



REPORT TO CITY COUNCIL

Approved by:

Michael Lima

Michael Lima, Director of Financial Services

Arnoldo Rodriguez

Arnoldo Rodriguez, City Manager

Council Meeting of: April 3, 2024

Agenda Number: E-1

SUBJECT:

Audited Comprehensive Financial Statements for the Fiscal Year ended June 30, 2023

RECOMMENDATION:

Accept Audited Comprehensive Financial Report (ACFR) for Fiscal Year 2022/2023

DISCUSSION:

The City of Madera's (City) Financial Statements for the Fiscal Year ended on June 30, 2023 have been prepared. Under State law, a local agency (in this case, the City) must prepare financial statements and have them audited by an independent accounting firm. The City has chosen to present their financial statements in the form of an ACFR. An ACFR contains additional financial information and context beyond what the basic financial statements present. The City's Fiscal Year 2022/23 ACFR was audited by The Pun Group Accountants and Advisors (The Pun Group). It should be noted that The PUN Group was retained by the City through an RFP process.

Single Audit

In accordance with the Single Audit Act of 1984 and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, the City is required to have an independent firm audit their grant expenditures whenever \$750,000 in Federal grants are received for any Fiscal Year. The audit must follow Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants and comply with the standards for financial audits set forth in the U.S. General Accounting Office's Governments Auditing Standards (1994). The audit completed for Fiscal Year ended June 30, 2023 complies with all the provisions and standards previously stated and the City's Financial Statements have been found to be in conformity with Generally Accepted Accounting Principles. The auditors were completing the single audit as of the time that this staff report was being written. However, it was submitted on March 30, 2024.

Audit Results

The Pun Group issued an Unmodified Opinion, otherwise known as a “clean opinion”, for the City’s Fiscal Year 2022/23 financial statements. Andrew Roth, Partner at The Pun Group, will present the Financial Statements and discuss their results.

A copy of the Fiscal Year 2022/23 ACFR will be posted on the City's website.

FINANCIAL IMPACT:

The ACFR is a report that shows the City’s financial results for the fiscal year ending June 30, 2023. In itself, the report does not have any financial impact. However, the production of the ACFR does satisfy legal requirements to produce financial statements. If those requirements are not fulfilled, the City could be subject to legal action. Additionally, the City’s bonds require annual production of audited financial statements as a condition of bond issuance. Thus, by not issuing audited financial statements, the City would risk default on their outstanding bonds, which could result in the immediate repayment of all outstanding principal on those bonds.

The Pun Group will be paid \$54,600 for their work on the Fiscal Year 2022/23 ACFR. This amount is in addition to any City staff time incurred in the preparation of the ACFR.

ALTERNATIVES:

Continue to delay acceptance of the City's Fiscal Year 2022/23 ACFR and jeopardize the city's financial credibility.

ATTACHMENTS:

1. City of Madera Annual Comprehensive Financial Report for the Year Ended June 30, 2023



ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

Prepared by
Finance Department

City of Madera
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023
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Financial Services Department

March 29, 2024

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) for Fiscal Year 2022/2023.

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, 2023. This ACFR was prepared by the City of Madera's (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).

GAAP requires 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 MD&A offers a more detailed discussion about the economic condition of the City, fund balance analysis and other management goals and achievements. 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, 2023, 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 Fiscal Year 2022/2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of this ACFR's financial section.

The independent audit of the City's financial statements 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.

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, the City Attorney, and the City Clerk. 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 and is the county seat of Madera County. 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 has an approximate population of 66,000 and its boundaries encompass 16.0 square miles. Madera is also within close proximity to cherished natural attractions such as Yosemite National Park, the Sierra Nevada Mountains, and the Pacific Ocean 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, as well as a general aviation airport.

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 City finances

The Madera economy showed signs of continued growth during Fiscal Year 2022/23. Continued development in both the residential and the commercial sectors resulted in a record property assessed valuation of \$4.1 billion: up \$300 million from Fiscal Year 2021/22. Partially offsetting this growth was the closure of the Madera Community Hospital in January 2023. While there were various attempts at reopening the hospital, it remains closed as of the date of this transmittal letter. In spite of this significant closure, the City's finances reflected the growth that was shown throughout the Madera economy. Among the financial highlights that the City experienced in Fiscal Year 2022/23 were:

- Mirroring the growth in assessed valuation, the City received a record amount of property tax revenue. Property tax revenue was \$13.8 million: \$1.4 million (11.3%) above the property tax received in Fiscal Year 2021/22. Management believes that property tax revenue will continue to grow with the addition of several new developments within Madera. However, management also believes that the property tax growth rate will decline from Fiscal Year 2022/23 levels.
- Sales tax revenues were down \$0.1 million (0.5%) from Fiscal Year 2021/22's total of \$19.4 million. A slowdown in the retail economy was the primary cause for the stagnation in sales tax revenues. While several new businesses, including Smart & Final and In-N-Out, are opening in Fiscal Year 2023/24, management believes that sales tax revenue will continue to be flat due to conditions in the overall retail and wholesale economy.
- The City's total Net Position ended the fiscal year at a record \$351.8 million: up 6.1% from Fiscal Year 2021/22's total Net Position of \$331.6 million. It is particularly noteworthy that both Governmental and Business Type activities had positive Net Positions at the end of the fiscal year.
- The City recorded \$167.6 million of Cash and Investments in Fiscal Year 2022/23. That figure was up by \$17.7 million (11.8%) over Fiscal Year 2021/22's figure of \$149.9 million. While the growth in cash is impressive, it must be noted that \$20.1 million of cash is associated with the American Rescue Plan Act (ARPA) monies received from the Federal Government for future Water Fund and Sewer Fund capital work.

Overall, the financial outcomes were in line with the budgeted amounts. Actual sales tax and property tax revenues came in higher than budgeted projected as of June 30, 2023. While some industry sectors were impacted, Madera was not as severely impacted in comparison to other communities.

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 the State of California. Major retail employers include Walmart, Lowe's, and Home Depot. The City of Madera's unemployment rate has increased over the fiscal year: going from 6.0% in June 2022 to 7.7% in June 2023.

