilities	82
A. Governmental Activities	82
B. Business-Type Activities	85
C. Fiduciary Fund Financial Statements	88
Note 8 – Special Assessment Debt with No City Commitment	90
Note 9 – Compensated Absences.....	90
A. Governmental Activities.....	90
B. Business-Type Activities.....	91
Note 10 – Risk Management.....	91
Note 11 – Pension Plans	93
A. Summary	93
B. City Miscellaneous Plan	94
C. City Safety Plan.....	100
Note 12 – Other Postemployment Benefits	106
A. Summary	106
B. General Information about OPEB	106
C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB	107
Note 13 – Deferred Compensation Plan.....	109
A. City	109
Note 14 – Service Concession Agreement	110
Note 15 – Other Required Disclosures	110
A. Deficit Fund Balances/Net Position	110
B. Expenditures Exceeding Appropriations	110
Note 16 – Fund Balance Classification	111
Note 17 – Commitments and Contingencies	111
A. Litigation	111
B. Contingent Liabilities	112
C. Federal and State Grants.....	112
D. Contractual Commitments.....	112
E. Encumbrances.....	113

City of Madera
Index of Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 18 – Prior Period Adjustment113

 A. Fiduciary Fund Financial Statements113

Note 19 – Subsequent Events113

 A. American Rescue Plan Act113

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City of Madera
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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. During the fiscal year ending June 30, 2021, the Housing Authority elected to change the organization's year-end reporting date from June 30th to September 30th. The first financial reporting period under the new year-end reporting date consisted of a 15 month accounting period from July 1, 2020 through September 30, 2021. The Housing Authority's September 30 fiscal year-end audited financial statements are included in the City's basic financial statements as a discretely presented component unit. Complete financial statements for the Housing Authority may be obtained from the administrative offices located at 205 North G St, Madera, CA 93637.

The Housing Authority and the City have different fiscal years, which can result in timing differences in transactions between the Housing Authority and the City as noted in the basic financial statements. The audited financial statements of the Housing Authority were not available and therefore have not been included in the City's financial statements.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Government-Wide Financial Statements (Continued)

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:

- 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Governmental Fund Financial Statements (Continued)

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.

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.

Solar Energy Lease Capital Projects Fund – This fund accounts for the construction of the Solar Energy Lease Purchase projects. These projects are funded by the Solar Energy Lease Purchase debt obligations.

Discretely Presented Component Unit Financial Statements

The activities of the Authority closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. The Authority provides services on a continuous basis and its activities are substantially financed by revenues derived from user charges and contributions from the member agencies. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Financial Statements (Continued)

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.

Sewer Fund – This fund is used to account for the provision of sewer 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.

Local Transit Fund – This fund is used to account for the activities of the government's public transit 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 custodial funds and private purpose trust funds. Both custodial 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. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Such funds include 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Fiduciary Fund Financial Statements (Continued)

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.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash, Cash Equivalents and Investments (Continued)

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

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.

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.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Receivables (Continued)

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.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Capital Assets (Continued)

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.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Compensated Absences (Continued)

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 respective Enterprise Funds.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Other Postemployment Benefits (OPEB) (Continued)

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, 2020
Measurement date	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020

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, 2021, 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.
- 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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, 2021

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, 2021. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Implementation of New GASB Pronouncements for the Year Ended June 30, 2021 (Continued)

GASB Statement No. 84 - In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. As a result of the implementation, the City converted the former agency funds, which previously reported assets and liabilities only, to custodial funds and reported a restatement of its net position in the amount of \$380,534.

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* (GASB Statement No. 90), to improve 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. This statement requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Application of this statement did not have a material financial effect on the City’s financial statements for the fiscal year ending June 30, 2021.

GASB Statement No. 98 - In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Application of this statement did not have a material financial effect on the City’s financial statements for the fiscal year ending June 30, 2021.

U. Upcoming Government Accounting Standards Implementations

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, 2022.

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, 2022.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Upcoming Government Accounting Standards Implementations (Continued)

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, 2023.

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.

GASB Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

GASB Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

GASB Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Upcoming Government Accounting Standards Implementations (Continued)

GASB Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

Note 2 – Cash and Investments

Cash and investments are presented in the accompanying financial statements at June 30, 2021 as follows:

	<u>Government-Wide Statement of Net Position</u>			<u>Fiduciary Funds</u>	
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Statement of</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Net Position</u>	
Cash and investments	\$ 76,807,229	\$ 44,474,057	\$ 121,281,286	\$ 8,131,683	\$ 129,412,969
Cash and investments with fiscal agent	6,262,355	963,474	7,225,829	47,032	7,272,861
Total cash and investments	<u>\$ 83,069,584</u>	<u>\$ 45,437,531</u>	<u>\$ 128,507,115</u>	<u>\$ 8,178,715</u>	<u>\$ 136,685,830</u>

Cash and investments at June 30, 2021, consisted of the following:

Cash:	
Cash on hand	\$ 6,530
Deposits with financial institution	10,636,041
Total cash	<u>10,642,571</u>
Investments:	
Investments	118,770,398
Investments held by bond trustee	7,272,861
Total investments	<u>126,043,259</u>
Total cash and investments	<u>136,685,830</u>

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$10,636,041 at June 30, 2021. Bank balances were \$11,948,997 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.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

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

D. Fair Value Measurement

As of June 30, 2021, the City’s investments had the following recurring fair value measurements:

Investments measured by fair value level:	June 30, 2021	Level 2
Negotiable Certificates of Deposit	\$ 13,470,208	\$ 13,470,208
U.S. Government Securities:		
Federal Farm Credit Bank	6,933,800	6,933,800
Federal Home Loan Banks	3,190,668	3,190,668
Federal Home Loan Mortgage Corporation	1,990,180	1,990,180
Federal National Mortgage Association	2,969,860	2,969,860
U.S. Corporate Bonds	12,027,491	12,027,491
Total investments by fair value level	40,582,207	\$ 40,582,207
Investments not subject to the fair value hierarchy:		
Local Agency Investment Fund	66,491,455	
Money market mutual funds	13,246,597	
Certificates of deposit	5,723,000	
Total investments not subject to the fair value hierarchy	85,461,052	
Total investments	\$ 126,043,259	

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

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.

Investment Type	Total	Investment Maturities				
		1 year or less	1 - 2 Years	Years	3 - 4 Years	5+ Years
Local Agency Investment Fund	\$ 66,491,455	\$ 66,491,455	\$ -	\$ -	\$ -	\$ -
Money market mutual funds	5,973,736	5,973,736	-	-	-	-
Certificates of deposit	5,723,000	1,741,000	2,488,000	996,000	249,000	249,000
Negotiable Certificates of Deposit	13,470,208	2,328,191	1,971,529	1,971,529	1,992,468	5,206,490
U.S. Government Securities:						
Federal Farm Credit Bank	6,933,800	-	1,001,010		996,780	4,936,010
Federal Home Loan Banks	3,190,668	-		998,640	2,192,028	
Federal Home Loan Mortgage Corporation	1,990,180	-		1,000,090		990,090
Federal National Mortgage Association	2,969,860	-			992,380	1,977,480
U.S. Corporate Bonds	12,027,491	1,506,455	4,419,086	2,134,730	2,976,140	991,080
Held by bond trustee:						
Money market mutual funds	7,272,861	7,272,861	-	-	-	-
Total investments	\$ 126,043,259	\$ 85,313,699	\$ 9,879,625	\$ 7,100,989	\$ 9,398,796	\$ 14,350,150

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

E. Risk Disclosure (Continued)

Disclosures Relating to Credit Risk (Continued)

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	Ratings	
		Legal Rating	at Year-End	Not Rated
			AA or AAA	
Local Agency Investment Fund	\$ 66,491,455	N/A	\$ -	\$ 66,491,455
Money market mutual funds	5,973,736	A-1	-	5,973,736
Certificates of deposit	5,723,000	AA+	-	5,723,000
Negotiable Certificates of Deposit	13,470,208	AA+	13,470,208	-
U.S. Government Securities:				
Federal Farm Credit Bank	6,933,800	AA	6,933,800	-
Federal Home Loan Banks	3,190,668	AA	3,190,668	-
Federal Home Loan Mortgage Corporation	1,990,180	AA	1,990,180	-
Federal National Mortgage Association	2,969,860	AA-	2,969,860	-
U.S. Corporate Bonds	12,027,491	AA	12,027,491	-
Held by bond trustee:				
Money market mutual funds	7,272,861	AA+	-	7,272,861
Total investments	\$ 126,043,259		\$ 40,582,207	\$ 85,461,052

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, 2021, 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, 2021, the City’s deposits (bank balances) were collateralized under California Law.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

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, 2021 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, 2021, the City had \$66,491,455 invested in LAIF, which had invested 1.10% 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, 2021, 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, 2021.

Note 3 – Notes Receivables

A. Summary

At June 30, 2021, notes receivable consisted of the following:

	Notes Receivable Balance June 30, 2021	Allowance for Doubtful Accounts Balance June 30, 2021	Financial Statement Balance June 30, 2021	Interest Receivable, net Balance June 30, 2021
City:				
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	<u>15,486,649</u>	<u>(7,490,072)</u>	<u>7,996,577</u>	<u>-</u>
Low and Moderate Income Housing Fund	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>-</u>
Total City	<u>\$ 15,493,649</u>	<u>\$ (7,490,072)</u>	<u>\$ 8,003,577</u>	<u>\$ -</u>

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 3 – Notes Receivables (Continued)

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, 2021 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, 2021 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.

Forgivable Loans (Continued)

Loans and related items as of June 30, 2021 are summarized as follows:

<u>Loan Type</u>	<u>Outstanding Loan Balance June 30, 2021</u>	<u>Due</u>
First-time homebuyer	\$ 5,431,572	30 years
Housing rehabilitation	1,506,296	30 years
Small business	552,204	10 years
Total	\$ 7,490,072	

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 4 – Interfund Receivables, Payables, and Transfers

A. Due To / From Other Funds

Amounts due to and due from other funds at June 30, 2021, were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Solar Energy Lease Capital Projects Fund	\$ 123,385	Overdrawn Cash
General Fund	Federal Aid Urban Special Revenue Fund	1,215,767	Overdrawn Cash
General Fund	Street Construction Special Revenue Fund	259,544	Overdrawn Cash
General Fund	Intermodal Building Special Revenue Fund	26,824	Overdrawn Cash
General Fund	Local Transit Enterprise Fund	529,788	Overdrawn Cash
General Fund	Golf Course Enterprise Fund	499,594	Overdrawn Cash
	Total	\$ 2,654,902	

B. Transfers

Interfund transfers during the year ended June 30, 2021, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Special Gas Tax Special Revenue Fund	\$ 877,822	Capital projects
General Fund	Measure "T" Sales Tax Special Revenue Fund	863,933	Capital projects
General Fund	Parking District Operations Special Revenue Fund	7,709	Administrative cost
General Fund	Street Construction Special Revenue Fund	512,000	Capital projects
General Fund	Community Facilities District Special Revenue Fund	310,247	Administrative cost
General Fund	General Development Impact Fee Special Revenue Fund	15,000	Administrative cost
General Fund	General Development Impact Fee Special Revenue Fund	125,020	Debt service
General Fund	Water Enterprise Fund	60,000	Engineering costs
General Fund	Sewer Enterprise Fund	593,857	Engineering costs
General Fund	Drainage Operations Enterprise Fund	45,000	Engineering costs
	Subtotal	3,410,588	
Streets and Roads Special Revenue Fund	General Fund	38,119	Capital projects
Streets and Roads Special Revenue Fund	Special Gas Tax Special Revenue Fund	954,076	Capital projects
Streets and Roads Special Revenue Fund	Measure "T" Sales Tax Special Revenue Fund	11,305	Capital projects
	Subtotal	1,003,500	
Solar Energy Lease Capital Projects Fund	General Fund	104,506	Debt service
Solar Energy Lease Capital Projects Fund	Intermodal Facility Special Revenue Fund	11,449	Debt service
Solar Energy Lease Capital Projects Fund	Parking District Operations Special Revenue Fund	1,545	Debt service
Solar Energy Lease Capital Projects Fund	Landscape Assessment Special Revenue Fund	2,546	Debt service
Solar Energy Lease Capital Projects Fund	Water Enterprise Fund	210,166	Debt service
Solar Energy Lease Capital Projects Fund	Sewer Enterprise Fund	114,275	Debt service
Solar Energy Lease Capital Projects Fund	Solid Waste Disposal Enterprise Fund	2,807	Debt service
Solar Energy Lease Capital Projects Fund	Drainage Operations Enterprise Fund	14,207	Debt service
Solar Energy Lease Capital Projects Fund	Airport Enterprise Fund	15,051	Debt service
Solar Energy Lease Capital Projects Fund	Internal Service Funds	61,631	Debt service
	Subtotal	538,183	

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

B. Transfers (Continued)

Transfers In	Transfers Out	Amount	Purpose
General Fund	Intermodal Facility Special Revenue Fund	244	Fund insurance reserve
General Fund	Parking District Operations Special Revenue Fund	305	Fund insurance reserve
General Fund	Water Enterprise Fund	41,635	Fund insurance reserve
General Fund	Sewer Enterprise Fund	44,965	Fund insurance reserve
General Fund	Solid Waste Disposal Enterprise Fund	15,290	Fund insurance reserve
General Fund	Drainage Operations Enterprise Fund	8,244	Fund insurance reserve
General Fund	Local Transit Enterprise Fund	4,522	Fund insurance reserve
General Fund	Airport Enterprise Fund	3,407	Fund insurance reserve
General Fund	Internal Service Funds	32,872	Fund insurance reserve
	Subtotal	<u>151,484</u>	
Sewer Enterprise Fund	General Development Impact Fee Special Revenue Fund	250,000	Debt service
Solid Waste Enterprise Fund	Internal Service Funds	50,000	Capital projects
Golf Course Enterprise Fund	General Fund	298,804	Capital projects
	Total	<u>\$ 5,702,559</u>	

C. Long-Term Advances

At June 30, 2021, the balances of long-term advances were as follows:

Advances To	Advances From	Amount
General Fund	Golf Course Enterprise Fund	<u>\$ 61,201</u>

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, 2021, the outstanding balance of the agreement was \$61,201.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

C. Long-Term Advances (Continued)

The annual requirements to amortize the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 24,480	\$ -	\$ 24,480
2023	24,480	-	24,480
2024	12,241	-	12,241
Total	\$ 61,201	\$ -	\$ 61,201

Note 5 – Due from Fiduciary Funds

Due from fiduciary funds as of June 30, 2021, was as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Purpose Trust Fund	\$ 410,411	Reimbursement
		Total \$ 410,411	

Note 6 – Capital Assets

A. Governmental Activities

The summary of changes in governmental activities capital assets for the year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets, not being depreciated					
Land	\$ 12,399,951	\$ 275,000	\$ (470,000)	205,000	\$ 12,409,951
Construction in progress	16,590,872	18,185,062	-	(5,557,910)	29,218,024
Total capital assets, not being depreciated	28,990,823	18,460,062	(470,000)	(5,352,910)	41,627,975
Capital assets, being depreciated					
Building and improvements	24,965,790	-	-	-	24,965,790
Infrastructure	300,782,173	1,365,814	(9,735)	5,105,910	307,244,162
Equipment	17,135,262	654,500	(1,637,154)	247,000	16,399,608
Total capital assets, being depreciated	342,883,225	2,020,314	(1,646,889)	5,352,910	348,609,560
Accumulated depreciation:					
Building and improvements	(8,948,457)	(563,800)	-	-	(9,512,257)
Infrastructure	(167,703,380)	(7,142,635)	9,735	-	(174,836,280)
Equipment	(9,527,188)	(1,016,657)	1,629,356	-	(8,914,489)
Total accumulated depreciation	(186,179,025)	(8,723,092)	1,639,091	-	(193,263,026)
Total capital assets, being depreciated, net	156,704,200	(6,702,778)	(7,798)	5,352,910	155,346,534
Total capital assets, net	\$ 185,695,023	\$ 11,757,284	\$ (477,798)	\$ -	\$ 196,974,509

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Capital Assets (Continued)

A. Governmental Activities (Continued)

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

General government	\$	6,052,041
Public protection		360,802
Social services		11,981
Public ways and facilities		992,944
Community development		8,667
Culture and recreation		707,562
Internal service funds		589,095
Total depreciation expenses	\$	8,723,092

B. Business-Type Activities

The summary of changes in business-type activities capital assets for the year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets, not being depreciated					
Land	\$ 9,347,017	\$ -	\$ -	\$ -	\$ 9,347,017
Construction in progress	1,426,412	2,185,632	-	(2,000,000)	1,612,044
Total capital assets, not being depreciated	10,773,429	2,185,632	-	(2,000,000)	10,959,061
Capital assets, being depreciated					
Building and improvements	67,924,082	-	-	2,000,000	69,924,082
Infrastructure	100,160,267	1,147,411	-	-	101,307,678
Equipment	5,998,392	473,132	(799,490)	-	5,672,034
Total capital assets, being depreciated	174,082,741	1,620,543	(799,490)	2,000,000	176,903,794
Accumulated depreciation:					
Building and improvements	(34,231,288)	(2,065,425)	-	-	(36,296,713)
Infrastructure	(40,123,306)	(2,013,304)	-	-	(42,136,610)
Equipment	(3,589,962)	(346,567)	799,490	-	(3,137,039)
Total accumulated depreciation	(77,944,556)	(4,425,296)	799,490	-	(81,570,362)
Total capital assets, being depreciated, net	96,138,185	(2,804,753)	-	2,000,000	95,333,432
Total capital assets, net	\$ 106,911,614	\$ (619,121)	\$ -	\$ -	\$ 106,292,493

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

Water	\$ 884,171
Sewer	2,471,765
Drainage operations	344,997
Local transit	424,873
Airport	299,490
Total depreciation expenses	\$ 4,425,296

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021, is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 14,786	\$ 1,916	\$ -	\$ 16,702
Total capital assets, not being depreciated	14,786	1,916	-	16,702
Capital assets, being depreciated				
Building and improvements	2,359,125	-	-	2,359,125
Total capital assets, being depreciated	2,359,125	-	-	2,359,125
Accumulated depreciation:				
Building and improvements	(730,052)	(65,849)	-	(795,901)
Total accumulated depreciation	(730,052)	(65,849)	-	(795,901)
Total capital assets, being depreciated, net	1,629,073	(65,849)	-	1,563,224
Total capital assets, net	\$ 1,643,859	\$ (63,933)	\$ -	\$ 1,579,926

Depreciation expense for fiduciary fund financial statements for the year ended June 30, 2021 was \$65,849.

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, 2021, is as follows:

	Balance July 1, 2020	Debt Issued	Debt Retired	Balance June 30, 2021	Classification	
					Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct borrowings:						
Capital leases:						
ERP System and Fire Truck	\$ 163,500	\$ -	\$ (163,500)	\$ -	\$ -	\$ -
Solar Energy Lease Purchase	19,432,000	-	-	19,432,000	788,000	18,644,000
Total capital leases	19,595,500	-	(163,500)	19,432,000	788,000	18,644,000
Loans payable:						
Police Facility Commercial Loan	633,600	-	(108,200)	525,400	111,200	414,200
Total loans payable	633,600	-	(108,200)	525,400	111,200	414,200
Public borrowings:						
Lease revenue bonds:						
Series 2019, New Fire Station	3,880,000	-	(130,000)	3,750,000	135,000	3,615,000
plus: bond premium	615,005	-	(33,155)	581,850	-	581,850
Total lease revenue bonds	4,495,005	-	(163,155)	4,331,850	135,000	4,196,850
Total	\$ 24,724,105	\$ -	\$ (434,855)	\$ 24,289,250	\$ 1,034,200	\$ 23,255,050

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

ERP System and Fire Truck (Direct 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%. The capital lease was paid off in August 2020. At June 30, 2021, the outstanding balance of the capital lease was paid in full.

2019 Solar Energy Lease Purchase (Direct Borrowing)

On December 30, 2019, the City entered into an equipment lease/purchase agreement in a direct placement transaction with Bank of America for an energy improvement and upgrade project (2019 Solar Equipment Lease) in the amount of \$19,432,000. The energy project improvements include HVAC upgrade, LED lighting, solar streetlights, EV charging stations and PV solar.

The capital lease transaction closed on December 30, 2019. The interest was capitalized for the first two years, with interest only payments beginning June 1, 2020 through June 1, 2021 and principal and interest due in semi-annual payments, payable June 1st and December 1st thereafter, with an interest rate of 2.77%. At June 30, 2021, the outstanding balance of the capital lease was \$19,432,000.

The annual debt service requirements at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 788,000	\$ 527,352	\$ 1,315,352
2023	810,000	505,220	1,315,220
2024	833,000	482,465	1,315,465
2025	856,000	459,072	1,315,072
2026	880,000	435,028	1,315,028
2027-2031	4,786,000	1,790,114	6,576,114
2032-2036	5,499,000	1,078,929	6,577,929
2037-2039	4,980,000	280,655	5,260,655
Total	\$ 19,432,000	\$ 5,558,835	\$ 24,990,835

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. Unspent capital lease proceeds are included in restricted cash and investments. The leased assets are included in capital assets and are summarized by major asset class below:

Unspent capital lease proceeds	\$ 6,262,355
Construction in progress	14,030,233
Total	\$ 20,292,588

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021, the outstanding balance was \$525,400.

The annual debt service requirements at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 111,200	\$ 13,739	\$ 124,939
2023	114,400	10,648	125,048
2024	117,400	7,471	124,871
2025	120,800	4,206	125,006
2026	61,600	850	62,450
Total	\$ 525,400	\$ 36,914	\$ 562,314

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, 2021 the outstanding balance was \$3,750,000.

The annual debt service requirements at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 135,000	\$ 168,000	\$ 303,000
2023	145,000	162,600	307,600
2024	150,000	155,350	305,350
2025	155,000	147,850	302,850
2026	165,000	140,100	305,100
2027-2031	955,000	568,250	1,523,250
2032-2036	1,200,000	321,600	1,521,600
2037-2039	845,000	68,600	913,600
Total	\$ 3,750,000	\$ 1,732,350	\$ 5,482,350

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities

A summary of changes in the long-term liabilities of the business-type activities for the year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Debt Issued	Debt Retired	Balance June 30, 2021	Classification	
					Due within One Year	Due in More Than One Year
Business-Type Activities:						
Direct borrowings:						
Loans payable:						
CIEDB loan	\$ 6,697,283	\$ -	\$ (6,697,283)	\$ -	\$ -	\$ -
BBVA loan	-	6,472,000	-	6,472,000	372,000	6,100,000
Airport Hanger loan	53,120	-	-	53,120	25,939	27,181
Golf Course commercial loan	1,080,700	-	(296,600)	784,100	306,200	477,900
Total loans payable	7,831,103	6,472,000	(6,993,883)	7,309,220	704,139	6,605,081
Public borrowings:						
Bonds payable:						
Water and Wastewater Refunding Revenue Bonds, Series 2015	25,680,000	-	(1,200,000)	24,480,000	1,250,000	23,230,000
2020 Water Revenue Refunding Bonds	8,642,823	-	(409,781)	8,233,042	418,148	7,814,894
Total bonds payable	34,322,823	-	(1,609,781)	32,713,042	1,668,148	31,044,894
Total	\$ 42,153,926	\$ 6,472,000	\$ (8,603,664)	\$ 40,022,262	\$ 2,372,287	\$ 37,649,975

California Infrastructure and Economic Development Bank (Private Borrowing)

Loan payable to California Infrastructure and Economic Development Bank (CIEDB) 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. The CIEDB Loan was refinanced in January 2021 with a taxable loan from BBVA. At June 30, 2021, the outstanding balance of the California Infrastructure and Economic Development Bank loan was paid in full.

BBVA Compass Loan (Taxable) (Refinance CIEDB Loan)

In January 2021, the City refinanced the CIEDB Loan for the purpose of saving on annual debt service costs. The loan, in the amount of \$6,472,000, is for 15 years with an effective interest rate of 2.41%. The loan is a taxable loan. Annual installment payments range from \$502,989 to \$522,626. The average fiscal year savings is \$24,655, with a total savings of \$369,829. On June 30, 2021 the outstanding balance was \$6,472,000.

The annual debt service requirements on June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 372,000	\$ 150,626	\$ 522,626
2023	379,000	142,443	521,443
2024	387,000	133,213	520,213
2025	395,000	123,789	518,789
2026	404,000	114,162	518,162
2027-2031	2,150,000	419,099	2,569,099
2022-2036	2,385,000	146,106	2,531,106
Total	\$ 6,472,000	\$ 1,229,438	\$ 7,701,438

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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, 2021, the total principal and interest remaining on the Department of Transportation, Division of Aeronautics loan was \$56,960.

The annual debt service requirements at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 25,939	\$ 2,541	\$ 28,480
2023	27,181	1,300	28,481
Total	\$ 53,120	\$ 3,841	\$ 56,961

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 \$822,015, payable through 2024. At June 30, 2021, the outstanding balance was \$784,100.

The annual debt service requirements at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 306,200	\$ 22,590	\$ 328,790
2023	316,100	12,744	328,844
2024	161,800	2,581	164,381
Total	\$ 784,100	\$ 37,915	\$ 822,015

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, 2021, the outstanding balance of the Water and Wastewater Revenue Bonds was \$24,480,000.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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

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, 2021, total principal and interest paid was \$2,150,160, and net revenues were \$11,537,418. Total principal and interest remaining on the agreement is \$32,337,690 payable through 2036.

The annual debt service requirements at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,395,000	762,015	2,157,015
2026	1,450,000	710,400	2,160,400
2027-2031	8,070,000	2,707,845	10,777,845
2032-2036	9,680,000	1,100,565	10,780,565
Total	\$ 24,480,000	\$ 7,857,690	\$ 32,337,690

Water Refunding Revenue Bonds, Series 2019 (Public Offering)

Water Refunding Bonds, Series 2019 were issued by the Financing Authority in December 2019 for \$9,016,903. The City used the proceeds to refund the outstanding principal of the Water Revenue Bonds, Series 2010 in the amount of \$9,530,000. The bonds are due semi-annual installments of \$204,890 to \$312,774 with interest rate fixed at 2.64% per annum payable semi-annually. Total principal and interest remaining on the bonds is payable through 2037. At June 30, 2021 the outstanding principal and interest balance was \$10,144,042. The aggregate debt service payments of the new debt are \$2,587,313 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 \$2,053,508.

The Financing Authority has pledged a portion of future water and wastewater revenue to repay the 2019 Water Revenue Bonds. For the year ended June 30, 2021, total principal and interest paid was \$635,247, and net revenues were \$6,697,361.

The annual debt service requirements at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 418,148	\$ 214,592	\$ 632,740
2023	435,546	203,439	638,985
2024	447,120	191,864	638,984
2025	457,908	179,989	637,897
2026	467,850	167,834	635,684
2027-2031	2,519,015	646,632	3,165,647
2032-2036	2,861,907	294,264	3,156,171
2037	625,548	12,386	637,934
Total	\$ 8,233,042	\$ 1,911,000	\$ 10,144,042

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021, is as follows:

	Balance July 1, 2020	Debt Issued	Debt Retired	Balance June 30, 2021	Classification	
					Due within One Year	Due in More Than One Year
Fiduciary Activities:						
Public borrowings:						
Tax allocation bonds:						
Series 2018A	\$ 30,855,000	\$ -	\$ (670,000)	\$ 30,185,000	\$ 710,000	\$ 29,475,000
Series 2018B	3,440,000	-	(655,000)	2,785,000	680,000	2,105,000
Add: unamortized bond premiums	4,125,753	-	(232,783)	3,892,970	-	3,892,970
Total tax allocation bonds	38,420,753	-	(1,557,783)	36,862,970	1,390,000	35,472,970
Total	\$ 38,420,753	\$ -	\$ (1,557,783)	\$ 36,862,970	\$ 1,390,000	\$ 35,472,970

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.

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, 2021, the reserve requirement was met through the City’s purchase of a surety policy in-lieu of the cash reserve requirement. The total principal and interest outstanding at June 30, 2021 is \$47,309,758.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 7 – Long-Term Liabilities (Continued)

C. Fiduciary Fund Financial Statements (Continued)

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

The annual debt service requirements for the 2018 TARBs outstanding at June 30, 2021 are as follows:

Tax Allocation Refunding Bonds, Series 2018A			
Year Ending			
June 30,	Principal	Interest	Total
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	1,045,000	1,247,370	2,292,370
2026	1,230,000	1,190,525	2,420,525
2027-2031	9,130,000	4,812,400	13,942,400
2032-2036	11,195,000	2,585,090	13,780,090
2037-2039	5,100,000	269,687	5,369,687
Total	\$ 30,185,000	\$ 14,126,772	\$ 44,311,772

Tax Allocation Refunding Bonds, Series 2018B			
Year Ending			
June 30,	Principal	Interest	Total
2022	\$ 680,000	\$ 81,485	\$ 761,485
2023	670,000	60,191	730,191
2024	510,000	40,895	550,895
2025	525,000	23,296	548,296
2026	400,000	7,120	407,120
Total	\$ 2,785,000	\$ 212,987	\$ 2,997,987

Aggregate Total			
Year Ending			
June 30,	Principal	Interest	Total
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	1,570,000	1,270,666	2,840,666
2026	1,630,000	1,197,645	2,827,645
2027-2031	9,130,000	4,812,400	13,942,400
2032-2036	11,195,000	2,585,090	13,780,090
2037-2039	5,100,000	269,687	5,369,687
Total	\$ 32,970,000	\$ 14,339,759	\$ 47,309,759

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 Mello-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 Mello-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 \$67,278. The amount of principal outstanding as of June 30, 2021 is \$2,241,106. 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, 2021 are as follows:

	Original Amount	Outstanding Balance June 30, 2021
CFD 2006-1, Series Special Tax Bonds Refunding Bonds Series 2019	\$ 2,452,228	\$ 2,241,106
Total	\$ 2,452,228	\$ 2,241,106

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, 2021 is as follows:

	Balance			Balance June 30, 2021	Classification	
	July 1, 2020	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated absences	\$ 1,812,503	\$ 1,132,594	\$ (1,144,111)	\$ 1,800,986	\$ 182,655	\$ 1,618,331
Total	\$ 1,812,503	\$ 1,132,594	\$ (1,144,111)	\$ 1,800,986	\$ 182,655	\$ 1,618,331

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

Governmental Funds	\$ 1,612,491
Fleet Maintenance	37,956
Facilities Maintenance	99,903
Technology	50,636
Total	\$ 1,800,986

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021 is as follows:

	Balance			Balance June 30, 2021	Classification	
	July 1, 2020	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated absences	\$ 377,157	\$ 249,972	\$ (224,092)	\$ 403,037	\$ 224,083	\$ 178,954
Total	\$ 377,157	\$ 249,972	\$ (224,092)	\$ 403,037	\$ 224,083	\$ 178,954

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

Water Fund	\$ 166,344
Sewer Fund	136,637
Solid Waste Fund	43,876
Drainage Operations Fund	20,617
Local Transit Fund	27,366
Airport Fund	8,197
Total	\$ 403,037

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Risk Management (Continued)

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.

CSJVRMA 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 CSJVRMA only by giving six-month notice. Cities applying for membership in CSJVRMA may do so on approval of a two-thirds vote of the board of CSJVRMA.

The latest financial information of the CSJVRMA for fiscal year ended June 30, 2021, is as follows:

Total Assets	\$ 150,621,596
Total Liabilities	\$ 129,774,819
Net Position	\$ 20,846,777
Operating Revenues	\$ 55,391,674
Operating Expenses	\$ 54,084,619
Nonoperating Revenues (Expenses)	\$ (224,620)
Change in Net Position	\$ 1,082,435

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 1,894,800	1,389,269	\$ 3,284,069
CalPERS Safety	2,879,830	-	2,879,830
Total pension contribution made after measurement date	<u>4,774,630</u>	<u>1,389,269</u>	<u>6,163,899</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	724,968	531,546	1,256,514
CalPERS Safety	1,644,262	-	1,644,262
Total projected earnings on pension plan investments in excess of actual earnings	<u>2,369,230</u>	<u>531,546</u>	<u>2,900,776</u>
Difference between expected and actual experience:			
CalPERS Miscellaneous	107,354	78,712	186,066
CalPERS Safety	1,293,064	-	1,293,064
Total difference between expected and actual experience	<u>1,400,418</u>	<u>78,712</u>	<u>1,479,130</u>
Employer contributions in excess of proportionate share of contribution:			
CalPERS Safety	17,800	-	17,800
Total employer contributions in excess of proportionate share of contribution	<u>17,800</u>	<u>-</u>	<u>17,800</u>
Total deferred outflows of resources			
CalPERS Miscellaneous	2,727,122	1,999,527	4,726,649
CalPERS Safety	5,834,956	-	5,834,956
Total deferred outflows of resources	<u>\$ 8,562,078</u>	<u>\$ 1,999,527</u>	<u>\$ 10,561,605</u>
Net pension liability:			
CalPERS Miscellaneous	\$ 21,694,241	\$ 8,583,714	\$ 30,277,955
CalPERS Safety	21,203,994	-	21,203,994
Total net pension liability	<u>\$ 42,898,235</u>	<u>\$ 8,583,714</u>	<u>\$ 51,481,949</u>

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Pension Plans (Continued)

A. Summary (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred inflows of resources:			
Actual earnings on pension plan investments in excess of projected earnings:			
CalPERS Miscellaneous	\$ 241,791	\$ 506,888	\$ 748,679
CalPERS Safety	-	-	-
Total actual earnings on pension plan investments in excess of projected earnings	<u>241,791</u>	<u>506,888</u>	<u>748,679</u>
Adjustment due to difference in proportions			
CalPERS Safety	30,244	-	30,244
Total adjustment due to difference in proportions	<u>30,244</u>	<u>-</u>	<u>30,244</u>
Changes of assumptions			
CalPERS Miscellaneous	34,841	73,041	107,882
CalPERS Safety	70,631	-	70,631
Total difference between expected and actual experience	<u>105,472</u>	<u>73,041</u>	<u>178,513</u>
Total deferred inflows of resources			
CalPERS Miscellaneous	276,632	579,929	856,561
CalPERS Safety	100,875	-	100,875
Total deferred inflows of resources	<u>\$ 377,507</u>	<u>\$ 579,929</u>	<u>\$ 957,436</u>
Pension expenses:			
CalPERS Miscellaneous	\$ 2,889,708	\$ 1,143,364	\$ 4,033,072
CalPERS Safety	3,817,610	-	3,817,610
Total net pension expenses	<u>\$ 6,707,318</u>	<u>\$ 1,143,364</u>	<u>\$ 7,850,682</u>

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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

Employees Covered

At June 30, 2020, the measurement date, the following employees were covered by the benefit terms for the Plan:

Active employees	166
Transferred and terminated employees	258
Retired employees and beneficiaries	255
Total	679

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. PEPRAs 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:

Hire Date	City Miscellaneous Plan		
	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	10.462%	10.462%	10.462%
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. For the year ended June 30, 2021, the employer contributions made for the Miscellaneous Plan was \$3,284,069.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2019 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	2.63%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.25%
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
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, 2018 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences 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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11 + ²
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%
	100.00%		

¹ An expected inflation of 2.00% was used for this period.