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 2022/23 Fiscal Year, activities for the general, special revenue, debt service, enterprise, and capital project were 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, and then at the department level for those funds which contain multiple departments. 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 on-going maintenance and rehabilitation costs to existing capital assets (land, land improvements, infrastructure, and equipment), as well as the costs of new facilities and improvements.

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 is continuously monitoring economic conditions and will adjust the budget as necessary as economic conditions change.

The City maintains a General Fund Economic Stabilization 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 Stabilization Reserve. The balance in the reserve was \$12.7 million as of the end of Fiscal Year 2022/23. In addition, separate reserve funds have been established in the Measure K Fund for economic stabilization for the Fire and Police Departments. Every year \$130,000 is added to each of the reserves until they reach the level of 30% of expenditures. Currently, each Economic Stabilization Fund had a \$780,000 balance at the end of Fiscal Year 2022/23. Additionally, the Fire Department has established a fire vehicle replacement reserve. The intent was to add \$200,000 each year when the reserve was established. The funding amount was increased to \$490,000 in Fiscal Year 2022/23. The fund was used for the purchase of a new fire apparatus in Fiscal Year 2021/22. It had a balance of \$738,540 as of the end of the 2022/23 fiscal year.

To finance Madera's current and future growth, the City has in place a variety of user and developer fees to pay for streets, parks, sewer lines, water lines and wells. The City reviews these fees periodically to ensure that the fee structure is in line with the cost of construction. In addition, the City recently adopted updated fees for Water, Sewer, and Solid Waste services to keep up with the rising cost of providing these services.

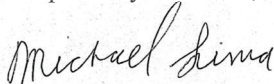
Cash Management

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 the third priority after safety and liquidity. The City invests in various governmental and corporate bonds, certificates of deposit, money market accounts, and the Local Agency Investment Fund (LAIF) operated by the State of California 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.

Acknowledgments

I would like to extend my thanks to the City Council for their interest in and suggestions for 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,



Michael Lima
Director of Financial Services



City Council Members

Santos Garcia, Mayor
Cece Gallegos, Councilmember (D1)
Jose Rodriguez, Councilmember (D2)
Steve Montes, Councilmember (D3)
Anita Evans, Councilmember (D4)
Elsa Mejia, Mayor Pro Tem (D5)
Artemio Villegas, Councilmember (D6)

Executive Management

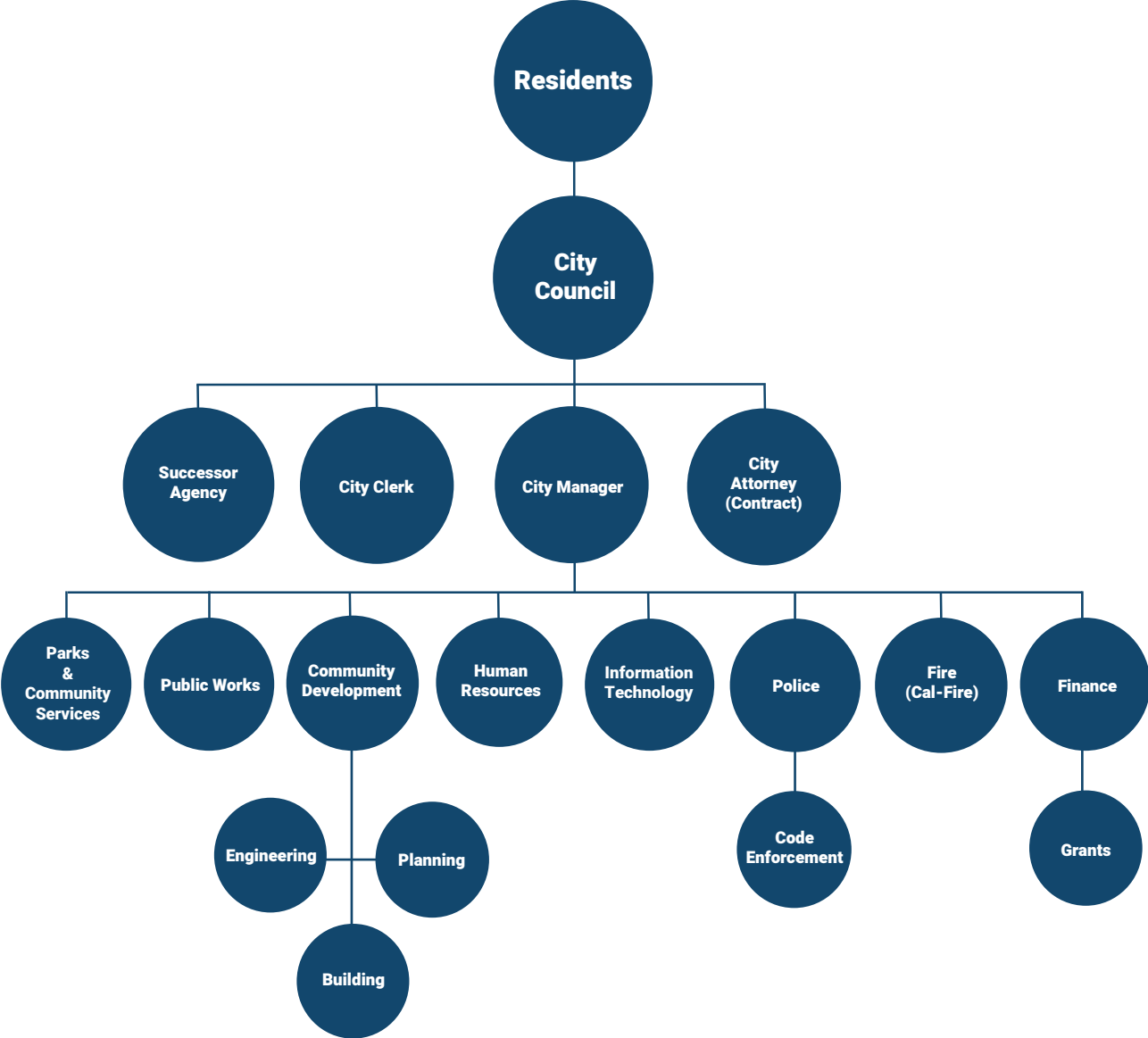
Arnoldo Rodriguez, City Manager
Hilda Cantu Montoy, City Attorney (contracted)
Alicia Gonzales, City Clerk

Department Directors

Michael Lima, Director of Financial Services
Will Tackett, Director of Community Services
Gary Conte, Planning Manager
Dino Lawson, Police Chief
Ismael Hernandez, Director of Public Works
Joseph Hebert, Director of Parks & Community Services
Rafael Magallan, Chief Building Official
Keith Helmuth, City Engineer
Wendy Silva, Director of Human Resources
Vacant, Information Services Manager

City of Madera

Organizational Chart



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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 the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2023, 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.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, of the City, as of June 30, 2023, 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.