² 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:

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
Miscellaneous Plan - 53	\$ 42,527,637	\$ 30,277,955	\$ 20,140,746

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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:

	Miscellaneous Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2019 (Valuation Date)	\$ 93,029,985	\$ 63,607,135	\$ 29,422,850
Changes in the year:			
Service cost	1,719,344	-	1,719,344
Interest on the total pension liabilities	6,484,056	-	6,484,056
Changes in assumptions	-	-	-
Differences between expected and actual experience	(758,426)	-	(758,426)
Benefit payments, including refunds of members contributions	(4,890,282)	(4,890,282)	-
Contributions - employer	-	2,776,816	(2,776,816)
Contributions - employee	-	736,497	(736,497)
Net investment income	-	3,166,226	(3,166,226)
Administrative expenses	-	(89,670)	89,670
Net changes	2,554,692	1,699,587	855,105
Balance at June 30, 2019 (Measurement Date)	<u>\$ 95,584,677</u>	<u>\$ 65,306,722</u>	<u>\$ 30,277,955</u>

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

For the year ended June 30, 2021, the City recognized pension expense in the amount of \$4,033,072 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 2019-20 measurement period is 3.0 years, which was obtained by dividing the total service years of 1,984 (the sum of remaining service lifetimes of the active employees) by 665 (the total number of participants: active, inactive, and retired).

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 3,284,069	\$ -
Difference between projected and actual earning on pension plan investments	1,256,514	(748,679)
Changes in assumptions	-	(107,882)
Differences between expected and actual experience	691,683	(505,617)
Total	\$ 5,232,266	\$ (1,362,178)

For the City Miscellaneous Plan, \$2,778,718 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, 2022. 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
2022	\$ (8,690)
2023	(367)
2024	330,717
2025	264,359
2026	-
Thereafter	-
	\$ 586,019

Pension Plan Fiduciary Net Position

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

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Pension Plans (Continued)

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.

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, 2020, the measurement date, the following employees were covered by the benefit terms the Plan:

Active employees	68
Transferred and terminated employees	44
Retired employees and beneficiaries	116
Total	228

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:

Hire Date	Safety		
	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	3.000%	2.400% to 3.000%	2.000% to 2.700%
Required employee contribution rates	9.00%	9.000%	11.500%
Required employer contribution rates	23.674%	20.585%	13.044%
Final Annual Compensation	1 year	1 year	1 year

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021, employer contributions made for the Safety Cost-sharing Plan was \$2,879,830.

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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2021, 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: 6/30/19 (Valuation date)	\$ 67,860,669	\$ 48,056,036	19,804,633
Balance at: 6/30/20 (Measurement date)	69,747,849	48,543,855	21,203,994
Net Changes during 2019-2020	1,887,180	487,819	1,399,361

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, 2019). 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, 2020). 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, 2020 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2019-20).

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2019 and 2020 was as follows:

Proportion June 30, 2019	0.31725%
Proportion June 30, 2020	0.31827%
Change - Increase (Decrease)	0.00101%

For the year ended June 30, 2021, the City recognized pension expense in the amount of \$3,817,610 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, 2019 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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Pension contributions made subsequent to measurement date	\$ 2,879,830	\$ -
Difference between projected and actual earning on pension plan investments	460,852	-
Adjustment due to differences in proportions	-	(30,244)
Changes in assumptions	-	(70,631)
Difference between actual and expected experience	1,644,262	-
Difference between employer's actual contributions and proportionate share of contributions	17,800	-
Total	<u>\$ 5,002,744</u>	<u>\$ (100,875)</u>

For the City Safety Plan, \$2,879,830 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, 2022.

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2022	\$ 464,042
2023	782,733
2024	544,351
2025	230,913
2026	-
Thereafter	-
	<u>\$ 2,022,039</u>

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. Both the June 30, 2020 and the June 30, 2019 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. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
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, 2019 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Pension Plans (Continued)

C. City Safety 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.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11 + ²
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%
	100.00%		

¹ An expected inflation of 2.00% was used for this period.

² 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 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:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
\$ 30,676,010	\$ 21,203,994	\$ 13,431,308

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, 2021, 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, 2021.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Other Postemployment Benefits

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	\$ 81,989	\$ 10,673	\$ 92,662
Difference between expected and actual experience	162,294	21,127	183,421
Changes in assumptions	324,586	42,252	366,838
Total deferred outflows of resources	\$ 568,869	\$ 74,052	\$ 642,921
Total OPEB liability:			
Total OPEB liability	\$ 3,320,208	\$ 452,058	\$ 3,772,266
Total OPEB liability	\$ 3,320,208	\$ 452,058	\$ 3,772,266
Deferred inflows of Resources:			
Changes in assumptions	\$ 137,764	\$ 22,408	\$ 160,172
Total deferred inflows of resources	\$ 137,764	\$ 22,408	\$ 160,172
OPEB Expense	\$ 280,497	\$ 38,191	\$ 318,688

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.

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, 2020, the date of the latest actuarial valuation:

Active employees	239
Transferred and terminated employees	-
Retired employees and beneficiaries	15
Total	254

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Other Postemployment Benefits (Continued)

B. General Information about OPEB (Continued)

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, 2020, 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, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability at June 30, 2021 was \$3,772,266.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	2.45%
Inflation	2.75%
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	4.50 percent for 2020-2023, 5.20 percent for 2024-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.00 percent for all years.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.45% 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

	Total OPEB Liability
Balance at June 30, 2019 (Measurement Date)	\$ 3,284,428
Changes Recognized for the Measurement Period:	
Service Cost	159,827
Interest on the total OPEB liability	104,757
Difference between expected and actual experience	156,277
Changes of assumptions	263,250
Benefit payments	(196,273)
Net Changes during July 1, 2019 to June 30, 2020	487,838
Balance at June 30, 2020 (Measurement Date)	\$ 3,772,266

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Other Postemployment Benefits (Continued)

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

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 (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

Plan's Total OPEB Liability		
Discount Rate - 1% (1.45%)	Current Discount Rate (2.45%)	Discount Rate + 1% (3.45%)
\$ 4,259,802	\$ 3,772,266	\$ 3,351,358

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:

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Trend Rates	1%
\$ 3,263,663	\$ 3,772,266	\$ 4,387,921

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$318,688. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Employer contributions made		
subsequent to the measurement date	\$ 92,662	\$ -
Difference between expected and actual experience	183,421	-
Changes of assumptions	366,838	(160,172)
Total	\$ 642,921	\$ (160,172)

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 9.8 years, which was determined as of June 30, 2020, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Other Postemployment Benefits (Continued)

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

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

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2022	\$ 54,104
2023	54,104
2024	54,104
2025	54,104
2026	54,104
Thereafter	119,567
	\$ 390,087

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.”

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 SMG 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 \$16,670 at year-end pursuant to the service concession arrangement.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 15 – Other Required Disclosures

A. Deficit Fund Balances/Net Position

At June 30, 2021, the Governmental Activities Statement of Net Position had an unrestricted net position deficit of \$(9,774,183).

At June 30, 2021, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated by the City as follows:

Fund	Fund Type	Deficit	Plan to eliminate deficit
Federal Aid Urban Fund	Special Revenue Fund	\$ 284,980	Federal grant reimbursement
Street Construction Fund	Special Revenue Fund	1,171,655	Local transportation fund reimbursement
RDA Successor Agency Private Purpose Trust Fund	Fiduciary Fund	29,667,136	Future property tax increment revenue

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the following funds by function:

Fund	Function	Excess Expenditures over Appropriations
Landscape Assessment Special Revenue Fund	Public ways and facilities	\$ 32,600
Intermodal Building Special Revenue Fund	General government	826
Economic Development Special Revenue Fund	Community development	8,410
Low and Moderate Income Housing Special Revenue Fund	Community development	703,105

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 16 – Fund Balance Classification

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2021:

	General Fund	General Development Impact Fee Fund	Solar Energy Lease Capital Projects Fund	Non-major Governmental Funds	Total
Nonspendable					
Prepaid items	\$ 43,441	\$ -	\$ -	\$ 4,010	\$ 47,451
Inventories	59,681	-	-	-	59,681
Advances to other funds	36,721	-	-	-	36,721
Total nonspendable	139,843	-	-	4,010	143,853
Restricted					
Community development	-	-	-	11,620,421	11,620,421
Park development	-	-	-	104,975	104,975
Parking improvements	-	-	-	126,261	126,261
Public works and transportation	-	-	-	12,137,998	12,137,998
Special assessment project	-	-	-	460,571	460,571
Public protection	-	-	-	219,724	219,724
Capital projects and improvements	-	15,703,735	5,315,158	4,028	21,022,921
Total restricted	-	15,703,735	5,315,158	24,673,978	45,692,871
Committed					
General Fund stabilization reserve	9,354,964	-	-	-	9,354,964
Measure K - Police/Fire Protection	1,840,000	-	-	-	1,840,000
Total committed	11,194,964	-	-	-	11,194,964
Assigned					
Golf course capital	20,000	-	-	-	20,000
Debt service	1,034,200	-	-	-	1,034,200
OPEB liability	97,339	-	-	-	97,339
Insurance reserve	3,038,867	-	-	-	3,038,867
Health insurance premiums	2,714,000	-	-	-	2,714,000
Future annual stipend payments	1,300,000	-	-	-	1,300,000
Measure K - Police/Fire Protection	5,701,872	-	-	-	5,701,872
Total assigned	13,906,278	-	-	-	13,906,278
Unassigned	5,482,689	-	-	(1,460,591)	4,022,098
Total fund balances	\$ 30,723,774	\$ 15,703,735	\$ 5,315,158	\$ 23,217,397	\$ 74,960,064

Note 17 – 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 17 – Commitments and Contingencies (Continued)

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 principal 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, 2021, the City has not recorded revenues from the Hospital.

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, 2021. At year-end, the City’s major contractual commitments are as follows:

	Contract		Remaining
	Amount	Spent-to-Date	Commitment
Water System Condition Assessment/Rehab	\$ 295,000	\$ 255,754	\$ 39,246
Sewer System Condition Assessment/Rehab	320,320	205,690	114,630
Northwest Water Storage Tank	392,430	138,759	253,671
Centennial Park, Pan American, & Frank Bergon			
ADA & Lighting Improvements	461,867	155,734	306,133
Sewer Main Video Inspection	536,000	505,296	30,704
Olive Avenue Widening	1,060,077	503,031	557,046
Fresno River Trail Undercrossing Gateway/UPRR Construction	1,113,036	1,022,464	90,572
New Fire Station	7,351,030	7,239,545	111,485
Pedestrian Signal at Stadium/Gary Hawk	230,390	138,376	92,014
Consulting Services for Planning Projects	250,000	93,396	156,604
Traffic Signal at Granada Rd/Howard Rd	514,570	327,239	187,331
Traffic Signal at Howard Rd/Westberry	553,724	470,235	83,489
RMRA - Pavement Seals/Overlays	1,069,045	990,521	78,524
Solar and Energy Efficiency Equipment	18,848,862	13,185,067	5,663,795
Total	<u>\$ 32,996,351</u>	<u>\$ 25,231,107</u>	<u>\$ 7,765,244</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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 17 – Commitments and Contingencies (Continued)

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, 2021 amounted to \$656,611.

Note 18 – Prior Period Adjustments

A. Fiduciary Fund Financial Statements

The beginning net position at July 1, 2020 of the Fiduciary Fund Financial Statements was restated as follows:

	Community Facilities Districts
Net position, as previously reported, at July 1, 2020	\$ -
To implement GASB 84	380,534
Net position at July 1, 2020, as restated	\$ 380,534

Note 19 - Subsequent Events

A. *American Rescue Plan Act*

On March, 2021, the American Rescue Plan Act was signed into delivering \$65 billion of direct and flexible aid to cities and towns across the nation to provide substantial flexibility for each government to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. Based on the City’s population, the City was allocated \$23,070,374 and will be received in two installments starting July 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Madera
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2021

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 and Special Revenue 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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES :				
Property taxes	\$ 3,771,554	\$ 3,771,554	\$ 3,882,014	\$ 110,460
Sales and use taxes	13,260,033	14,560,033	16,894,337	2,334,304
Other taxes	1,114,140	1,114,140	1,516,879	402,739
Investment income (loss)	469,175	439,175	(272,673)	(711,848)
Franchise fees	666,238	666,238	721,028	54,790
Licenses and permits	1,044,500	1,144,500	1,555,955	411,455
Fines and forfeitures	446,095	446,095	423,780	(22,315)
Intergovernmental	7,629,833	9,177,859	8,954,582	(223,277)
Charges for services	1,330,720	1,274,821	1,314,019	39,198
Miscellaneous	313,649	262,261	405,340	143,079
Total revenues	<u>30,045,937</u>	<u>32,856,676</u>	<u>35,395,261</u>	<u>2,538,585</u>
EXPENDITURES :				
Current:				
General government	2,445,312	3,692,932	3,537,496	155,436
Public protection	20,549,943	20,669,356	19,631,384	1,037,972
Social services	176,236	176,236	131,881	44,355
Public ways and facilities	1,535,889	2,329,290	1,723,490	605,800
Community development	3,573,362	3,961,359	3,646,501	314,858
Culture and recreation	3,268,066	3,294,864	2,790,227	504,637
Capital outlay	286,055	6,213,765	934,925	5,278,840
Debt Service:				
Principal	675,400	675,400	401,700	273,700
Interest and fiscal charges	192,161	192,161	192,161	-
Total expenditures	<u>32,702,424</u>	<u>41,205,363</u>	<u>32,989,765</u>	<u>8,215,598</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,656,487)</u>	<u>(8,348,687)</u>	<u>2,405,496</u>	<u>10,754,183</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	91,475	91,475
Transfers in	3,720,835	3,720,835	3,562,072	(158,763)
Transfers out	(350,119)	(684,964)	(441,429)	243,535
Total other financing sources (uses)	<u>3,370,716</u>	<u>3,035,871</u>	<u>3,212,118</u>	<u>176,247</u>
Net change in fund balance	<u>\$ 714,229</u>	<u>\$ (5,312,816)</u>	<u>5,617,614</u>	<u>\$ 10,930,430</u>
FUND BALANCE:				
Beginning of year			<u>25,106,160</u>	
End of year			<u>\$ 30,723,774</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES :				
Investment income (loss)	\$ 106,831	\$ 106,831	\$ 143,342	\$ 36,511
Charges for services	1,933,879	1,933,879	3,713,231	1,779,352
Total revenues	<u>2,040,710</u>	<u>2,040,710</u>	<u>3,856,573</u>	<u>1,815,863</u>
EXPENDITURES :				
Current:				
Public ways and facilities	208,240	1,000,293	183,806	816,487
Culture and recreation	700,000	714,485	6,047	708,438
Capital outlay	231,333	5,845,213	2,765,788	3,079,425
Total expenditures	<u>1,139,573</u>	<u>7,559,991</u>	<u>2,955,641</u>	<u>4,604,350</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>901,137</u>	<u>(5,519,281)</u>	<u>900,932</u>	<u>6,420,213</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(584,277)	(584,277)	(390,020)	(194,257)
Total other financing sources (uses)	<u>(584,277)</u>	<u>(584,277)</u>	<u>(390,020)</u>	<u>(194,257)</u>
Net change in fund balance	<u>\$ 316,860</u>	<u>\$ (6,103,558)</u>	510,912	<u>\$ 6,614,470</u>
FUND BALANCE:				
Beginning of year			<u>15,192,823</u>	
End of year			<u>\$ 15,703,735</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, 2021

Measurement period, year ended	2019-20	2019-20	2018-19	2017-18	2016-17	2015-16	2013-14 ¹
Total pension liability							
Service cost	\$ 1,915,335	\$ 1,915,335	\$ 2,074,876	\$ 1,857,394	\$ 1,556,770	\$ 1,515,655	\$ 1,562,632
Interest on total pension liability	6,295,654	6,295,654	5,940,862	5,651,202	5,352,560	5,085,808	4,865,000
Differences between expected and actual experience	1,363,296	1,363,296	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	(4,548,873)	(4,548,873)	(4,125,431)	(3,877,650)	(3,532,833)	(3,412,481)	(3,247,986)
Net change in total pension liability	5,025,412	5,025,412	4,325,713	9,346,227	3,714,106	1,729,549	3,179,646
Total pension liability - beginning	88,004,573	88,004,573	83,678,860	74,332,633	70,618,527	68,888,978	65,709,332
Total pension liability - ending (a)	\$ 93,029,985	\$ 93,029,985	\$ 88,004,573	\$ 83,678,860	\$ 74,332,633	\$ 70,618,527	\$ 68,888,978
Plan fiduciary net position							
Contributions - employer	2,610,704	2,610,704	2,395,891	\$ 2,329,046	\$ 1,948,033	\$ 1,603,067	\$ 1,465,153
Contributions - employee	798,675	798,675	858,755	829,670	775,135	705,875	787,068
Investment income (net of administrative expenses)	3,967,331	3,967,331	4,851,004	5,795,462	282,173	1,164,130	7,962,241
Benefit payments	(4,548,873)	(4,548,873)	(4,125,431)	(3,877,650)	(3,532,833)	(3,412,481)	(3,247,986)
Plan to plan resources	132	132	(140)	(1,724)	394	-	-
Other	(43,264)	(43,264)	(258,000)	(76,926)	(32,095)	(59,277)	(55,556)
Net change in plan fiduciary net position	2,784,705	2,784,705	3,722,079	4,997,878	(559,193)	1,314	6,910,920
Plan fiduciary net position - beginning	60,822,430	60,822,430	57,100,351	52,102,473	52,661,666	52,660,352	45,749,432
Plan fiduciary net position - ending (b)	\$ 63,607,135	\$ 63,607,135	\$ 60,822,430	\$ 57,100,351	\$ 52,102,473	\$ 52,661,666	\$ 52,660,352
Net pension liability - ending (a)-(b)	\$ 29,422,850	\$ 29,422,850	\$ 27,182,143	\$ 26,578,509	\$ 22,230,160	\$ 17,956,861	\$ 16,228,626
Plan fiduciary net position as a percentage of the total pension liability	68.37%	68.37%	69.11%	68.24%	70.09%	74.57%	76.44%
Covered payroll	\$ 12,125,388	\$ 11,772,221	\$ 11,429,341	\$ 10,780,624	\$ 9,754,797	\$ 8,841,088	\$ 8,601,515
Net pension liability as a percentage of covered payroll	242.65%	249.93%	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).

¹ 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, 2021

	Safety Plan						
Measurement period, year ended	<u>6/30/2020</u>	<u>6/30/2019</u>	<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> ¹
Plan's proportion of the net pension liability	0.318266%	0.317253%	0.319144%	0.314800%	0.324000%	0.340000%	0.337500%
Plan's proportionate share of the net pension liability	\$ 21,203,994	\$ 19,804,633	\$ 18,725,928	\$ 18,807,385	\$ 16,778,473	\$ 14,009,122	\$ 12,759,288
Plan's covered-employee payroll	\$ 4,711,908	\$ 4,711,908	\$ 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-employee payroll	450.01%	420.31%	409.34%	424.68%	398.43%	368.90%	325.76%
Plan's fiduciary net position	\$ 48,543,855	\$ 48,056,036	\$ 44,837,253	\$ 41,761,897	\$ 37,574,019	\$ 38,216,008	\$ 37,919,898
Plan's fiduciary net position as a percentage of the total pension liability	69.60%	70.82%	44.92%	44.75%	46.68%	53.15%	57.52%
Plan's proportionate share of aggregate employer contributions	\$ 2,464,699	\$ 2,197,168	\$ 1,942,249	\$ 1,806,992	\$ 1,650,502	\$ 1,388,656	\$ 1,405,797

¹ Information only presented from the implementation year

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pension
For the Year Ended June 30, 2021

Miscellaneous Plan								
Fiscal Year:	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14¹</u>
Contractually determined contribution (actuarially determined)	\$ 3,284,069	\$ 2,778,718	\$ 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	(3,284,069)	(2,778,718)	(2,610,313)	(2,395,891)	(2,329,046)	(1,948,033)	(1,603,067)	(1,397,058)
Contribution deficiency (excess)	<u>\$ -</u>							
Covered payroll	\$ 12,489,150	\$ 12,125,388	\$ 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	26.30%	22.92%	22.17%	20.96%	21.60%	19.97%	18.13%	16.24%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 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 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions – Pension (Continued)
For the Year Ended June 30, 2021

		Safety Plan						
Fiscal Year:	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14¹</u>
Contractually determined contribution (actuarially determined)	\$ 2,879,830	\$ 2,464,699	\$ 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	(2,879,830)	(2,464,699)	(2,197,168)	(1,942,249)	(1,806,992)	(1,650,502)	(1,388,656)	(1,405,797)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,998,863	\$ 4,853,265	\$ 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	57.61%	50.78%	46.63%	42.46%	40.80%	39.19%	36.57%	35.89%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 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 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2021

Measurement period, year ending:	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017¹</u>
Total OPEB liability				
Service cost	\$ 159,827	\$ 148,304	\$ 196,158	\$ 165,796
Interest	104,757	110,666	97,813	92,870
Changes of benefit terms	-	-	(219,769)	
Differences between expected and actual experience	156,277	-	74,529	-
Changes of assumptions	263,250	183,321	(254,393)	-
Benefit payments, including refunds of member contributions	(196,273)	(132,070)	(89,635)	(111,633)
Net change in total OPEB liability	487,838	310,221	(195,297)	147,033
Total OPEB liability - beginning	3,284,428	2,974,207	3,169,504	3,022,471
Total OPEB liability - ending (a)	<u>\$ 3,772,266</u>	<u>\$ 3,284,428</u>	<u>\$ 2,974,207</u>	<u>\$ 3,169,504</u>
OPEB fiduciary net position				
Contributions - employer	\$ 196,273	\$ 132,070	\$ 89,635	\$ 111,633
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(196,273)	(132,070)	(89,635)	(111,633)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 3,772,266</u>	<u>\$ 3,284,428</u>	<u>\$ 2,974,207</u>	<u>\$ 3,169,504</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 10,787,213	\$ 13,763,983	\$ 13,752,967	\$ 13,352,395
Plan net OPEB liability as a percentage of covered-employee payroll	34.97%	23.86%	21.63%	23.74%

¹ Information only presented from the implementation year

SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

Special Revenue Funds:

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.

Measure "T" Sales 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.

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. The funding source is assessment fees.

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. 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. The funding source is state grant funding.

Intermodal Building Fund - This fund is used to account 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 therefore does not impact the General Funds budget.

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 Down payment Assistance Program (DAP) which assists low-income residents with purchasing 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.

Non-Major Governmental Funds (Continued)

Special Revenue Funds (Continued):

Low and Moderate Income Housing Fund - This fund is used to account for the balances 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.

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, 2021

	Special Revenue			
	Special	Measure "T"	Business	Park
	Gas Tax Fund	Sales Tax Fund	Improvement District	Development
ASSETS				
Cash and investments	\$ 1,859,364	\$ 10,989,797	\$ 3,165	\$ 104,975
Accounts receivable, net	220,989	728,773	12,164	-
Notes receivable	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 2,080,353</u>	<u>\$ 11,718,570</u>	<u>\$ 15,329</u>	<u>\$ 104,975</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,156,563	\$ 5,031	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>1,156,563</u>	<u>5,031</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	525,312	-	-
Total deferred inflows of resources	<u>-</u>	<u>525,312</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	923,790	11,188,227	15,329	104,975
Unassigned	-	-	-	-
Total fund balances	<u>923,790</u>	<u>11,188,227</u>	<u>15,329</u>	<u>104,975</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,080,353</u>	<u>\$ 11,718,570</u>	<u>\$ 15,329</u>	<u>\$ 104,975</u>

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Special Revenue			
	Parking District	Federal Aid Urban	Street Construction	Landscape Assessment
ASSETS				
Cash and investments	\$ 114,326	\$ 2,522	\$ -	\$ 453,143
Accounts receivable, net	13,099	1,495,177	2,435,533	8,062
Notes receivable	-	-	-	-
Prepaid items	-	-	3,956	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 127,425</u>	<u>\$ 1,497,699</u>	<u>\$ 2,439,489</u>	<u>\$ 461,205</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,100	\$ 134,581	\$ 1,711,600	\$ 634
Accrued payroll	64	-	-	-
Due to other funds	-	1,215,767	259,544	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>1,164</u>	<u>1,350,348</u>	<u>1,971,144</u>	<u>634</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	432,331	1,640,000	-
Total deferred inflows of resources	<u>-</u>	<u>432,331</u>	<u>1,640,000</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	3,956	-
Restricted	126,261	-	-	460,571
Unassigned	-	(284,980)	(1,175,611)	-
Total fund balances	<u>126,261</u>	<u>(284,980)</u>	<u>(1,171,655)</u>	<u>460,571</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 127,425</u>	<u>\$ 1,497,699</u>	<u>\$ 2,439,489</u>	<u>\$ 461,205</u>

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Special Revenue			
	Supplemental Law Enforcement	Intermodal Building	Economic Development	Residential Rehab
ASSETS				
Cash and investments	\$ 184,335	\$ -	\$ 1,423,588	\$ 810,399
Accounts receivable, net	189,570	54,294	133,498	-
Notes receivable	-	-	-	7,996,577
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 373,905	\$ 54,294	\$ 1,557,086	\$ 8,806,976
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 18,463	\$ 1,360	\$ 156,500	\$ 8,063
Accrued payroll	4,885	129	-	546
Due to other funds	-	26,824	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	23,348	28,313	156,500	8,609
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	130,833	-	-	-
Total deferred inflows of resources	130,833	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	219,724	25,981	1,400,586	8,798,367
Unassigned	-	-	-	-
Total fund balances	219,724	25,981	1,400,586	8,798,367
Total liabilities, deferred inflows of resources, and fund balances	\$ 373,905	\$ 54,294	\$ 1,557,086	\$ 8,806,976

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2021

	Special Revenue		Capital Projects	
	Low and Moderate Income Housing	Community Facilities Districts	Streets and Roads	Total Other Governmental Funds
ASSETS				
Cash and investments	\$ 271,404	\$ 553,106	\$ 214,923	\$ 16,985,047
Accounts receivable, net	12,316	6,238	-	5,309,713
Notes receivable	7,000	-	-	8,003,577
Prepaid items	54	-	-	4,010
Land held for resale	670,000	-	-	670,000
Total assets	\$ 960,774	\$ 559,344	\$ 214,923	\$ 30,972,347
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 210,895	\$ 3,404,790
Accrued payroll	-	-	-	5,624
Due to other funds	-	-	-	1,502,135
Deposits payable	74	-	-	74
Unearned revenues	-	113,851	-	113,851
Total liabilities	74	113,851	210,895	5,026,474
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	2,728,476
Total deferred inflows of resources	-	-	-	2,728,476
Fund Balances:				
Nonspendable	54	-	-	4,010
Restricted	960,646	445,493	4,028	24,673,978
Unassigned	-	-	-	(1,460,591)
Total fund balances	960,700	445,493	4,028	23,217,397
Total liabilities, deferred inflows of resources, and fund balances	\$ 960,774	\$ 559,344	\$ 214,923	\$ 30,972,347

(Concluded)

City of Madera
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue			
	Special Gas Tax Fund	Measure "T" Sales Tax Fund	Business Improvement District	Park Development
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Investment income (loss)	-	58,216	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	2,563,059	3,277,492	-	-
Charges for services	-	-	22,331	-
Miscellaneous	-	-	-	-
Total revenues	2,563,059	3,335,708	22,331	-
EXPENDITURES:				
Current:				
General government	-	-	17,512	-
Public protection	-	-	-	-
Public ways and facilities	792,688	9,426	-	-
Community development	-	-	-	-
Capital outlay	1,790,412	937,601	-	-
Total expenditures	2,583,100	947,027	17,512	-
REVENUES OVER (UNDER) EXPENDITURES	(20,041)	2,388,681	4,819	-
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,831,898)	(875,238)	-	-
Total other financing sources (uses)	(1,831,898)	(875,238)	-	-
NET CHANGES IN FUND BALANCES	(1,851,939)	1,513,443	4,819	-
FUND BALANCES:				
Beginning of year	2,775,729	9,674,784	10,510	104,975
End of year	<u>\$ 923,790</u>	<u>\$ 11,188,227</u>	<u>\$ 15,329</u>	<u>\$ 104,975</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, 2021

	Special Revenue			
	Parking District	Federal Aid Urban	Street Construction	Landscape Assessment
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	404,868
Investment income (loss)	-	-	-	-
Fines and forfeitures	28,539	-	-	-
Intergovernmental	-	1,592,570	966,120	-
Charges for services	19,051	-	-	-
Miscellaneous	-	-	-	-
Total revenues	47,590	1,592,570	966,120	404,868
EXPENDITURES:				
Current:				
General government	27,803	-	-	-
Public protection	-	-	-	-
Public ways and facilities	-	39,441	230,677	359,932
Community development	-	-	-	-
Capital outlay	-	878,554	1,888,794	-
Total expenditures	27,803	917,995	2,119,471	359,932
REVENUES OVER (UNDER) EXPENDITURES	19,787	674,575	(1,153,351)	44,936
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(9,559)	-	(512,000)	(2,546)
Total other financing sources (uses)	(9,559)	-	(512,000)	(2,546)
NET CHANGES IN FUND BALANCES	10,228	674,575	(1,665,351)	42,390
FUND BALANCES:				
Beginning of year	116,033	(959,555)	493,696	418,181
End of year	<u>\$ 126,261</u>	<u>\$ (284,980)</u>	<u>\$ (1,171,655)</u>	<u>\$ 460,571</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, 2021

	Special Revenue			
	Supplemental Law Enforcement	Intermodal Building	Economic Development	Residential Rehab
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Investment income (loss)	1,124	-	12,194	375,943
Fines and forfeitures	-	-	-	-
Intergovernmental	225,505	60,919	-	1,483
Charges for services	-	50,051	-	-
Miscellaneous	-	-	10,790	23,331
Total revenues	226,629	110,970	22,984	400,757
EXPENDITURES:				
Current:				
General government	-	39,496	-	-
Public protection	222,974	-	-	-
Public ways and facilities	-	62,172	-	-
Community development	-	-	24,722	217,476
Capital outlay	-	-	431,500	-
Total expenditures	222,974	101,668	456,222	217,476
REVENUES OVER (UNDER) EXPENDITURES	3,655	9,302	(433,238)	183,281
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	421,792	-
Transfers in	-	-	-	-
Transfers out	-	(11,693)	-	-
Total other financing sources (uses)	-	(11,693)	421,792	-
NET CHANGES IN FUND BALANCES	3,655	(2,391)	(11,446)	183,281
FUND BALANCES:				
Beginning of year	216,069	28,372	1,412,032	8,615,086
End of year	<u>\$ 219,724</u>	<u>\$ 25,981</u>	<u>\$ 1,400,586</u>	<u>\$ 8,798,367</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, 2021

	Special Revenue		Capital Projects	
	Low and Moderate Income Housing	Community Facilities Districts	Streets and Roads	Total Other Governmental Funds
REVENUES:				
Property taxes	\$ -	\$ 449,008	\$ -	\$ 449,008
Other taxes	-	-	-	404,868
Investment income (loss)	1,897	3,526	-	452,900
Fines and forfeitures	-	-	-	28,539
Intergovernmental	-	-	-	8,687,148
Charges for services	-	-	-	91,433
Miscellaneous	139,435	-	-	173,556
Total revenues	141,332	452,534	-	10,287,452
EXPENDITURES:				
Current:				
General government	-	6,173	-	90,984
Public protection	-	-	-	222,974
Public ways and facilities	-	-	-	1,494,336
Community development	947,229	-	1,003,500	2,192,927
Capital outlay	-	-	-	5,926,861
Total expenditures	947,229	6,173	1,003,500	9,928,082
REVENUES OVER (UNDER) EXPENDITURES	(805,897)	446,361	(1,003,500)	359,370
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	-	421,792
Transfers in	-	-	1,003,500	1,003,500
Transfers out	-	(310,247)	-	(3,553,181)
Total other financing sources (uses)	-	(310,247)	1,003,500	(2,127,889)
NET CHANGES IN FUND BALANCES	(805,897)	136,114	-	(1,768,519)
FUND BALANCES:				
Beginning of year	1,766,597	309,379	4,028	24,985,916
End of year	<u>\$ 960,700</u>	<u>\$ 445,493</u>	<u>\$ 4,028</u>	<u>\$ 23,217,397</u>

(Concluded)

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Special Gas Tax Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,970,571	\$ 2,970,571	\$ 2,563,059	\$ (407,512)
Total revenues	<u>2,970,571</u>	<u>2,970,571</u>	<u>2,563,059</u>	<u>(407,512)</u>
EXPENDITURES:				
Current:				
Public ways and facilities	690,715	690,715	792,688	(101,973)
Capital outlay	516,013	5,169,331	1,790,412	3,378,919
Total expenditures	<u>1,206,728</u>	<u>5,860,046</u>	<u>2,583,100</u>	<u>3,276,946</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,763,843</u>	<u>(2,889,475)</u>	<u>(20,041)</u>	<u>2,869,434</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,977,822)	(1,977,822)	(1,831,898)	145,924
Total other financing sources (uses)	<u>(1,977,822)</u>	<u>(1,977,822)</u>	<u>(1,831,898)</u>	<u>145,924</u>
Net change in fund balance	<u>\$ (213,979)</u>	<u>\$ (4,867,297)</u>	(1,851,939)	<u>\$ 3,015,358</u>
FUND BALANCE:				
Beginning of year			2,775,729	
End of year			<u>\$ 923,790</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Measure "T" Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ -	\$ -	\$ 58,216	\$ 58,216
Intergovernmental	2,970,571	2,970,571	3,277,492	306,921
Total revenues	2,970,571	2,970,571	3,335,708	365,137
EXPENDITURES:				
Current:				
Public ways and facilities	-	9,426	9,426	-
Capital outlay	516,013	5,159,905	937,601	4,222,304
Total expenditures	516,013	5,169,331	947,027	4,222,304
REVENUES OVER (UNDER) EXPENDITURES	2,454,558	(2,198,760)	2,388,681	4,587,441
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(2,668,537)	(2,668,537)	(875,238)	1,793,299
Total other financing sources (uses)	(2,668,537)	(2,668,537)	(875,238)	1,793,299
Net change in fund balance	\$ (213,979)	\$ (4,867,297)	1,513,443	\$ 6,380,740
FUND BALANCE:				
Beginning of year			9,674,784	
End of year			\$ 11,188,227	