We did not audit the financial statements of the Housing Authority of the City of Madera (the "Authority"), which represent 100% of the assets, net position, and revenues, respectively, as of June 30, 2023, and the respective changes in financial position, the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Implementation of New GASB Pronouncements

As discussed in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription Based Information Technology Arrangements* during the year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary 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 Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of 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 City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance.

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

Santa Ana, California
March 28, 2024

City of Madera
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

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, 2023. 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 \$351.8 million. Of this amount, \$59.8 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 \$52.9 million and is dedicated to specific purposes. Lastly, net position of \$239.2million is the City's net investment in capitalassets.
- The City's total net position increased by \$20.3 million or 6.1% during fiscal year 2022-23 to \$351.8 million from \$331.5 million.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$94.1 million, an increase of \$12.9 million or 15.9% in comparison with the prior year. Approximately \$11.5 million or 12.2% 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, Community Development and LEA Tire Grants, ended the year with a fund balance of \$53.2 million, which represents a net increase of approximately \$14.6 million from the previous year. The General Fund unassigned balance of \$12.5 million is available for carryover to fund future general fund expenditures.
- Net Pension Liability increased by \$23.2 million or 70.5% during fiscal year 2022-23 to \$56.1 million from \$32.9 million. Deferred outflows of resources related to pensions increased by \$10.7 million or 116.5% and deferred inflows of resources related to pensions decreased by \$15.5 million or 93.9%. The Net Pension Liability is based on an Actuarial Valuation and there was a decrease in the discount rate of 6.90% from the prior year.

During this year, the rates for water and sewer services increased with the approval of the Rate Study that was completed and approved on April 6, 2022. 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 2015-16 and were increased between 9-10% during each of the five years covered in the rate schedule, except for fiscal year 2018-19 when Council considered a revised water rate analysis and adjusted the increase to 6%. Prop 218 hearings were held, and all but the new drainage fee rates were adopted on July 20, 2022. The new rates went into effect in the current fiscal year.

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.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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 like the accounting method used by most private sector companies. All the current year's revenues and expenses are considered 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.

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.

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

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

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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 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 with this budget.

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 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 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.

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.

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.

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.

Individual Fund Statements. Individual fund statements in connection with non-major governmental and enterprise funds are presented immediately after the required supplementary information in this report.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Government-wide Financial Analysis

Below is a table showing the City's net position for the fiscal year ended June 30, 2023, with comparative data for the fiscal year ended June 30, 2022.

	City of Madera's Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 132,792,004	\$ 120,798,297	\$ 63,141,475	\$ 55,314,094	\$ 195,933,479	\$ 176,112,391
Capital Assets	193,451,488	198,074,866	101,019,583	103,407,985	294,471,071	301,482,851
Total assets	326,243,492	318,873,163	164,161,058	158,722,079	490,404,550	477,595,242
Deferred outflows of resources	17,456,880	8,453,503	3,399,723	1,491,624	20,856,603	9,945,127
Liabilities:						
Current and other liabilities	31,531,008	34,282,489	9,791,906	7,955,385	41,322,914	42,237,874
Noncurrent liabilities	70,689,431	53,924,073	44,668,508	41,496,907	115,357,939	95,420,980
Total liabilities	102,220,439	88,206,562	54,460,414	49,452,292	156,680,853	137,658,854
Deferred inflows of resources	1,435,081	15,845,063	1,322,894	2,478,068	2,757,975	18,323,131
Net position:						
Net investment in capital assets	173,636,768	177,369,996	65,561,102	65,475,770	239,197,870	242,845,766
Restricted	50,277,926	44,524,605	2,579,539	1,794,447	52,857,465	46,319,052
Unrestricted	16,130,158	1,380,440	43,636,832	41,013,126	59,766,990	42,393,566
Total net position	\$ 240,044,852	\$ 223,275,041	\$ 111,777,473	\$ 108,283,343	\$ 351,822,325	\$ 331,558,384

As of June 30, 2023, the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$351.8 million. Governmental activities finished the year with a positive net position balance of \$240.0 million, an increase of \$18.0 million, or 8.1% compared to 2022. Business-type activities finished the year with a positive balance of \$111.8 million, an increase of \$2.3 million or 2.1% compared to 2022. Net position, as noted earlier, may serve over time as a useful indicator of the City's financial position. Of the total net position, \$239.2 million or 68.0% 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 decreased by \$3.7 million, restricted net position increased by \$6.0 million and unrestricted net position increased by \$18.0 million, accounting for the increase in total net position of \$20.3 million. The decrease in net investment in capital assets is primarily due to additions to capital assets of \$5.2 million offset by depreciation expense of \$12.4 million, a decrease in capital-related debt of \$3.7 million. 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 \$4.0 million, capital projects increased by \$0.9 million, community development increased by \$.8 million, and debt service increased by \$0.8 million compared to the 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 \$52.9 million or 15.4% of the total net position. 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.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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 \$59.8 million or 17.0% of the total net position, which is an increase of \$17.4 million or 41.0% from the previous year. Governmental activities account for \$16.1 million of the total unrestricted net position and improved by \$16.0 million or 1,600.0% compared to last year. Business-type activities account for \$43.6 million of the total unrestricted net position and increased by \$2.6 million or 6.3% compared to last year.