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 22,832	\$ 22,832	\$ 22,331	\$ (501)
Total revenues	<u>22,832</u>	<u>22,832</u>	<u>22,331</u>	<u>(501)</u>
EXPENDITURES:				
Current:				
General government	22,547	22,547	17,512	5,035
Total expenditures	<u>22,547</u>	<u>22,547</u>	<u>17,512</u>	<u>5,035</u>
Net change in fund balance	<u>\$ 285</u>	<u>\$ 285</u>	4,819	<u>\$ 4,534</u>
FUND BALANCE:				
Beginning of year			<u>10,510</u>	
End of year			<u>\$ 15,329</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Capital outlay	\$ -	\$ 209,517	\$ -	\$ 209,517
Total expenditures	<u>-</u>	<u>209,517</u>	<u>-</u>	<u>209,517</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(209,517)</u>	<u>-</u>	<u>209,517</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (209,517)</u>	<u>-</u>	<u>\$ 209,517</u>
FUND BALANCE:				
Beginning of year			<u>104,975</u>	
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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 18,000	\$ 18,000	\$ 28,539	\$ 10,539
Charges for services	24,000	24,000	19,051	(4,949)
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>47,590</u>	<u>5,590</u>
EXPENDITURES:				
Current:				
General government	38,041	38,041	27,803	10,238
Total expenditures	<u>38,041</u>	<u>38,041</u>	<u>27,803</u>	<u>10,238</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,959</u>	<u>3,959</u>	<u>19,787</u>	<u>15,828</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(8,014)	(8,014)	(9,559)	(1,545)
Total other financing sources (uses)	<u>(8,014)</u>	<u>(8,014)</u>	<u>(9,559)</u>	<u>(1,545)</u>
Net change in fund balance	<u>\$ (4,055)</u>	<u>\$ (4,055)</u>	10,228	<u>\$ 14,283</u>
FUND BALANCE:				
Beginning of year			<u>116,033</u>	
End of year			<u>\$ 126,261</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,040,397	\$ 1,040,397	\$ 1,592,570	\$ 552,173
Total revenues	<u>1,040,397</u>	<u>1,040,397</u>	<u>1,592,570</u>	<u>552,173</u>
EXPENDITURES:				
Current:				
Public ways and facilities	20,082	391,547	39,441	352,106
Capital outlay	268,600	2,637,020	878,554	1,758,466
Total expenditures	<u>288,682</u>	<u>3,028,567</u>	<u>917,995</u>	<u>2,110,572</u>
Net change in fund balance	<u>\$ 751,715</u>	<u>\$ (1,988,170)</u>	674,575	<u>\$ 2,662,745</u>
FUND BALANCE:				
Beginning of year			<u>(959,555)</u>	
End of year			<u>\$ (284,980)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 788,396	\$ 788,396	\$ 966,120	\$ 177,724
Total revenues	<u>788,396</u>	<u>788,396</u>	<u>966,120</u>	<u>177,724</u>
EXPENDITURES:				
Current:				
Public ways and facilities	42,524	138,748	230,677	(91,929)
Capital outlay	331,645	4,287,793	1,888,794	2,398,999
Total expenditures	<u>374,169</u>	<u>4,426,541</u>	<u>2,119,471</u>	<u>2,307,070</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>414,227</u>	<u>(3,638,145)</u>	<u>(1,153,351)</u>	<u>2,484,794</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(512,000)	(512,000)	(512,000)	-
Total other financing sources (uses)	<u>(512,000)</u>	<u>(512,000)</u>	<u>(512,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (97,773)</u>	<u>\$ (4,150,145)</u>	(1,665,351)	<u>\$ 2,484,794</u>
FUND BALANCE:				
Beginning of year			493,696	
End of year			<u>\$ (1,171,655)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Other taxes	\$ 364,639	\$ 364,639	\$ 404,868	\$ 40,229
Total revenues	<u>364,639</u>	<u>364,639</u>	<u>404,868</u>	<u>40,229</u>
EXPENDITURES:				
Current:				
Public ways and facilities	327,332	327,332	359,932	(32,600)
Total expenditures	<u>327,332</u>	<u>327,332</u>	<u>359,932</u>	<u>(32,600)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>37,307</u>	<u>37,307</u>	<u>44,936</u>	<u>7,629</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(2,546)	(2,546)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,546)</u>	<u>(2,546)</u>
Net change in fund balance	<u>\$ 37,307</u>	<u>\$ 37,307</u>	42,390	<u>\$ 5,083</u>
FUND BALANCE:				
Beginning of year			<u>418,181</u>	
End of year			<u>\$ 460,571</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 412	\$ 412	\$ 1,124	\$ 712
Intergovernmental	100,000	337,653	225,505	(112,148)
Total revenues	<u>100,412</u>	<u>338,065</u>	<u>226,629</u>	<u>(111,436)</u>
EXPENDITURES:				
Current:				
Public protection	274,224	511,877	222,974	288,903
Total expenditures	<u>274,224</u>	<u>511,877</u>	<u>222,974</u>	<u>288,903</u>
Net change in fund balance	<u>\$ (173,812)</u>	<u>\$ (173,812)</u>	3,655	<u>\$ 177,467</u>
FUND BALANCE:				
Beginning of year			<u>216,069</u>	
End of year			<u>\$ 219,724</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 168,997	\$ 168,997	\$ 60,919	\$ (108,078)
Charges for services	27,000	27,000	50,051	23,051
Total revenues	<u>195,997</u>	<u>195,997</u>	<u>110,970</u>	<u>(85,027)</u>
EXPENDITURES:				
Current:				
General government	38,070	38,670	39,496	(826)
Public ways and facilities	70,454	69,854	62,172	7,682
Total expenditures	<u>108,524</u>	<u>108,524</u>	<u>101,668</u>	<u>6,856</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>87,473</u>	<u>87,473</u>	<u>9,302</u>	<u>(78,171)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(244)	(244)	(11,693)	(11,449)
Total other financing sources (uses)	<u>(244)</u>	<u>(244)</u>	<u>(11,693)</u>	<u>(11,449)</u>
Net change in fund balance	<u>\$ 87,229</u>	<u>\$ 87,229</u>	(2,391)	<u>\$ (89,620)</u>
FUND BALANCE:				
Beginning of year			<u>28,372</u>	
End of year			<u>\$ 25,981</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 2,494	\$ 2,494	\$ 12,194	\$ 9,700
Miscellaneous	-	-	10,790	10,790
Total revenues	<u>2,494</u>	<u>2,494</u>	<u>22,984</u>	<u>20,490</u>
EXPENDITURES:				
Current:				
Community development	16,312	16,312	24,722	(8,410)
Capital outlay	-	439,372	431,500	7,872
Total expenditures	<u>16,312</u>	<u>455,684</u>	<u>456,222</u>	<u>(538)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(13,818)</u>	<u>(453,190)</u>	<u>(433,238)</u>	<u>19,952</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	421,792	421,792
Transfers in	-	285,000	-	(285,000)
Total other financing sources (uses)	<u>-</u>	<u>285,000</u>	<u>421,792</u>	<u>136,792</u>
Net change in fund balance	<u>\$ (13,818)</u>	<u>\$ (168,190)</u>	<u>(11,446)</u>	<u>\$ 156,744</u>
FUND BALANCE:				
Beginning of year			<u>1,412,032</u>	
End of year			<u>\$ 1,400,586</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 445	\$ 445	\$ 375,943	\$ 375,498
Intergovernmental	578,900	578,900	1,483	(577,417)
Miscellaneous	22,500	22,500	23,331	831
Total revenues	601,845	601,845	400,757	(201,088)
EXPENDITURES:				
Current:				
Community development	483,241	483,241	217,476	265,765
Total expenditures	483,241	483,241	217,476	265,765
Net change in fund balance	\$ 118,604	\$ 118,604	183,281	\$ 64,677
FUND BALANCE:				
Beginning of year			8,615,086	
End of year			\$ 8,798,367	

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 14,821	\$ 14,821	\$ 1,897	\$ (12,924)
Miscellaneous	36,246	36,246	139,435	103,189
Total revenues	<u>53,167</u>	<u>53,167</u>	<u>141,332</u>	<u>88,165</u>
EXPENDITURES:				
Current:				
Community development	26,515	244,124	947,229	(703,105)
Total expenditures	<u>26,515</u>	<u>244,124</u>	<u>947,229</u>	<u>(703,105)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>26,652</u>	<u>(190,957)</u>	<u>(805,897)</u>	<u>(614,940)</u>
Net change in fund balance	<u>\$ 26,652</u>	<u>\$ (190,957)</u>	<u>(805,897)</u>	<u>\$ (614,940)</u>
FUND BALANCE:				
Beginning of year			<u>1,766,597</u>	
End of year			<u>\$ 960,700</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Property taxes	\$ 367,010	\$ 367,010	\$ 449,008	\$ 81,998
Investment income (loss)	828	828	3,526	2,698
Total revenues	<u>367,838</u>	<u>367,838</u>	<u>452,534</u>	<u>84,696</u>
EXPENDITURES:				
Current:				
General government	6,921	6,921	6,173	748
Total expenditures	<u>6,921</u>	<u>6,921</u>	<u>6,173</u>	<u>748</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>360,917</u>	<u>360,917</u>	<u>446,361</u>	<u>85,444</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(310,247)	(310,247)	(310,247)	-
Total other financing sources (uses)	<u>(310,247)</u>	<u>(310,247)</u>	<u>(310,247)</u>	<u>-</u>
Net change in fund balance	<u>\$ 50,670</u>	<u>\$ 50,670</u>	136,114	<u>\$ 85,444</u>
FUND BALANCE:				
Beginning of year			<u>309,379</u>	
End of year			<u>\$ 445,493</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, 2021

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ -	\$ 1,748,717	\$ 1,748,717
Accounts receivable, net	631,686	31,632	71,272	734,590
Prepaid items	952	-	7,785	8,737
Total current assets	632,638	31,632	1,827,774	2,492,044
Noncurrent assets:				
Capital assets:				
Non-depreciable	320,500	146,933	3,204,012	3,671,445
Depreciable, net	8,154,646	1,881,928	7,863,570	17,900,144
Total capital assets	8,475,146	2,028,861	11,067,582	21,571,589
Total noncurrent assets	8,475,146	2,028,861	11,067,582	21,571,589
Total assets	9,107,784	2,060,493	12,895,356	24,063,633
DEFERRED OUTFLOW OF RESOURCES				
Related to pensions	110,680	-	49,951	160,631
Total deferred outflow of resources	110,680	-	49,951	160,631
LIABILITIES				
Current liabilities:				
Accounts payable	15,697	-	8,192	23,889
Accrued payroll	11,746	-	1,574	13,320
Due to other funds	529,788	499,594	-	1,029,382
Interest payable	-	4,169	1,083	5,252
Deposits payable	-	-	14,175	14,175
Compensated absences - due within one year	14,997	-	8,197	23,194
Long-term debt - due within one year	-	306,200	25,939	332,139
Total current liabilities	572,228	809,963	59,160	1,441,351
Noncurrent liabilities:				
Advances from other funds	-	61,201	-	61,201
Aggregate net pension liability	469,936	-	211,699	681,635
Compensated absences - due in more than one year	12,369	-	-	12,369
Long term debt - due in more than one year	-	477,900	27,181	505,081
Total noncurrent liabilities	482,305	539,101	238,880	1,260,286
Total liabilities	1,054,533	1,349,064	298,040	2,701,637
DEFERRED INFLOWS OF RESOURCES				
Related to service concession arrangement	-	16,670	-	16,670
Related to pensions	32,377	-	17,781	50,158
Total deferred inflows of resources	32,377	16,670	17,781	66,828
NET POSITION				
Net investment in capital assets	8,475,146	1,244,761	11,014,462	20,734,369
Unrestricted (deficit)	(343,592)	(550,002)	1,615,024	721,430
Total net position	\$ 8,131,554	\$ 694,759	\$ 12,629,486	\$ 21,455,799

City of Madera
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2021

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 1,980,522	\$ 78,053	\$ 537,172	\$ 2,595,747
Other	16,750	-	4,632	21,382
Total operating revenues	1,997,272	78,053	541,804	2,617,129
OPERATING EXPENSES:				
Salaries and benefits	302,793	-	145,557	448,350
General and administrative	1,606,667	64,084	292,303	1,963,054
Supplies and miscellaneous	164,794	-	16,160	180,954
Utilities	-	-	32,167	32,167
Depreciation	424,873	-	299,490	724,363
Total operating expenses	2,499,127	64,084	785,677	3,348,888
OPERATING INCOME (LOSS)	(501,855)	13,969	(243,873)	(731,759)
NONOPERATING REVENUES (EXPENSES):				
Investment income	768	-	13,429	14,197
Property taxes	-	-	140,016	140,016
Capital grants	334,894	-	80,436	415,330
Gain (loss) on disposal of property	135,300	-	-	135,300
Interest expense	-	(30,551)	(1,696)	(32,247)
Total nonoperating revenues (expenses)	470,962	(30,551)	232,185	672,596
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(30,893)	(16,582)	(11,688)	(59,163)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	82,613	-	-	82,613
Transfers in	-	298,804	-	298,804
Transfers out	(4,522)	-	(18,458)	(22,980)
Total capital contributions and transfers	78,091	298,804	(18,458)	358,437
Changes in net position	47,198	282,222	(30,146)	299,274
NET POSITION:				
Beginning of year	8,084,356	412,537	12,659,632	21,156,525
End of year	<u>\$ 8,131,554</u>	<u>\$ 694,759</u>	<u>\$ 12,629,486</u>	<u>\$ 21,455,799</u>

City of Madera
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2021

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 3,103,542	\$ 71,164	\$ 551,115	\$ 3,725,821
Cash payments to suppliers for goods and services	(2,061,370)	(64,084)	(375,558)	(2,501,012)
Cash payments to employees for services	(285,606)	-	(144,292)	(429,898)
Receipts from other operating revenues	16,750	-	4,632	21,382
Net cash provided by operating activities	773,316	7,080	35,897	816,293
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	-	-	140,016	140,016
Advances from other funds	-	(24,480)	-	(24,480)
Due to other funds	(909,304)	47,324	-	(861,980)
Transfers from other funds	-	298,804	-	298,804
Transfers to other funds	(4,522)	-	(18,458)	(22,980)
Net cash provided by noncapital financing activities	(913,826)	321,648	121,558	(470,620)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	334,894	-	80,436	415,330
Acquisition of capital assets	(195,152)	-	(60,067)	(255,219)
Principal payment of long-term debt	-	(296,600)	-	(296,600)
Interest paid on debt	-	(32,128)	(613)	(32,741)
Net cash (used in) capital and related financing activities	139,742	(328,728)	19,756	(169,230)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest from investments	768	-	13,429	14,197
Net cash provided by investing activities	768	-	13,429	14,197
Net change in cash and cash equivalents	-	-	190,640	190,640
CASH AND CASH EQUIVALENTS:				
Beginning of year	-	-	1,558,077	1,558,077
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,748,717</u>	<u>\$ 1,748,717</u>

(Continued)

City of Madera
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
For the Year Ended June 30, 2021

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (501,855)	\$ 13,969	\$ (243,873)	\$ (731,759)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	424,873	-	299,490	724,363
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	1,123,020	(6,889)	13,268	1,129,399
Prepaid items	(926)	-	(6,123)	(7,049)
Deferred outflows - pension related	2,828	-	1,044	3,872
Accounts payable	(288,983)	-	(28,805)	(317,788)
Salaries payable	6,659	-	(1,024)	5,635
Deposits payable	-	-	675	675
Compensated absences	6,402	-	766	7,168
Aggregate net pension liability	4,700	-	1,734	6,434
Deferred inflows - pension related	(3,402)	-	(1,255)	(4,657)
Total adjustments	1,275,171	(6,889)	279,770	1,548,052
Net cash provided by operating activities	\$ 773,316	\$ 7,080	\$ 35,897	\$ 816,293
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed property, plant and equipment	\$ 82,613	\$ -	\$ -	\$ 82,613
Total noncash capital and related financing activities	\$ 82,613	\$ -	\$ -	\$ 82,613

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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, 2021

	Fleet Maintenance	Facilities Maintenance	Technology	Total
ASSETS				
Current assets:				
Cash and investments	\$ 2,331,536	\$ 1,460,674	\$ 861,814	\$ 4,654,024
Accounts receivable, net	105,442	-	-	105,442
Prepaid items	32	53	37,743	37,828
Total current assets	2,437,010	1,460,727	899,557	4,797,294
Noncurrent assets:				
Capital assets:				
Depreciable, net	3,143,719	6,210	257,461	3,407,390
Total capital assets	3,143,719	6,210	257,461	3,407,390
Total noncurrent assets	3,143,719	6,210	257,461	3,407,390
Total assets	5,580,729	1,466,937	1,157,018	8,204,684
DEFERRED OUTFLOW OF RESOURCES				
Related to pensions	187,187	299,997	170,461	657,645
Total deferred outflow of resources	187,187	299,997	170,461	657,645
LIABILITIES				
Current liabilities:				
Accounts payable	26,363	46,033	124,771	197,167
Accrued payroll	5,629	15,350	8,954	29,933
Compensated absences - due within one year	21,271	39,333	26,200	86,804
Total current liabilities	53,263	100,716	159,925	313,904
Noncurrent liabilities:				
Aggregate net pension liability	806,861	1,327,000	777,209	2,911,070
Compensated absences - due in more than one year	16,685	60,570	24,436	101,691
Total noncurrent liabilities	823,546	1,387,570	801,645	3,012,761
Total liabilities	876,809	1,488,286	961,570	3,326,665
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	54,085	93,272	66,002	213,359
Total deferred inflows of resources	54,085	93,272	66,002	213,359
NET POSITION				
Investment in capital assets	3,143,719	6,210	257,461	3,407,390
Unrestricted (deficit)	1,693,303	179,166	42,446	1,914,915
Total net position	\$ 4,837,022	\$ 185,376	\$ 299,907	\$ 5,322,305