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

	Statement of Activities					
	For the Year Ended June 30, 2023					
	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 8,391,024	\$ 7,314,577	\$ 36,233,172	\$ 34,452,844	\$ 44,624,196	\$ 41,767,421
Operating grants and contributions	12,319,312	9,780,314	-	-	12,319,312	9,780,314
Capital grants and contributions	1,857,783	2,400,126	1,060,762	1,163,082	2,918,545	3,563,208
Total program revenues	<u>22,568,119</u>	<u>19,495,017</u>	<u>37,293,934</u>	<u>35,615,926</u>	<u>59,862,053</u>	<u>55,110,943</u>
General revenues:						
Property taxes	13,505,386	12,134,288	258,727	247,624	13,764,113	12,381,912
Sales and use taxes	19,291,534	19,440,017	-	-	19,291,534	19,440,017
Franchise taxes	841,540	763,276	-	-	841,540	763,276
Other taxes	2,281,598	2,462,689	-	-	2,281,598	2,462,689
Total taxes	<u>35,920,058</u>	<u>34,800,270</u>	<u>258,727</u>	<u>247,624</u>	<u>36,178,785</u>	<u>35,047,894</u>
Investment earnings	959,461	(1,475,300)	679,254	(913,654)	1,638,715	(2,388,954)
Gain (loss) on sale of capital assets	-	-	52,605	-	52,605	-
Miscellaneous	980,194	934,376	1,035,824	680,464	2,016,018	1,614,840
Total general revenues and transfers	<u>37,859,713</u>	<u>34,259,346</u>	<u>2,026,410</u>	<u>14,434</u>	<u>39,886,123</u>	<u>34,273,780</u>
Total revenues	<u>60,427,832</u>	<u>53,754,363</u>	<u>39,320,344</u>	<u>35,630,360</u>	<u>99,748,176</u>	<u>89,384,723</u>
Expenses:						
General government	8,709,508	9,503,665	-	-	8,709,508	9,503,665
Public safety	19,843,489	21,670,917	-	-	19,843,489	21,670,917
Social services	(12,583)	1,061,114	-	-	(12,583)	1,061,114
Public ways and facilities	3,690,712	5,320,754	-	-	3,690,712	5,320,754
Community development	4,195,329	5,136,917	-	-	4,195,329	5,136,917
Culture and recreation	4,670,551	3,158,176	-	-	4,670,551	3,158,176
Interest on long-term debt	643,406	671,356	-	-	643,406	671,356
Water	-	-	9,595,209	7,317,498	9,595,209	7,317,498
Sewer	-	-	12,320,078	8,737,728	12,320,078	8,737,728
Solid waste	-	-	9,379,389	6,146,265	9,379,389	6,146,265
Drainage operations	-	-	1,241,082	929,265	1,241,082	929,265
Local transit	-	-	3,904,438	3,104,405	3,904,438	3,104,405
Golf course	-	-	75,993	85,044	75,993	85,044
Airport	-	-	1,227,634	883,402	1,227,634	883,402
Total expenses	<u>41,740,412</u>	<u>46,522,899</u>	<u>37,743,823</u>	<u>27,203,607</u>	<u>79,484,235</u>	<u>73,726,506</u>
Change in net position	<u>18,687,420</u>	<u>7,231,464</u>	<u>1,576,521</u>	<u>8,426,753</u>	<u>20,263,941</u>	<u>15,658,217</u>
Transfers	(1,917,609)	521,130	1,917,609	(521,130)	-	-
Change in net position after transfers	<u>16,769,811</u>	<u>7,752,594</u>	<u>3,494,130</u>	<u>7,905,623</u>	<u>20,263,941</u>	<u>15,658,217</u>
Increase (decrease) in net position	<u>16,769,811</u>	<u>7,752,594</u>	<u>3,494,130</u>	<u>7,905,623</u>	<u>20,263,941</u>	<u>15,658,217</u>
Net position, beginning of year	<u>223,275,041</u>	<u>215,522,447</u>	<u>108,283,343</u>	<u>100,377,720</u>	<u>331,558,384</u>	<u>315,900,167</u>
Net position, end of year	<u>\$ 240,044,852</u>	<u>\$ 223,275,041</u>	<u>\$ 111,777,473</u>	<u>\$ 108,283,343</u>	<u>\$ 351,822,325</u>	<u>\$ 331,558,384</u>

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Governmental activities. Governmental activities account for \$240.0 million or 68.2% of the total government-wide net position. This is an increase of \$18.0 million or 8.1% compared to June 30, 2022.

Total governmental revenues for the year were \$60.4 million, which is \$6.6 million or 12.3% more than in 2022.