City of Madera
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2021

	Fleet Maintenance	Facilities Maintenance	Technology	Total
OPERATING REVENUES:				
Charges for services	\$ 1,766,343	\$ 2,772,804	\$ 1,931,605	\$ 6,470,752
Other	43,629	3,434	-	47,063
Total operating revenues	1,809,972	2,776,238	1,931,605	6,517,815
OPERATING EXPENSES:				
Salaries and benefits	412,882	1,008,823	607,733	2,029,438
General and administrative	183,474	208,885	345,760	738,119
Supplies and miscellaneous	120,146	81,242	954	202,342
Parts and supplies	-	-	179,538	179,538
Utilities	1,162	160,853	10,572	172,587
Depreciation	501,046	1,263	86,786	589,095
Total operating expenses	1,218,710	1,461,066	1,231,343	3,911,119
OPERATING INCOME (LOSS)	591,262	1,315,172	700,262	2,606,696
NONOPERATING REVENUES (EXPENSES):				
Capital grants	99,363	-	-	99,363
Total nonoperating revenues (expenses)	99,363	-	-	99,363
INCOME (LOSS) BEFORE TRANSFERS	690,625	1,315,172	700,262	2,706,059
TRANSFERS:				
Capital contributions	1,891	-	-	1,891
Transfers in	-	-	-	-
Transfers out	(57,724)	(76,880)	(9,899)	(144,503)
Total transfers	(55,833)	(76,880)	(9,899)	(142,612)
Changes in net position	634,792	1,238,292	690,363	2,563,447
NET POSITION:				
Beginning of year	4,202,230	(1,052,916)	(390,456)	2,758,858
End of year	<u>\$ 4,837,022</u>	<u>\$ 185,376</u>	<u>\$ 299,907</u>	<u>\$ 5,322,305</u>

City of Madera
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2021

	Fleet Maintenance	Facilities Maintenance	Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,664,616	\$ 2,772,804	\$ 1,931,605	\$ 6,369,025
Cash payments to suppliers for goods and services	(334,754)	(481,478)	(415,135)	(1,231,367)
Cash payments to employees for services	(400,025)	(973,461)	(602,000)	(1,975,486)
Receipts from other operating activities	43,629	3,434	-	47,063
Net cash provided by (used in) operating activities	973,466	1,321,299	914,470	3,209,235
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers to other funds	(57,724)	(76,880)	(9,899)	(144,503)
Net cash provided by noncapital financing activities	(57,724)	(76,880)	(9,899)	(144,503)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(463,783)	-	(110,671)	(574,454)
Net cash (used in) capital and related financing activities	(364,420)	-	(110,671)	(475,091)
Net change in cash and cash equivalents	551,322	1,244,419	793,900	2,589,641
CASH AND CASH EQUIVALENTS:				
Beginning of year	1,780,214	216,255	67,914	2,064,383
End of year	\$ 2,331,536	\$ 1,460,674	\$ 861,814	\$ 4,654,024

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City of Madera
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2021

	Fleet Maintenance	Facilities Maintenance	Technology	Total
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 591,262	\$ 1,315,172	\$ 700,262	\$ 2,606,696
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	501,046	1,263	86,786	589,095
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(101,727)	-	-	(101,727)
Prepaid items	-	-	5,510	5,510
Deferred outflows -pension related	4,514	9,142	5,951	19,607
Accounts payable	(29,972)	(30,498)	116,179	55,709
Accrued payroll	578	(200)	(5,118)	(4,740)
Compensated absences	5,693	22,222	2,168	30,083
Aggregate net pension liability	7,500	15,191	9,888	32,579
Deferred inflows - pension related	(5,428)	(10,993)	(7,156)	(23,577)
Total adjustments	382,204	6,127	214,208	602,539
Net cash provided by (used in) operating activities	\$ 973,466	\$ 1,321,299	\$ 914,470	\$ 3,209,235
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed property, plant and equipment	\$ 1,891	\$ -	\$ -	\$ 1,891
Total noncash capital and related financing activities	\$ 1,891	\$ -	\$ -	\$ 1,891

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Custodial Funds

The Custodial 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 Custodial Funds for the purposes indicated:

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 Net Position
Custodial Funds
June 30, 2021

	General Deposit Fund	Community Facilities Districts	Total
ASSETS			
Cash and investments	\$ 1,557,668	\$ 335,429	\$ 1,893,097
Accounts receivable, net	-	1,936	1,936
Prepaid items	-	875	875
Restricted cash and investments with fiscal agents	-	47,031	47,031
Total assets	1,557,668	385,271	1,942,939
LIABILITIES			
Accounts payable	\$ 17,930	\$ -	\$ 17,930
Deposits payable	1,539,738	-	1,539,738
Total liabilities	1,557,668	-	1,557,668
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	-	385,271	385,271
Total Net Position	\$ -	\$ 385,271	\$ 385,271

City of Madera
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

	General Deposit Fund	Community Facilities Districts	Total
ADDITIONS:			
Special assessments for other governments	\$ -	\$ 178,165	\$ 178,165
Investment Income	-	1,021	1,021
Total additions	-	179,186	179,186
DEDUCTIONS:			
Administration	-	7,865	7,865
Payments on conduit bonds - principal	-	79,232	79,232
Payments on conduit bonds - interest	-	87,352	87,352
Total deductions	-	174,449	174,449
Changes in net position	-	4,737	4,737
NET POSITION:			
Beginning of year, as restated	-	380,534	380,534
End of year	\$ -	\$ 385,271	\$ 385,271

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STATISTICAL SECTION

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CITY OF MADERA - STATISTICAL SECTION

This part of the City of Madera's annual comprehensive 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

CONTENTS	PAGE
Financial Trends - These schedules contain trend information to help the reader understand how the City of Madera's financial performance and well being have changed over time	
1 Net Position by Component	170
2 Changes in Net Position	172
3 Fund Balances of Governmental Funds	176
4 Changes in Fund Balances of Governmental Funds	178
Revenue Capacity - These schedules contain information to help the reader assess the City of Madera's most significant local revenue source, the property tax.	
5 Governmental Activities Tax Revenues by Source	181
6 Assessed Value of Taxable Property	182
7 Property Tax Levies and Collections	184
8 Direct and Overlapping Property Tax Rates	185
9 Top Ten Principal Property Taxpayers	186
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
10 Ratios of Outstanding Debt by Type	187
11 Ratios of General Bonded Debt Outstanding	188
12 Direct and Overlapping Governmental Activities Debt	189
13 Legal Debt Margin Information	190
14 Pledged Revenue Coverage	192
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
15 Demographic and Economic Statistics	194
16 Principal Employers	195
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
17 Full Time Equivalent City Government Employees by Function/Program	197
18 Operating Indicators by Function/Program	198
19 Capital Asset Statistics by Function/Program	200

Sources: Unless otherwise noted, the information in these schedules is derived from the City's annual comprehensive financial reports for the relevant year

City of Madera
Schedule 1
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2021	2020	2019	2018	2017
Governmental activities					
Net investment in capital assets,	\$ 178,947,614	\$ 160,970,918	\$ 172,189,172	\$ 176,114,816	\$ 178,119,000
Restricted	46,349,016	55,679,367	44,311,906	37,033,179	34,863,951
Unrestricted	<u>(9,774,183)</u>	<u>(10,495,207)</u>	<u>(12,968,431)</u>	<u>(10,128,387)</u>	<u>(9,560,807)</u>
Total governmental activities net position	<u>\$ 215,522,447</u>	<u>\$ 206,155,078</u>	<u>\$ 203,532,647</u>	<u>\$ 203,019,608</u>	<u>\$ 203,422,144</u>
Business type activities					
Net investment in capital assets	\$ 65,967,085	\$ 64,433,636	\$ 61,048,060	\$ 58,537,120	\$ 58,792,617
Restricted	963,474	1,166,101	4,940,553	1,125,151	1,076,451
Unrestricted	<u>32,493,629</u>	<u>26,306,961</u>	<u>17,336,248</u>	<u>15,846,498</u>	<u>13,966,875</u>
Total business type activities net position	<u>\$ 99,424,188</u>	<u>\$ 91,906,698</u>	<u>\$ 83,324,861</u>	<u>\$ 75,508,769</u>	<u>\$ 73,835,943</u>
Primary government					
Net investment in capital assets	\$ 244,914,699	\$ 225,404,554	\$ 233,237,232	\$ 234,651,936	\$ 236,911,617
Restricted	47,312,490	56,845,468	49,252,459	38,158,330	35,940,402
Unrestricted	<u>22,719,446</u>	<u>15,811,754</u>	<u>4,367,817</u>	<u>5,718,111</u>	<u>4,406,068</u>
Total primary government net position	<u>\$ 314,946,635</u>	<u>\$ 298,061,776</u>	<u>\$ 286,857,508</u>	<u>\$ 278,528,377</u>	<u>\$ 277,258,087</u>

City of Madera
Schedule 1
Net Position by Component (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2016	2015	2014	2013	2012
Governmental activities					
Net investment in capital assets	\$ 178,483,617	\$ 182,403,676	\$ 185,644,703	\$ 182,862,086	\$ 137,089,854
Restricted	32,193,071	32,671,232	32,451,846	24,794,707	13,273,859
Unrestricted	(11,207,039)	(14,435,936)	12,294,870	10,951,919	25,594,770
Total governmental activities net position	<u>\$ 199,469,649</u>	<u>\$ 200,638,972</u>	<u>\$ 230,391,419</u>	<u>\$ 218,608,712</u>	<u>\$ 175,958,483</u>
Business type activities					
Net investment in capital assets	\$ 57,639,498	\$ 58,455,927	\$ 60,056,090	\$ 60,768,756	\$ 68,322,670
Restricted	-	-	-	-	9,718,860
Unrestricted	17,152,594	15,542,964	19,739,870	19,386,182	20,277,451
Total business type activities net position	<u>\$ 74,792,092</u>	<u>\$ 73,998,891</u>	<u>\$ 79,795,960</u>	<u>\$ 80,154,938</u>	<u>\$ 98,318,981</u>
Primary government					
Net investment in capital assets	\$ 236,123,115	\$ 240,859,603	\$ 245,700,793	\$ 243,630,842	\$ 205,412,524
Restricted	32,193,071	32,671,232	32,451,846	24,794,707	22,992,719
Unrestricted	5,945,555	1,107,028	32,034,740	30,338,101	45,872,221
Total primary government net position	<u>\$ 274,261,741</u>	<u>\$ 274,637,863</u>	<u>\$ 310,187,379</u>	<u>\$ 298,763,650</u>	<u>\$ 274,277,464</u>

City of Madera
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2021	2020	2019	2018	2017
Expenses					
Governmental activities:					
General government	\$ 9,782,970	\$ 9,574,371	\$ 9,703,723	\$ 8,697,525	\$ 7,692,256
Public protection	18,826,073	20,182,145	18,983,486	18,425,675	12,903,321
Social services	133,639	422,270	330,498	346,863	303,015
Public ways and facilities	3,659,085	7,369,948	5,478,070	5,081,612	4,607,237
Culture and recreation	5,993,699	4,056,088	4,525,133	4,744,555	4,421,827
Community development	3,509,000	4,654,520	4,492,799	4,022,163	3,029,515
Interest on long-term debt	692,894	509,977	210,504	74,490	110,856
Depreciation (unallocated)	-	-	-	-	-
Total governmental activities expenses	<u>42,597,360</u>	<u>46,769,319</u>	<u>43,724,213</u>	<u>41,392,883</u>	<u>33,068,027</u>
Business type activities:					
Water	7,427,430	8,295,137	7,654,315	9,262,549	10,066,546
Sewer	9,216,976	10,038,430	9,924,665	9,854,304	8,758,885
Solid waste	5,758,119	5,875,225	6,056,309	5,811,095	6,305,944
Drainage operations	943,353	1,110,864	1,149,676	887,698	956,287
Local transit	2,499,127	2,403,789	2,321,063	2,166,293	2,184,533
Golf course	94,635	103,861	120,763	199,012	115,882
Airport	787,373	801,043	842,652	1,163,134	893,106
Total business type activities expenses	<u>26,727,013</u>	<u>28,628,349</u>	<u>28,069,443</u>	<u>29,344,085</u>	<u>29,281,183</u>
Total primary government expenses	<u>\$ 69,324,373</u>	<u>\$ 75,397,668</u>	<u>\$ 71,793,656</u>	<u>\$ 70,736,968</u>	<u>\$ 62,349,210</u>
Program Revenues					
Governmental activities:					
Program revenues:					
General government	\$ 1,174,107	\$ 242,424	\$ 6,223,401	\$ 5,727,717	\$ 5,526,628
Public protection	1,906,334	2,492,680	1,498,740	1,268,539	1,160,181
Social services	-	42,549	45,159	87,568	82,637
Public ways and facilities	10,910,045	9,246,144	10,385,688	6,320,845	7,164,876
Community development	5,645,305	2,866,097	3,434,002	2,831,560	3,085,754
Culture and recreation	1,048,539	696,197	941,359	837,220	934,173
Total governmental activities program revenues	<u>20,684,330</u>	<u>15,586,091</u>	<u>22,528,349</u>	<u>17,073,449</u>	<u>17,954,249</u>
Business type activities:					
Program revenues:					
Water	13,538,219	12,414,215	12,323,836	11,932,955	9,232,389
Sewer	11,352,608	10,797,565	10,352,115	8,791,285	8,108,977
Solid waste	5,890,825	5,982,010	5,890,085	5,872,152	5,889,675
Drainage operations	1,070,277	869,502	938,423	692,227	706,793
Local transit	2,398,029	5,873,660	4,316,816	2,263,648	2,297,400
Golf course	78,053	101,734	95,889	100,469	93,797
Airport	617,608	581,739	579,745	1,038,032	1,810,619
Total business type activities program revenues	<u>34,945,619</u>	<u>36,620,425</u>	<u>34,496,909</u>	<u>30,690,768</u>	<u>28,139,650</u>
Total primary government program revenues	<u>\$ 55,629,949</u>	<u>\$ 52,206,516</u>	<u>\$ 57,025,258</u>	<u>\$ 47,764,217</u>	<u>\$ 46,093,899</u>
Net (Expense)/Revenue					
Governmental activities	\$ (21,913,030)	\$ (31,183,228)	\$ (21,195,864)	\$ (24,319,434)	\$ (15,113,778)
Business type activities	8,218,606	7,992,076	6,427,466	1,346,683	(1,141,533)
Total primary government net expense	<u>\$ (13,694,424)</u>	<u>\$ (23,191,152)</u>	<u>\$ (14,768,398)</u>	<u>\$ (22,972,751)</u>	<u>\$ (16,255,311)</u>

City of Madera
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2016	2015	2014	2013	2012
Expenses					
Governmental activities:					
General government	\$ 8,890,092	\$ 11,483,880	\$ 11,482,393	\$ 11,946,360	\$ 8,275,715
Public protection	14,722,091	13,759,629	13,358,929	13,096,060	12,384,317
Social services	182,286	331,774	517,537	686,717	577,321
Public ways and facilities	6,852,731	3,695,605	3,766,236	2,940,005	2,350,315
Culture and recreation	4,451,155	4,335,983	3,814,936	3,749,071	2,693,874
Community development	5,249,438	5,812,948	5,478,644	5,639,070	5,879,206
Interest on long-term debt	280,037	258,764	269,845	291,000	2,851,745
Depreciation (unallocated)	-	-	-	-	8,627,095
Total governmental activities expenses	40,627,830	39,678,583	38,688,520	38,348,283	43,639,588
Business type activities:					
Water	5,590,810	5,668,873	4,788,350	5,212,633	7,826,911
Sewer	8,476,744	7,573,475	7,318,263	7,281,744	7,414,003
Solid waste	4,936,291	4,675,782	4,326,840	5,524,217	6,207,826
Drainage operations	1,024,498	900,903	933,506	895,238	904,659
Local transit	2,051,814	1,996,563	1,827,194	1,792,905	1,641,113
Golf course	74,596	122,102	66,651	130,394	229,294
Airport	852,560	871,796	687,228	697,826	690,753
Total business type activities expenses	23,007,313	21,809,494	19,948,032	21,534,957	24,914,559
Total primary government expenses	\$ 63,635,143	\$ 61,488,077	\$ 58,636,552	\$ 59,883,240	\$ 68,554,147
Program Revenues					
Governmental activities:					
Program revenues:					
General government	\$ 6,996,758	\$ 8,763,455	\$ 7,894,884	\$ 8,555,784	\$ 911,568
Public protection	1,414,790	1,558,094	1,820,803	1,783,858	2,033,459
Social services	69,314	80,730	111,223	116,756	426,912
Public ways and facilities	7,865,237	7,432,036	14,609,971	10,477,637	3,876,380
Community development	3,833,881	5,481,186	9,596,690	7,308,357	5,949,796
Culture and recreation	1,529,999	996,481	836,826	606,757	548,135
Total governmental activities program revenues	21,709,979	24,311,982	34,870,397	28,849,149	13,746,250
Business type activities:					
Program revenues:					
Water	7,312,514	5,616,869	5,759,100	5,534,033	5,121,649
Sewer	7,469,167	6,474,652	6,275,667	5,875,561	6,160,478
Solid waste	5,695,241	5,697,468	5,550,361	6,493,343	6,840,962
Drainage operations	955,602	686,328	793,149	664,900	640,695
Local transit	2,811,840	1,870,304	2,191,542	2,259,213	2,111,263
Golf course	96,542	117,562	122,494	111,362	34,000
Airport	551,005	647,283	1,341,754	837,714	1,026,107
Total business type activities program revenues	24,891,911	21,110,466	22,034,067	21,776,126	21,935,154
Total primary government program revenues	\$ 46,601,890	\$ 45,422,448	\$ 56,904,464	\$ 50,625,275	\$ 35,681,404
Net (Expense)/Revenue					
Governmental activities	\$ (18,917,851)	\$ (15,366,601)	\$ (3,818,123)	\$ (9,499,134)	\$ (29,893,338)
Business type activities	1,884,598	(699,028)	2,086,035	241,169	(2,979,405)
Total primary government net expense	\$ (17,033,253)	\$ (16,065,629)	\$ (1,732,088)	\$ (9,257,965)	\$ (32,872,743)