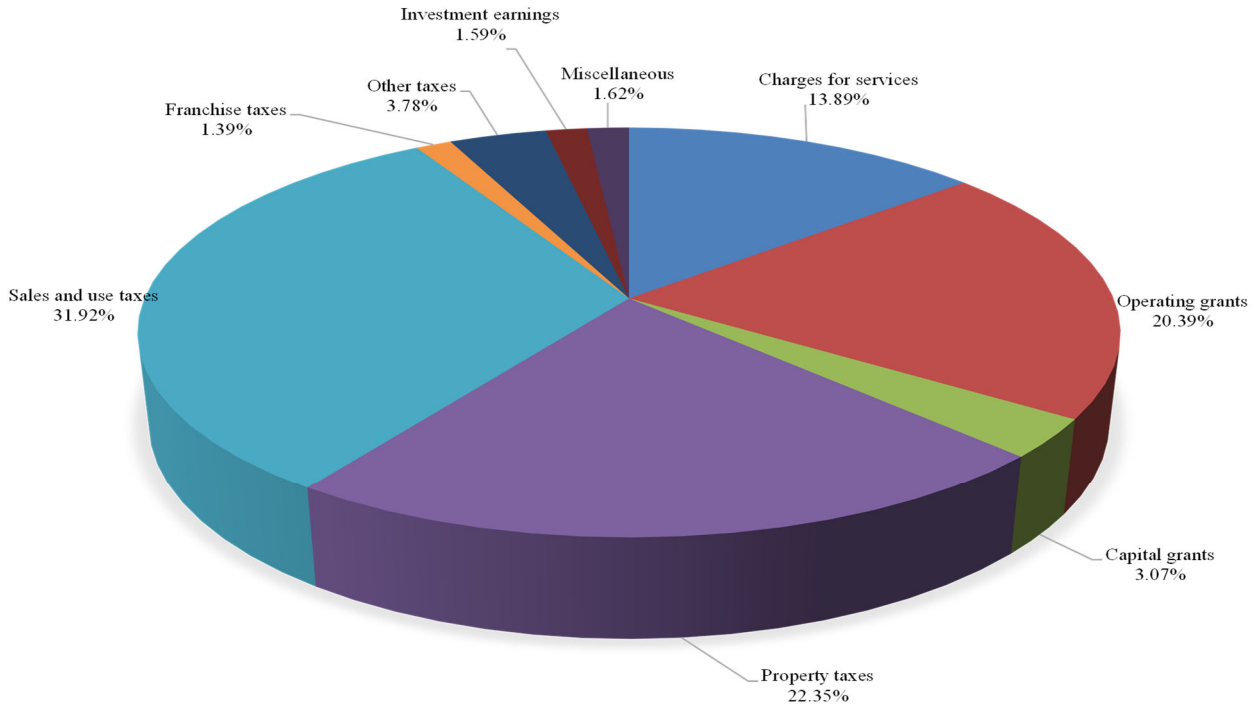
- Operating grants and contributions increased by \$2.5 million or 26.0% from the previous year.
- Capital grants and contributions decreased by \$0.5 million or 22.6% from the previous year due to a decrease in developer contributions.
- Taxes, including property, sales, franchise, and other taxes account for approximately \$35.9 million or 59.4% of the City's governmental activities revenue. Total tax revenue increased \$1.1 million or 3.2% from the previous year.
- Investment earnings increased by \$2.4 million or 165.0% from the previous year. The decrease was primarily due to rising interest rates lowering the market value of investments made at lower rates.

Total governmental expenses for the year were \$41.7 million, which is \$4.8 million or 10.3% less than in 2022.

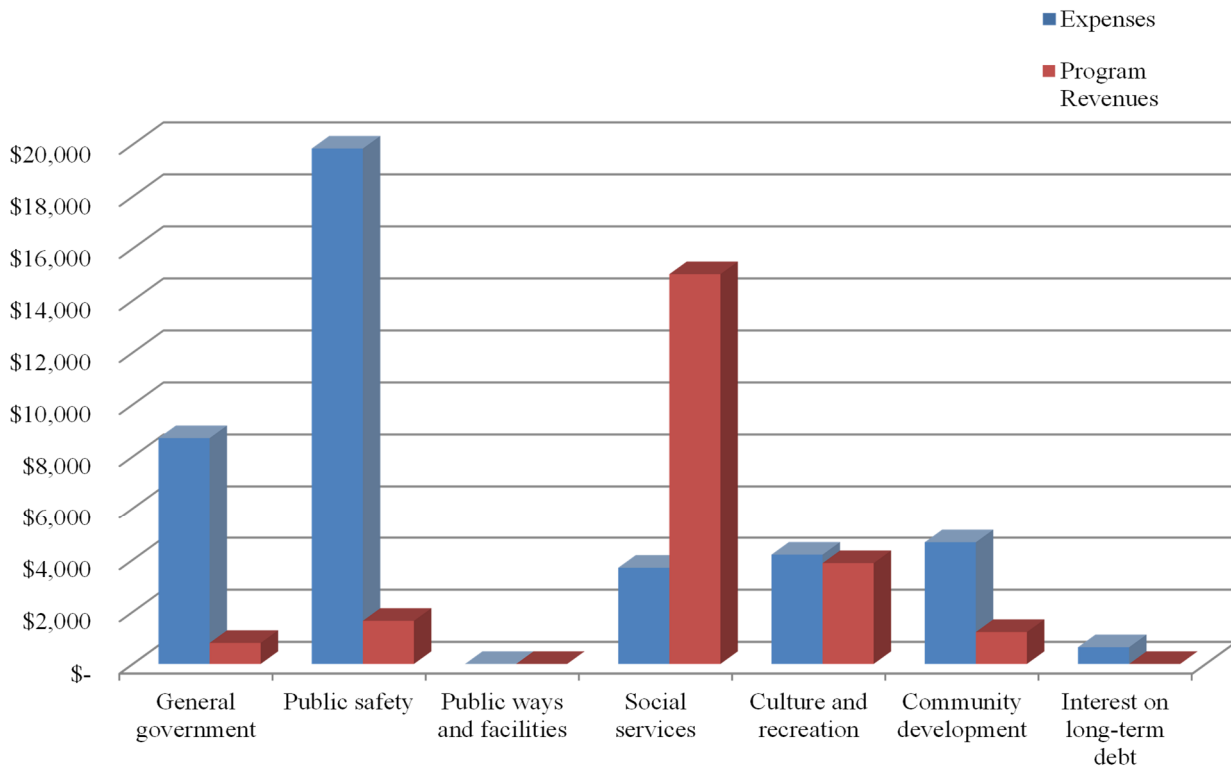
- General governmental expenses decreased by \$.8 million or 8.4% from the previous year.
- Public safety expenses decreased by \$1.8 million or 8.4% from the previous year.
- Public ways and facilities expenses decreased by \$1.6 million or 30.6% from the previous year.
- Community development expenses decreased by \$0.9 million or 18.3% from the previous year.
- Culture and recreation expenses increased by \$1.5 million or 47.9% from the previous year.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Revenues by Source - Governmental Activities



Expenditures and Program Revenues - Governmental Activities
(Dollars in Thousands)



City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Governmental program revenues that include charges for services and grants specific to certain programs account for \$22.6 million or 37.4% 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.