City of Madera
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2021	2020	2019	2018	2017
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 11,020,353	\$ 11,045,364	\$ 4,332,639	\$ 3,824,185	\$ 4,040,067
Sales and use taxes	16,894,337	15,227,811	13,399,196	12,923,918	9,112,909
Franchises taxes	721,028	688,563	649,666	666,238	649,415
Other taxes	1,813,979	2,019,087	1,964,472	1,707,452	1,694,786
Motor vehicle fees	-	-	-	-	-
Investment earnings	(97,360)	1,247,564	1,910,967	265,581	203,973
Miscellaneous	317,971	1,205,394	829,050	1,147,727	343,287
Gain (loss) on sale of capital assets	35,469	(42,920)	43,791	-	31,374
Transfers	574,622	352,225	275,116	374,407	172,913
Special items - Transfers of assets	-	2,062,571	-	-	-
Extraordinary items - RDA dissolution	-	-	-	-	-
Total governmental activities	31,280,399	33,805,659	23,404,897	20,909,508	16,248,724
Business type activities:					
Property taxes	237,264	228,943	209,374	182,390	171,878
Investment earnings	340,816	548,322	407,450	68,049	120,594
Miscellaneous	113,658	78,165	76,531	3,956	26,004
Gain (loss) on sale of capital assets	135,300	86,556	-	12,990	39,821
Transfers	(574,622)	(352,225)	(275,116)	(372,671)	(172,913)
Total business type activities	252,416	589,761	418,239	(105,286)	185,384
Total primary government	\$ 31,532,815	\$ 34,395,420	\$ 23,823,136	\$ 20,804,222	\$ 16,434,108
Change in Net Position					
Governmental activities	\$ 9,367,369	\$ 2,622,431	\$ 2,209,033	\$ (3,409,926)	\$ 1,134,946
Business type activities	8,471,022	8,581,837	6,845,705	1,241,397	(956,149)
Total primary government	\$ 17,838,391	\$ 11,204,268	\$ 9,054,738	\$ (2,168,529)	\$ 178,797

City of Madera
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2016	2015	2014	2013	2012
General Revenues and					
Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 3,571,669	\$ 2,837,432	\$ 2,943,796	\$ 2,757,456	\$ 7,295,050
Sales and use taxes	6,506,004	5,638,847	5,472,283	4,573,272	15,573,874
Transient occupancy taxes	678,438	612,474	591,116	584,160	558,779
Other taxes	2,172,574	2,035,238	1,821,326	1,899,648	6,009,672
Motor vehicle fees	-	-	-	-	3,750,000
Investment earnings	603,795	309,988	795,691	1,216,644	1,112,556
Miscellaneous	580,398	577,213	1,071,486	841,992	(70,336)
Gain (loss) on sale of capital assets	16,304	26,983	75,607	14,184	-
Transfers	1,718,751	1,065,193	2,538,648	1,305,047	892,807
Special items - Transfers of assets	-	-	-	-	-
Extraordinary items - RDA dissolution	-	-	-	-	(4,737,825)
Total governmental activities	15,847,933	13,103,368	15,309,953	13,192,403	30,384,577
Business type activities:					
Other taxes	58,333	70,353	61,049	98,923	-
Investment earnings	210,257	262,948	19,076	19,315	70,281
Miscellaneous	34,976	28,170	25,478	35,542	430,375
Gain (loss) on sale of capital assets	4,250	14,476	(11,968)	(52,915)	-
Transfers	(1,718,751)	(1,065,193)	(2,538,648)	(1,305,047)	(892,807)
Total business type activities	(1,410,935)	(689,246)	(2,445,013)	(1,204,182)	(392,151)
Total primary government	\$ 14,436,998	\$ 12,414,122	\$ 12,864,940	\$ 11,988,221	\$ 29,992,426
Change in Net Position					
Governmental activities	\$ (3,069,918)	\$ (2,263,233)	\$ 11,491,830	\$ 3,693,269	\$ 491,239
Business type activities	473,663	(1,388,274)	(358,978)	(963,013)	(3,371,556)
Total primary government	\$ (2,596,255)	\$ (3,651,507)	\$ 11,132,852	\$ 2,730,256	\$ (2,880,317)

City of Madera
Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2021	2020	2019	2018	2017
General fund					
Nonspendable	\$ 139,843	\$ 249,637	\$ 202,901	\$ 601,522	\$ 272,102
Restricted	-	401,700	4,934,403	-	-
Committed	11,194,964	10,292,405	10,483,246	11,574,005	-
Assigned	13,906,278	6,763,704	5,528,814	1,199,518	1,199,518
Unassigned	5,482,689	7,398,714	3,049,282	4,673,303	13,968,482
Total general fund	<u>30,723,774</u>	<u>25,106,160</u>	<u>24,198,646</u>	<u>18,048,348</u>	<u>15,440,102</u>
All other governmental funds					
Nonspendable	4,010	3,815	27	42	-
Restricted	45,692,871	55,277,667	39,377,503	35,986,212	33,857,600
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,460,591)	(959,555)	-	-	-
Total all other governmental fund	<u>44,236,290</u>	<u>54,321,927</u>	<u>39,377,530</u>	<u>35,986,254</u>	<u>33,857,600</u>
TOTAL FUND BALANCES	<u><u>\$ 74,960,064</u></u>	<u><u>\$ 79,428,087</u></u>	<u><u>\$ 63,576,176</u></u>	<u><u>\$ 54,034,602</u></u>	<u><u>\$ 49,297,702</u></u>

City of Madera
Schedule 3
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2016	2015	2014	2013	2012
General fund					
Nonspendable	\$ 368,959	\$ 258,252	\$ 282,184	\$ 362,753	\$ 49,121
Restricted	-	646,823	87,453	-	1,554,240
Committed	-	-	-	-	952,768
Assigned	1,199,518	727,159	1,199,518	1,174,374	86,003
Unassigned	12,879,473	12,326,175	11,280,658	8,651,615	7,833,114
Total general fund	<u>14,447,950</u>	<u>13,958,409</u>	<u>12,849,813</u>	<u>10,188,742</u>	<u>10,475,246</u>
All other governmental funds					
Nonspendable	8,547,157	-	-	-	7,280
Restricted	23,974,874	32,277,375	32,615,786	25,059,067	11,719,619
Committed	-	-	-	-	6,146,083
Assigned	-	-	-	-	40,025
Unassigned	(231,803)	(221,039)	42,897	(148,056)	12,912,675
Total all other governmental fund	<u>32,290,228</u>	<u>32,056,336</u>	<u>32,658,683</u>	<u>24,911,011</u>	<u>30,825,682</u>
TOTAL FUND BALANCES	<u><u>\$ 46,738,178</u></u>	<u><u>\$ 46,014,745</u></u>	<u><u>\$ 45,508,496</u></u>	<u><u>\$ 35,099,753</u></u>	<u><u>\$ 41,300,928</u></u>

City of Madera
Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2021	2020	2019	2018	2017
Revenues					
Taxes	\$ 4,331,022	\$ 4,332,639	\$ 3,825,921	\$ 4,054,503	\$ 4,054,503
Sales and used taxes	16,894,337	13,399,196	13,262,908	8,741,373	8,741,373
Other taxes	1,921,747	2,081,211	1,707,452	1,698,487	1,698,487
Use of money and property	323,569	2,078,944	392,428	358,735	358,735
Franchises	721,028	649,666	666,238	649,415	649,415
Licenses, permits and fees	1,555,955	1,322,830	1,049,103	701,825	701,825
Fines	452,319	591,298	588,584	750,388	750,388
Intergovernmental	17,641,730	16,380,444	11,781,034	12,654,660	12,654,660
Charges for services	5,118,683	3,322,989	3,457,257	3,497,588	3,497,588
Other revenue	578,896	1,048,977	924,918	632,560	632,560
Donations	-	-	-	-	-
Total revenues	<u>49,539,286</u>	<u>45,208,194</u>	<u>37,655,843</u>	<u>33,739,534</u>	<u>33,739,534</u>
Expenditures					
General government	3,628,480	2,691,729	3,075,710	2,106,580	1,796,055
Public protection	19,854,358	18,393,027	17,196,886	16,932,579	14,934,669
Social services	131,881	198,360	192,633	309,121	405,251
Public ways and facilities	3,319,019	5,957,037	4,233,896	3,476,106	3,101,070
Community development	5,839,428	3,130,348	3,429,815	3,800,416	3,831,163
Culture and recreation	2,796,274	3,300,189	4,006,826	3,598,837	3,106,938
Capital outlay	18,538,217	13,834,273	6,802,125	2,519,381	3,143,357
Debt service:					
Principal	401,700	559,403	633,222	1,452,775	568,464
Interest	730,344	351,820	52,341	75,660	113,860
Total expenditures	<u>55,239,701</u>	<u>48,416,186</u>	<u>39,623,454</u>	<u>34,271,455</u>	<u>31,000,827</u>
Culture and recreation					
Excess of revenues over (under) expenditures	<u>(5,700,415)</u>	<u>(3,207,992)</u>	<u>(1,967,611)</u>	<u>(531,921)</u>	<u>2,738,707</u>
Other financing sources (uses)					
Proceeds from sale of property	513,267	679,580	46,518	41,691	37,027
Proceeds from issuance of long-term debt	-	19,432,000	4,005,000	895,900	-
Premium on bond issuance	-	-	648,613	-	-
Cost of issuance	-	(84,752)	153,613	-	-
Transfers in	5,103,755	15,443,432	2,768,183	5,005,541	4,504,230
Transfers out	(4,384,630)	(15,773,066)	(2,992,087)	(5,284,157)	(4,812,845)
Total other financing sources (uses)	<u>1,232,392</u>	<u>19,697,194</u>	<u>4,629,840</u>	<u>658,975</u>	<u>(271,588)</u>
Net change in fund balances	<u>\$ (4,468,023)</u>	<u>\$ 16,489,202</u>	<u>\$ 2,662,229</u>	<u>\$ 127,054</u>	<u>\$ 2,467,119</u>
Debt service as a percentage of non-capital expenditures	3.1%	2.6%	2.1%	4.8%	2.4%

City of Madera
Schedule 4
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2016	2015	2014	2013	2011
Revenues					
Taxes	\$ 2,563,059	\$ 3,087,520	\$ 2,869,599	\$ 2,581,565	\$ 7,139,383
Sales and used taxes	6,506,004	5,638,847	5,539,847	4,505,707	5,341,362
Other taxes	6,506,004	5,638,847	1,842,002	1,872,250	11,788,596
Use of money and property	935,358	985,169	961,315	1,366,160	1,035,809
Franchises	2,141,433	2,041,961	591,116	584,160	619,343
Licenses, permits and fees	678,438	612,474	395,730	313,382	246,139
Fines	646,800	595,255	874,861	1,028,320	904,913
Intergovernmental	767,778	463,853	28,437,678	18,255,556	8,516,744
Charges for services	16,326,841	15,934,329	5,775,536	5,489,685	5,364,830
Other revenue	3,240,452	6,041,361	1,453,736	612,804	1,170,483
Donations	-	-	-	-	411,950
Total revenues	<u>40,312,167</u>	<u>41,039,616</u>	<u>48,741,420</u>	<u>36,609,589</u>	<u>42,539,552</u>
Expenditures					
General government	2,959,739	5,123,445	4,797,564	4,844,346	8,387,319
Public protection	14,621,471	13,616,969	13,177,569	12,829,516	12,551,085
Social services	357,699	330,062	510,579	473,128	864,358
Public ways and facilities	3,834,908	2,532,178	3,012,275	2,673,089	3,446,831
Community development	3,392,870	3,425,208	2,814,466	2,724,788	2,610,744
Culture and recreation	5,219,577	5,380,767	4,681,217	5,044,076	7,225,112
Capital outlay	7,073,119	5,255,764	10,925,198	6,931,137	10,999,374
Debt service:					
Principal	977,512	425,970	415,920	439,424	1,449,446
Interest	266,431	259,255	270,255	291,385	2,822,090
Total expenditures	<u>38,703,326</u>	<u>36,349,618</u>	<u>40,605,043</u>	<u>36,250,889</u>	<u>50,356,359</u>
Excess of revenues over (under) expenditures	<u>1,608,841</u>	<u>4,689,998</u>	<u>8,136,377</u>	<u>358,700</u>	<u>(7,816,807)</u>
Other financing sources (uses)					
Proceeds from sale of property	9,969	-	-	-	640,000
Proceeds from issuance of long-term debt	-	-	-	-	-
Premium on bond issuance	1,540,065	157,755	-	-	-
Cost of issuance	-	-	-	-	-
Transfers in	7,289,955	5,557,426	6,338,959	5,044,924	14,603,608
Transfers out	(6,109,973)	(5,111,740)	(4,357,470)	(3,787,978)	(13,945,846)
Total other financing sources (uses)	<u>2,730,016</u>	<u>603,441</u>	<u>1,981,489</u>	<u>1,256,946</u>	<u>1,297,762</u>
Net change in fund balances	<u>\$ 4,338,857</u>	<u>\$ 5,293,439</u>	<u>\$ 10,117,866</u>	<u>\$ 1,615,646</u>	<u>\$ (6,519,045)</u>
Debt service as a percentage of non-capital expenditures	3.9%	2.2%	2.3%	2.5%	10.9%

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City of Madera
Schedule 5
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years (modified accrual basis of accounting)

Sources of Tax Revenues	Business Licenses	Franchise Fees	Property Tax ¹	Sales Tax ³	Transient Occupancy	Gas Tax ²	TOTAL
2020-2021	\$ 452,319	\$ 1,555,955	\$ 4,331,022	\$ 1,921,747	\$ 886,017	\$ 2,563,059	\$ 11,710,119
2019-2020	688,563	1,378,494	4,613,254	15,227,811	804,286	7,623,871	30,336,279
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

NOTES:

- 1) Property tax amounts include state reimbursement of homeowners property tax relief and real property transfer tax and property tax in lieu of MVLF. 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
Assessed Value of Taxable Property
Last Ten Fiscal Years

CATEGORY	Fiscal Years				
	2021	2020	2019	2018	2017
Residential	\$ 2,335,164,803	\$ 2,201,293,176	\$ 2,035,513,239	\$ 1,917,149,489	\$ 1,824,835,555
Commercial	483,155,413	443,426,571	429,900,137	419,282,129	403,687,826
Industrial	174,322,830	178,171,356	179,040,074	172,661,353	166,063,864
Agriculture	13,017,642	13,457,474	12,920,915	5,840,462	5,275,944
Dry Farm	15,306,770	15,019,028	15,391,780	14,096,409	13,830,501
Government	2,036,417	2,054,539	-	6,069	5,950
Institutional	1,920,464	1,282,549	1,674,829	2,113,776	1,295,250
Irrigated	1,680,888	1,635,256	1,603,053	1,598,326	1,566,070
Cross Reference	40,913,367	37,692,391	39,817,937	36,669,788	35,511,414
Vacant Land	196,572,803	183,027,173	219,593,087	175,896,575	166,553,864
SBE Non-Unitary	548,402	625,460	625,460	625,460	743,768
Unsecured	307,490,035	287,932,288	280,734,337	237,615,373	221,973,452
Unknown	638,191	628,316	1,236,714	4,352,697	4,025,707
TOTALS	3,572,768,025	3,366,245,577	3,218,051,562	2,987,907,906	2,845,369,165
Total Direct Rate	0.13147	0.13198	0.13281	0.13369	0.13243

NOTES:

Exempt values are not included in Total

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Beginning in 2013/14 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 6
Assessed Value of Taxable Property (Continued)
Last Ten Fiscal Years

CATEGORY	Fiscal Years				
	2016	2015	2014*	2013	2012
Residential	\$ 1,739,590,175	\$ 1,629,686,371	\$ 1,518,325,305	\$ 1,452,100,000	\$ 1,447,378,861
Commercial	386,226,705	376,032,631	366,862,480	367,484,877	367,845,387
Industrial	178,416,598	170,784,960	164,018,245	165,058,550	168,028,586
Agriculture	5,153,044	5,042,110	4,791,797	4,700,012	4,610,026
Dry Farm	11,764,375	12,516,645	12,649,078	10,825,312	10,523,021
Government	5,861	5,747	5,722	5,610	-
Institutional	1,558,852	1,348,373	1,242,996	1,178,843	1,046,426
Irrigated	1,541,526	1,510,496	1,502,446	1,465,896	1,492,264
Cross Reference	34,716,877	28,515,201	23,735,117	20,865,776	20,767,878
Vacant Land	155,926,515	153,947,112	158,636,497	159,890,090	167,773,016
SBE Non-Unitary	743,768	743,768	743,768	769,547	769,547
Unsecured	201,164,923	200,566,825	191,093,988	182,827,178	165,151,264
Unknown	3,939,930	3,939,713	3,540,012	3,313,737	3,304,242
TOTALS	2,720,749,149	2,584,639,952	2,447,147,451	2,370,485,428	2,358,690,518
Total Direct Rate	0.13255	0.1328	0.13242	0.38898	0.39528

NOTES:

Exempt values are not included in Total

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Beginning in 2013/14 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
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years 1	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 3,591,118	\$ 3,582,748	99.77%	\$ -	\$ 3,582,748	100.42%
2020	3,409,931	3,394,991	99.56%	4,184	3,399,175	99.15%
2019	3,229,350	3,127,793	96.86%	23,314	3,151,107	97.58%
2018	3,128,370	3,093,867	98.90%	1,000	3,094,867	98.93%
2017	2,933,663	2,917,792	99.46%	(10,357)	2,907,435	99.11%
2016	N/A	N/A	0.00%	-	-	0.00%
2015	N/A	N/A	0.00%	-	-	0.00%
2014	N/A	N/A	0.00%	-	-	0.00%
2013	N/A	N/A	0.00%	-	-	0.00%
2012	N/A	N/A	0.00%	-	-	0.00%
2011	9,911,568	8,996,236	90.77%	55,685	9,051,922	91.33%

NOTES:

1) Delinquent tax collections are recorded in the current levy year and the County does not give the detail as to the levy year for delinquent tax collections. Delinquent tax collections do not include interest and penalties.