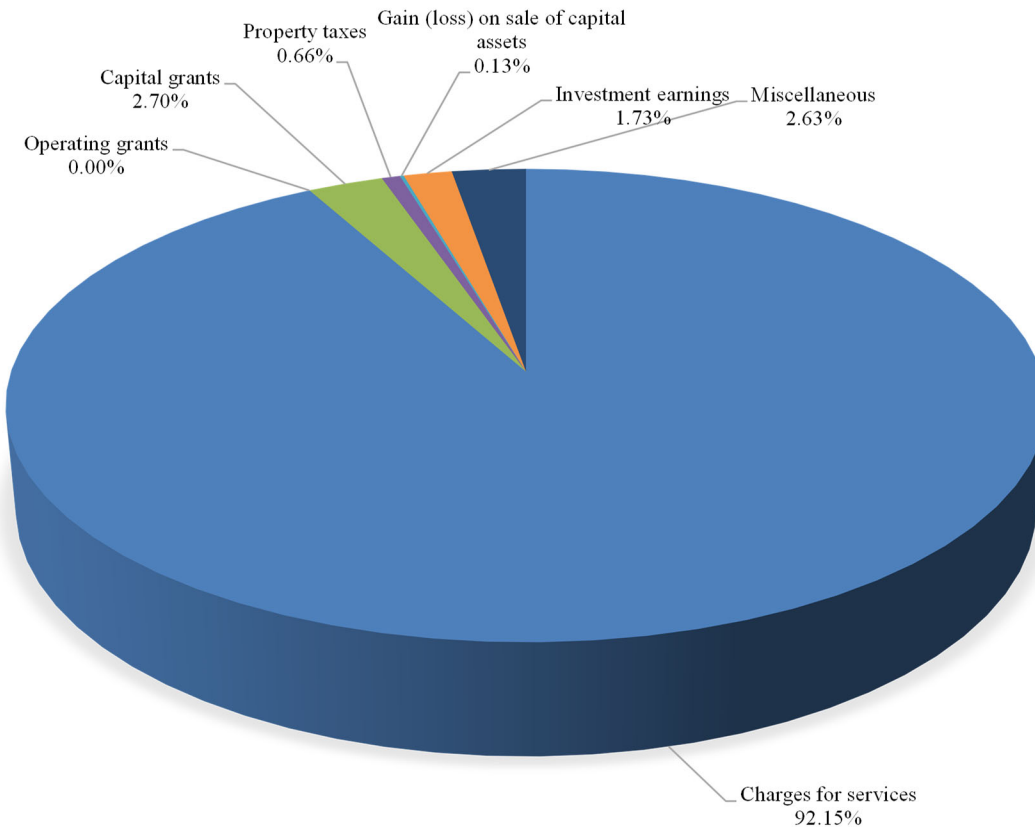
Business-type Activities. Business-type activities account for \$111.8 million or 31.8% of the total government-wide net position. This is an increase of \$3.5 million from the prior year. Net investment in capital assets accounts for \$65.6 million or 58.7% of the total net position and is an increase of \$0.1 million from 2022. Restricted net position accounts for \$2.6 million, or 2.3% of total net position. This represents an increase of \$0.8 million from 2022. Unrestricted net position of \$43.6 million, or 39.0% of total net position, represents an increase of \$2.6 million from 2022.

Total business-type revenue for the year was \$39.3 million, which is \$3.7 million or 10.4% more than in 2022.

Charges for services increased by \$1.7 million or 5.2% 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.

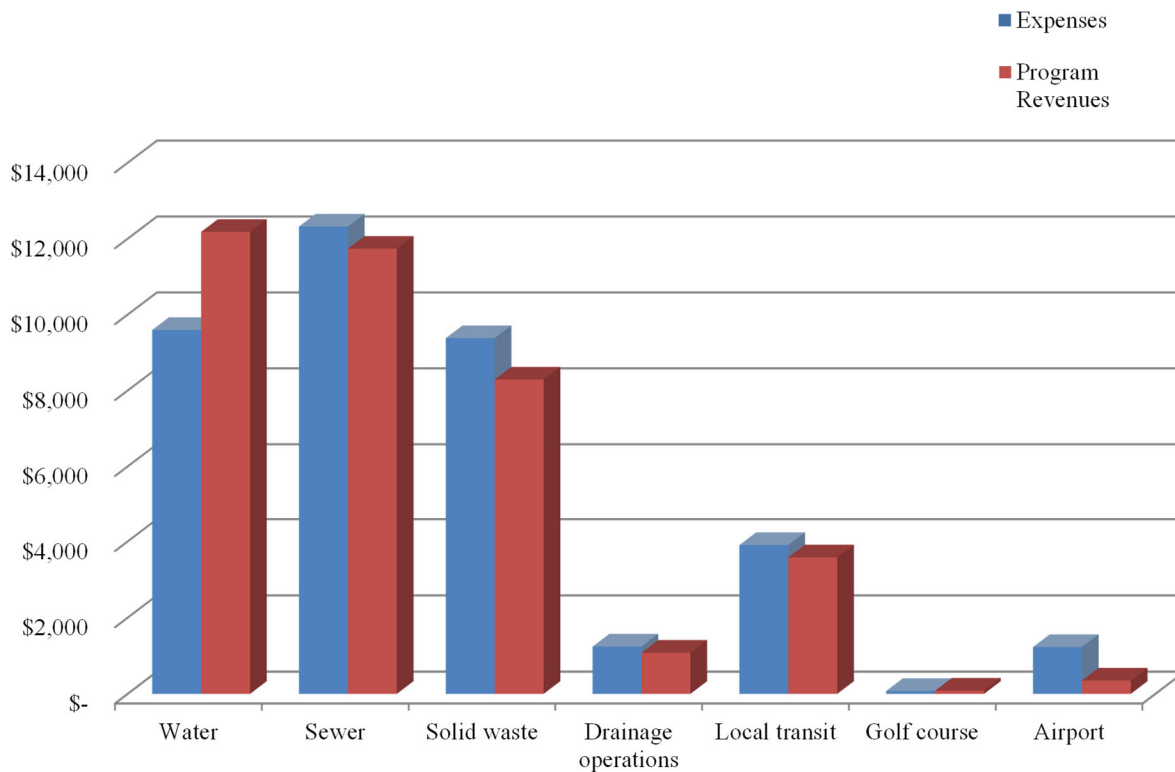
Capital grants and contributions decreased by \$0.1 million or 8.8% from the prior year.

Revenues by Source - Business-Type Activities



City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

Expenses and Program Revenues-Business-Type Activities
(Dollars in Thousands)



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 \$37.7 million, which is \$10.5 million or 38.7% more than in 2022.

Water expenses increased by \$2.3 million or 31.1% compared to the prior year, primarily due to salary and operational cost increases.

Sewer expenses increased by \$3.6 million or 41.0% compared to the prior year, primarily due to a sewer line break during the December 2022 to January 2023 severe weather.

Solid Waste expenses increased by \$3.2 million or 52.6% compared to the prior year, primarily due to increases in implementing a new third-party contract and the effects of Senate Bill 1383.

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.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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.

The City's Governmental Funds all ended the year with positive fund balances. The ending fund balance for all funds amounted to \$94.1 million, \$12.9 million or 15.9% more than the previous year.

Of the total fund balance, \$10.4 million or 11% 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:

	Total
Nonspendable	
Prepaid items	\$ 72,092
Inventories	82,881
Total nonspendable	154,973
Restricted	
Community development	12,751,924
Park development	98,941
Parking improvements	136,363
Public works and transportation	18,354,410
Special assessment project	519,667
Insurance stabilization reserve	2,365,453
Public protection	368,640
Capital projects and improvements	18,047,981
Total restricted	52,643,379
Committed	
General Fund stabilization reserve	12,731,891
General plan update	50,000
Solar street light repair Installation	50,000
Measure K - Fire Protection Stabilization	780,000
Measure K - Police Protection Stabilization	780,000
Measure K - Fire Vehicle Replacement	738,540
Total committed	15,130,431
Assigned	
Golf course capital	20,000
Debt service	1,106,145
OPEB liability	97,339
Insurance reserve	950,134
Health insurance premiums	1,357,000
Future annual stipend payments	650,000
Measure K - Fire Protection	7,293,910
Measure K - Police	3,422,960
Measure K - Sales Tax Refund Reserve	900,000
Total assigned	15,797,488
Unassigned	10,363,939
Total fund balances	\$ 94,090,210

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

General Fund

The General Fund is the chief operating fund of the City. As of June 30, 2023, the total fund balance (including all categories) of the general fund was \$45.7 million, up \$9.0 million from June 30, 2022. The total fund balance of \$43.9 million includes non-spendable balances of \$0.1 million, restricted balances of \$2.4 million, committed balances of \$15.1 million, assigned balances of \$15.8 million, and an unassigned balance of \$12.3 million.

The *assigned* fund balance decreased \$0.8 million when compared to June 30, 2022, primarily due to the \$1.9 million increase in Measure K fund balance, which was offset by reductions of \$0.5 million to the health insurance premiums reserve, a \$0.2 million decrease in reserves for future annual employee stipend payments, a \$2.4 million transfer of insurance premium reserve to the restricted fund, and a \$.3 million increase in debt service.

The *unassigned* fund balance increased \$2.4 million when compared to June 30, 2022. The \$12.3 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, adjustments to budgets approved by council during the next fiscal year, 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 35.5% of total General Fund expenditures, while total fund balance represents approximately 250.1% of total General Fund expenditures.

Other Major Funds

The General Development Impact Fee Special Revenue Fund, a major fund, had a \$1.1 million increase in fund balance during fiscal year 2022-23. The ending fund balance of \$18.0 million is restricted to use 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	\$ 47,621,002
Sewer Fund	25,736,002
Solid waste Fund	(1,073,391)
Drainage Operations Fund	18,825,922
Local Transit Fund	7,498,544
Golf Course Fund	1,289,580
Airport Fund	11,879,814
Fleet Maintenance Fund	5,967,157
Facilities Maintenance Fund	(165,585)
Technology Fund	184,902

Revenue was up slightly in the City's enterprise funds in fiscal year 2022-23. Water revenue was down 9.9%, primarily because of the extremely wet year the city experienced during the winter of 2022-2023, Sewer revenue was up 44.4%, Solid Waste was up 44.4% and Drainage Operations went down 1.2%. Operating expenses were higher in the Water, Sewer, Solid Waste, and Drainage Operations funds for fiscal year 2022-23 primarily due to salary and benefit increases as well as fees incurred for third-party contracts. The City Council recently adopted new rates for the Water, Sewer and Solid Waste services which went into effect in fiscal year 2022-23.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

General Fund Budgetary Highlights

The general fund ended fiscal year 2022-23 \$12.3 million under budget. This variance was primarily the result of less revenue of \$.4 million offset by \$12.7 million less in expenditures than projected.

- Actual expenditures for General Government came in \$5.0 million under budget due to spending 4.6 million less on economic development as well as spending less than budgeted in City Clerk's office and for the City Attorney.
- Actual expenditures for Public Safety came in at \$2.5 million under budget due to savings in contracted services and personnel costs.
- Actual expenditures for Public Ways and Facilities were \$0.6 million under budget due to savings in supplies and materials, contracted services, and personnel costs.
- Actual expenditures for Community Development came in at \$0.6 million under budget due to savings in contracted services and personnel costs.
- Actual expenditures for Culture and Recreation came in at \$0.4 million under budget due to savings in personnel costs, recreational programs, contracted services, and conference/training.
- Actual expenditures for Capital Outlay were \$4 million under budget due to projects that were carried over to next fiscal year or delayed due to the wet weather 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, 2023, amounts to \$294 million (net of depreciation), a decrease of \$7.2 million compared to 2022. This decrease is primarily due to the additions to capital assets of \$5.2 million offset by the depreciation expense of \$12.4 million.