N/A - Information not available

City of Madera
Schedule 8
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30,	City of Madera	Madera Unified School District	State Center Community College	County-wide	Total
2021	0.0%	12.5%	1.8%	100.0%	114.3%
2020	0.0%	16.5%	2.6%	100.0%	119.1%
2019	0.0%	9.7%	2.3%	100.0%	112.0%
2018	0.0%	10.3%	2.6%	100.0%	112.9%
2017	0.0%	11.4%	0.8%	100.0%	112.2%
2016	0.0%	12.8%	0.8%	100.0%	113.6%
2015	0.0%	7.3%	0.9%	100.0%	108.2%
2014	0.0%	7.9%	1.0%	100.0%	108.8%
2013	0.0%	7.6%	0.9%	100.0%	108.5%
2012	0.0%	7.7%	0.8%	100.0%	108.5%

Note: The basis for the tax rates is \$100 per assessed valuation.

Source: Madera County Auditor-Controller Tax Rate Book

City of Madera
Schedule 9
Top Ten Principal Property Taxpayers
Fiscal Year 2021 and Ten Years Prior

Taxpayer	2020-2021			2011-2012		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
John Hancock Life Insurance Co.	1	\$ 51,012,621	1.40%			
David L and Partrica R Berry	2	24,065,633	0.66%	1	28,737,579	1.21%
Ready Roastt Nut Company	3	21,663,487	0.59%			
Sealed Air Corporation	4	20,898,893	0.57%	4	18,935,498	0.80%
Newman Development Group	5	19,487,944	0.54%			
OldcastelPrecast Inc	6	18,637,227	0.51%	6	14,907,956	0.63%
Crossroads Madera California LB1 LLC	7	18,570,628	0.51%			
The Almond Company	8	18,066,830	0.50%			
Lowes Home Centers LLC	9	16,138,420	0.44%	5	16,282,059	
Yosemite Point Partnership	10	15,062,351	0.41%	7	14,714,597	0.62%
Advanced Drainage System				2	22,049,408	0.93%
Berry & Berry, Inc.				3	19,111,642	0.81%
Eurodrip USA, Inc.				8	14,474,972	0.61%
DMP Development Corporation				9	13,793,092	0.58%
BFP Partnership				10	12,364,632	0.52%
Top Ten Totals		\$ 223,604,034	6.14%		\$ 175,371,435	7.40%
CITY TOTALS		\$ 3,641,653,022			\$ 2,371,484,516	

City of Madera
Schedule 10
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

GOVERNMENTAL ACTIVITIES

Fiscal Year	General Obligation Bonds	Redevelopment Bonds ^b	Special Assessment Bonds	Loans Payable	Capital Lease	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
2021	\$ -	\$ 32,970,000	\$ -	\$ 525,400	\$ 19,432,000	\$ 52,927,400	4.95%	\$ 806
2020	-	34,295,000	-	633,600	19,595,500	54,524,100	5.10%	830
2019	-	39,862,859	-	738,900	492,602	41,094,361	3.84%	628
2018	-	43,765,850	-	863,554	1,023,325	45,652,729	4.59%	687
2017	-	45,039,358	-	60,088	2,425,766	47,525,212	4.95%	718
2016	-	46,207,821	2,683,119	98,022	3,002,145	51,991,107	5.67%	787
2015	-	47,346,304	2,722,525	661,052	1,874,496	52,604,377	5.82%	803
2014	-	48,439,787	2,756,931	842,091	1,964,615	54,003,424	6.03%	857
2013	-	49,488,270	2,786,337	1,053,926	2,179,997	55,508,530	6.20%	881
2012	-	50,567,725	2,825,000	-	2,461,155	55,853,880	6.32%	886

NOTES:

- a) See Schedule 13 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' obligations were transferred to the Successor Agency.

City of Madera
Schedule 11
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

GOVERNMENTAL ACTIVITIES

Fiscal Year	General Obligation Bonds	Redevelopment Bonds ^c	Special Assessment Bonds	Total	Percentage of Taxable Assessed Property Values ^a	Per Capita ^b
2021	\$ -	\$ 32,970,000	\$ -	\$ 32,970,000	0.98%	\$ 502
2020	-	34,295,000	-	34,295,000	1.07%	\$ 524
2019	-	39,862,859	-	39,862,859	1.33%	\$ 600
2018	-	43,794,788	-	43,794,788	1.54%	\$ 661
2017	-	45,039,358	-	45,039,358	1.66%	\$ 682
2016	-	46,231,429	2,683,119	48,914,548	1.89%	\$ 747
2015	-	47,379,250	2,722,525	50,101,775	2.05%	\$ 795
2014	-	48,459,969	2,756,931	51,216,900	2.16%	\$ 813
2013	-	49,455,270	2,786,337	52,241,607	2.21%	\$ 829
2012	-	50,567,725	2,825,000	53,392,725	2.26%	\$ 854

NOTES:

- a) Assessed Value and Actual Value of Taxable Property - provided by HdL, Coren & Cone provided data
- b) Demographic and Economic Statistics for personal income and population data - Schedule 13
- c) As of February 1, 2012 all redevelopment agencies in California ceased to exist per AB X1 26. The Madera Redevelopment Agencies' obligations were transferred to the Successor Agency.

City of Madera
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

2020-21 Assessed Valuation: \$3,572,633,614

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Debt Outstanding 6/30/2021	% Applicable ¹	City's Share of Debt as of 6/30/21
State Center Community College District	\$ 343,015,000	3.744%	\$ 12,842,482
Madera Unified School District	166,836,933	49.141%	\$ 81,985,337
City of Madera Community Facilities District No. 2006-1	2,241,106	100.000%	\$ 2,241,106
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 97,068,925
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Madera County General Fund Obligations	58,254,562	22.186%	12,924,357
Madera County Board of Education General Fund Obligations	20,608,877	22.186%	4,572,285
Madera Unified School District Certificates of Participation	87,095,000	49.141%	42,799,354
City of Madera	24,491,500	100.000%	24,491,500
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 84,787,497
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	32,970,000	98.874%	\$ 32,598,758
TOTAL DIRECT DEBT			\$ 24,491,500
TOTAL OVERLAPPING DEBT			\$ 189,963,679
COMBINED TOTAL DEBT			\$ 214,455,179

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 13
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Assessed value	\$ 3,750,525,788	\$ 3,572,633,614	\$ 3,366,111,166	\$ 3,214,555,536	\$ 2,984,863,745
Debt limit (15% of assessed value)	562,578,868	535,895,042	504,916,675	482,183,330	447,729,562
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	562,578,868	535,895,042	504,916,675	482,183,330	447,729,562
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 13
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

Legal Debt Margin Calculation	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Assessed value	\$ 2,843,541,362	\$ 2,717,869,926	\$ 2,580,951,334	\$ 2,443,191,890	\$ 2,366,225,200
Debt limit (15% of assessed value)	426,531,204	407,680,489	387,142,700	366,478,784	354,933,780
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	426,531,204	407,680,489	387,142,700	366,478,784	354,933,780
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 14
Pledged Revenue Coverage
Last Ten Fiscal Years

2015 Water and Wastewater Revenue Bonds

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2021	\$ 23,085,235	\$ 11,537,418	\$ 1,200,000	\$ 950,160	5.37
2020	23,244,181	10,309,898	1,155,000	992,895	4.80
2019	21,434,207	6,380,941	1,120,000	1,034,335	2.96
2018	20,664,801	4,378,989	1,075,000	1,074,110	2.04
2017	17,181,561	1,139,743	1,040,000	1,112,590	0.53
2016	14,673,722	3,883,912	70,000	275,697	11.24
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-

2019 Water Refunding Bonds

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2021	\$ 12,511,993	\$ 6,379,309	\$ 409,781	\$ 225,466	10.04
2020	12,428,666	6,697,361	374,080	40,336	16
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-

City of Madera
Schedule 14
Pledged Revenue Coverage (Continued)
Last Ten Fiscal Years

2006 California Infrastructure and Economic Development Bank (CIEDB) Wastewater Loan

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2021	\$ 10,573,242	\$ 5,158,109	\$ 331,996	\$ 196,593	9.76
2020	10,823,426	4,645,738	322,295	206,439	8.79
2019	9,776,777	986,633	312,877	215,998	1.87
2018	8,788,389	266,204	303,735	225,278	0.50
2017	8,042,174	613,008	294,860	234,287	1.16
2016	7,407,933	788,484	286,244	243,032	1.49
2015	5,621,814	984,022	277,879	251,522	1.86
2014	6,199,330	491,670	269,760	259,764	0.93
2013	6,487,017	961,248	261,877	267,765	1.81
2012	6,160,478	464,127	254,225	275,533	0.88

Successor Agency 2018 Tax Allocation Bonds

Fiscal Year	Special Assessment Collections	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2021	\$ 3,375,855	\$ 3,056,710	\$ 1,325,000	\$ 1,516,309	1.08
2020	2,790,658	598,095	1,215,000	1,563,337	0.22
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

City of Madera
Schedule 15
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Personal Income	Personal Per Capita Income (1)	School Enrollment	Unemployment Rate
2020	66,172	\$ 1,158,300,000	\$ 17,504	28.6	10.9%
2019	65,415	1,069,011,930	16,342	28.8	7.8%
2018	66,419	994,358,849	14,971	28.2	7.7%
2017	66,225	959,202,900	14,484	28.3	7.3%
2016	66,082	917,614,652	13,886	27.6	7.9%
2015	65,474	904,523,310	13,815	27.6	9.1%
2014	63,008	894,965,632	14,204	27.3	9.6%
2013	63,008	895,028,640	14,205	27.2	16.0%
2012	63,040	884,325,120	14,028	27.1	17.5%
2011	62,514	872,320,356	13,954	27.4	21.3%

NOTES:

Data provided by HdL, Coren & Cone

* Demographic data has a lag because of time to tabulate, 2020 data not available at this time

Source: MuniServices, LLC
www.cde.ca.gov

City of Madera
Schedule 16
Principal Employers
Fiscal Year 2021 and Ten Years Prior

Employer	2020-2021			2010-2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Madera Unified School District	2319	1	35.63%	1800		40.53%
County of Madera	1500	2	23.05%	1500		40.53%
Madera Community Hospital	936	3	14.38%	950		40.53%
Walmart	350	4	5.38%	-		N/A
Camerena Health	337	5	5.18%	-		N/A
City of Madera	310	6	4.76%	191		40.53%
Community Action Partnership Madera	234	7	3.60%	-		N/A
Vallarta Supermarket	200	8	3.07%	-		N/A
JBT Food Tech	165	9	2.53%	-		N/A
Lowe's	158	10	2.43%	-		N/A
	6509		26.95%	4441		40.53%
		Total City Employment	44,980			34,400

Source: 2020-21 data based on City of Madera 2021-22 Budget

Source: California Employment Department or employer provided

(-) No data available.

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City of Madera
Schedule 17
Full Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years (As of June 30)

FUNCTION/PROGRAM	Fiscal Years									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
City Attorney	0	0	2	2	2	2	2	2	2	3
City Council	7	7	7	7	7	7	7	7	7	7
City Manager	2.7	2.7	1.7	1.95	2.7	0.7	0.7	1	2	2
City Clerk	2	2	2	2	2	2	2	2	2	2
Finance	27.7	24.89	24.73	23.73	24.5	24.03	24.45	25.48	25.28	26.78
Information Technology	4.17	4.17	4.25	4	4	4	4	4	4	4
Human Resources	4	4	4	4	4	4	4	4	4	4
Community Development Planning Commissioners	14.89	18.97	19.59	21.46	21.86	22.13	21.38	21.27	24.8	26.13
	0	0	0	0	0	0	0	0	0	0
Public Safety										
Police Officers-Sworn	79	70.29	70.01	69.84	60	57.25	57	57	58	59
Other Full Time Employees	9.31	24.01	23.48	23.48	20	20	20	20	20.26	21.56
Public Works										
Engineering	17.87	13.63	14.67	11.21	11.69	11.85	10.74	10.61	11.52	14.11
Maintenance	17.54	34.45	27.33	28.88	29.57	30.97	30.71	34.78	28.8	27.28
Transit Services	1.7	2.7	3.08	3.08	3.38	3.38	2.98	2.98	3.73	3.73
Airport	1.88	2.86	2.88	2.98	2.46	2.46	2.36	2.58	2.36	2.03
Solid Waste Disposal	0.65	1	6.48	8.88	9.02	7.77	6.69	3.38	5.48	1.99
Storm Drainage	4.1	5.45	5.74	4.54	5.19	4.89	5.89	5.45	6.2	6.77
Waster	18.44	22.34	23.08	25.18	20.66	18.66	16.81	14.74	16.76	17.96
Wastewater/Sewer	25.05	24.66	26.29	26.62	20.32	20.07	19.04	17.59	20.49	20.92
Waste Disposal Recycling	0	0	1	1.3	1.35	1.3	1.2	0	0	3.14
Successor Agency/RDA	0.5	1	1.8	2.3	2.3	2.3	2.59	2.62	2.62	3.5
Culture & Recreation	37.37	47.64	51.42	56.05	61.12	60.9	53.01	45.67	47.89	50.88
Total	275.87	313.76	322.53	330.48	315.12	307.66	294.55	284.15	295.19	307.78

City of Madera
Schedule 18
Operating Indicators by Function/Program
Last Ten Fiscal Years (As of June 30)

FUNCTION/PROGRAM	Fiscal Years				
	2021	2020	2019	2018	2017
Police					
Physical Arrests	1,789	1,829	2,381	1,585	1,014
Parking Violations	1,432	2,189	1,417	953	777
Traffic Violations	2,206	3,385	5,141	1,824	2,801
Community Development					
Building Permits Issued	2,236	1,797	2,202	2,390	N/A
Building Inspections Performed	12,003	12,003	13,322	16,106	15,186
Planning Permits Issued	200	153	196	234	211
Public Services					
Street Resurfacing (miles)	-	-	-	-	-
Street Light Replacement ^a	115	86	64	92	206
Potholes Filled	2,864	2,012	2,341	2,703	2,542
Waste Water Average Daily Treatment (millions of gallons)	-	-	-	-	-
Transit Route (Service) Miles	258,599	317,504	352,476	140,033	366,788
Transit Passenger Count	54,683	95,326	108,535	143,746	142,991
Parks & Recreation					
Sports Field Participation	360	1,802	1,701	N/A	N/A
Community Center/Gym/Pool Participation	24,728	31,779	38,271	N/A	N/A
Other Participation	86,364	124,062	133,186	N/A	N/A

NOTES:

N/A - Information not available

City of Madera
Schedule 18
Operating Indicators by Function/Program
Last Ten Fiscal Years (As of June 30) (Continued)

FUNCTION/PROGRAM	Fiscal Years				
	2016	2015	2014	2013	2012
Police					
Physical Arrests	N/A	N/A	N/A	N/A	N/A
Parking Violations	N/A	N/A	N/A	N/A	N/A
Traffic Violations	N/A	N/A	N/A	N/A	N/A
Community Development					
Building Permits Issued	N/A	N/A	N/A	N/A	N/A
Building Inspections Performed	N/A	N/A	N/A	N/A	N/A
Planning Permits Issued	N/A	N/A	N/A	N/A	N/A
Public Services					
Street Resurfacing (miles)	N/A	N/A	N/A	N/A	N/A
Street Light Replacement ^a	N/A	N/A	N/A	N/A	N/A
Potholes Filled	N/A	N/A	N/A	N/A	N/A
Waste Water Average Daily Treatment (millions of gallons)	N/A	N/A	N/A	N/A	N/A
Transit Route (Service) Miles	N/A	N/A	N/A	N/A	N/A
Transit Passenger Count	N/A	N/A	N/A	N/A	N/A
Parks & Recreation					
Sports Field Participation	N/A	N/A	N/A	N/A	N/A
Community Center/Gym/Pool Participation	N/A	N/A	N/A	N/A	N/A
Other Participation	N/A	N/A	N/A	N/A	N/A

NOTES:

City of Madera
Schedule 19
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	41	41	35	35	34	N/A	N/A	N/A	N/A	N/A
Motorecycle unit	5	4	4	5	3	N/A	N/A	N/A	N/A	N/A
K-9 unit	3	3	3	3	3	N/A	N/A	N/A	N/A	N/A
Streets										
Streets (miles)	199	199	160	N/A						
Streetlights	3000	3000	3000	N/A						
Traffic Signals										
CalTrans maintained	15	15	15	N/A						
City of Madera maintained	32	29	29	N/A						
Culture & Recreation										
Total Park Acreage	159	159	151	N/A						
Parks	15	15	13	N/A						
Baseball Fields	2	2	2	N/A						
Softball Fields	9	9	9	N/A						
Soccer Fields	7	7	7	N/A						
Football Fields	0	0	0	N/A						
Tennis Courts	0	0	0	N/A						
Swimming Pools	3	3	3	N/A						
Community Centers	3	3	3	N/A						
Waste Water										
Sanitary Sewers (miles)	375	375	408	0	0	0	0	0	0	0
Storm Sewers (miles)	0	0	0	0	0	0	0	0	0	0
Treatment Capacity (millions of gallons/day)	0	0	0	0	0	0	0	0	0	0
Transit Services										
Minibuses										
Fixed Route	13	13	13	13	13	N/A	N/A	N/A	N/A	N/A
Dial A Ride	6	6	6	6	6	N/A	N/A	N/A	N/A	N/A
Bus Shelters	80	80	80	80	80	N/A	N/A	N/A	N/A	N/A

NOTES:

N/A - Information not available