Major capital asset additions this year include the following:

- Road network improvements - \$2.6 million
 - Developer donations (sidewalk, pavement, pipelines, and others) - \$1.0 million
 - Various streets and bridge improvement projects - \$1.3 million
 - Various park improvement projects - \$0.3 million
- Equipment, property, and software purchases - \$1.0 million
- Airport apron and taxiway drainage upgrade – \$0.8 million

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

- Park improvements: India Park and Olive Knox Park
- Street improvements: 5th Street, C Street, E Street, Lincoln Avenue, Dellavalle Avenue, Austin Street, Gateway Drive, Olive Avenue, Asterial Street, Knox Street, Raymond Road, Cleveland Avenue, Schnoor Avenue, Sunset Avenue, and Riverside Drive
- Traffic signal improvements and installations: Granada Drive, Howard Road, Industrial Avenue, Olive Avenue, Pine Street, Yosemite Avenue, Q Street, Cleveland Avenue, D Street, South Street, Lake Street, and Sherwood Way
- Water storage tank installation: Avenue 17 and Lake Street

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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

- Iveywood I Subdivision
- Dutch Bros Coffee Shop
- EZ-Trip Gas Station
- Sealed Air Solar Farm
- Madera County Hall of Justice

	Capital Assets					
	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 12,669,536	\$ 12,614,951	\$ 9,725,315	\$ 9,725,315	\$ 22,394,851	\$ 22,340,266
Construction in progress	24,764,506	23,851,579	2,944,282	1,762,601	27,708,788	25,614,180
Buildings and improvements	32,969,138	25,042,669	65,621,819	69,924,082	98,590,957	94,966,751
Equipment	18,311,532	18,222,525	9,882,783	5,672,034	28,194,315	23,894,559
Infrastructure	313,519,091	319,937,316	103,222,925	102,308,222	416,742,016	422,245,538
Subscription assets	312,821	-	-	-	312,821	-
Less: accumulated depreciation/amortization	(209,095,136)	(201,594,174)	(90,377,541)	(85,984,269)	(299,472,677)	(287,578,443)
Total	\$ 193,451,488	\$ 198,074,866	\$ 101,019,583	\$ 103,407,985	\$ 294,471,071	\$ 301,482,851

Detailed information on the City's capital assets can be found in Note 8 of the Notes to the Basic Financial Statements.

Long-term Debt. The City's long-term debt as of June 30, 2023, was \$57.3 million with governmental activities accounting for \$22.1 million or 38.6%, and business-type activities accounting for \$35.2 million or 61.4%. The total debt decreased by \$3.5 million or 6.1% 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	
	2023	2022	2023	2022	2023	2022
Capital leases	\$ 17,834,000	\$ 18,644,000	\$ -	\$ -	\$ 17,834,000	\$ 18,644,000
Loans payable	299,800	414,200	5,882,800	6,605,081	6,182,600	7,019,281
Bonds payable	3,988,528	4,163,695	29,314,348	31,044,894	33,302,876	35,208,589
Total	\$ 22,122,328	\$ 23,221,895	\$ 35,197,148	\$ 37,649,975	\$ 57,319,476	\$ 60,871,870

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 \$619.5 million. Detailed information on the City's long-term debt activity can be found in Note 9 of the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The national GDP began the fiscal year at 2.7 % and steadily declined to end the fiscal year of 2023 at 2.1%. Economic growth started higher than the previous fiscal year and decreased compared to each quarter throughout the year. It did however begin the fiscal year higher than the end of the prior fiscal year. At the state level, California GDP continues to be the highest of all the states and slightly increased over the full 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.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

In the last year, the County of Madera added approximately 306 jobs. In July 2022, the unemployment rate in the County was 5.6%, and rose to 7.7% by the end of June of 2023. During the year, the unemployment rate was its highest at 8.7% in March of 2023 and its lowest in September 2022 at 5.2%, according to the State of California Employment Development Department. The effects of inflation and higher interest rates contributed to the fluctuating rates throughout the past year. At the state level, unemployment averaged 4.2%.

The City of Madera has seen a mild increase in certain sectors in consumer spending, especially those sectors related to transportation, travel, fuel, and restaurants, while there has been a decrease in sales tax revenue for auto sales. This trend is reflected in overall sales tax revenue growth compared to last fiscal year. Sales tax figures for the next fiscal year are projected conservatively due to inflationary pressures and a slowing economy.

The expectation in fiscal year 2022-23 was that new home starts would decline as interest rates continued to rise. However, the number of residential homes permitted surprisingly increased, with 247 permits issued. This was an increase of 42.8% as compared to the last fiscal year, where only 173 permits were issued. Although Madera has yet to see a large decline in home values seen in other areas, prices could begin to soften based on the recent rise in home mortgage interest rates.

The City has undertaken a number of measures to combat the effects of economic downturns. Voters approved Measure K in November of 2016 which added a half-cent sales tax to expand public safety services. Measure K sales tax brought in \$7 million in additional sales tax revenue for fiscal year 2021-22. Measure K revenue has allowed the City to expand its public safety services and purchase much needed fire apparatus and equipment. The funding has allowed the city to establish economic stabilization reserves and an equipment replacement reserve to ensure reliable delivery of services in the future. The City has also purchased the property adjoining the police department, thereby allowing for the expansion of police operations.

In December 2019 the City entered into a lease purchase agreement to finance energy improvements and upgrades. The projects include HVAC upgrades, LED lighting, solar streetlights, EV charging stations and PV solar. The City has continued to benefit from the upgrades with substantial savings in energy costs. Due to disruptions in the supply chain, the projects are scheduled to be fully completed early in 2024.

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.

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.

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. The City received over \$23 million in American Rescue Plan Act (ARPA) funds that have been 100% allocated to fund Water and Sewer Infrastructure projects by the City Council. Additionally, potential projects identified by City staff 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 additional projects have planned funding from revenue in the Water Utility Fund.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2023

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 fiscal year 2022-23 and continuing into fiscal year 2023-24. 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 the use of ARPA funds the City received in FY 2022-23.

The economic outlook for the year ahead remains cautiously optimistic. While the effects of inflation and higher interest rates have impaired economic growth in some industries, other industries have experienced growth including transportation, travel, fuel, restaurants, and on-line sales. Efforts to reduce inflation could have a significant impact on growth and the City's future revenues. 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 Director of Financial Services, City of Madera, 205 W. 4th Street, Madera, CA 93637.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Madera
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Authority of the City of Madera September 30, 2022
ASSETS				
Current assets:				
Cash and investments	\$ 107,560,751	\$ 54,903,937	\$ 162,464,688	\$ 9,145,512
Accounts receivable, net	708,939	5,141,195	5,850,134	66,851
Intergovernmental receivable	10,210,885	1,442,081	11,652,966	-
Lease receivable - due within one year	22,570	36,784	59,354	-
Notes receivable - due within one year	-	-	-	41,368
Prepaid items	129,767	46,591	176,358	114,528
Inventories	82,881	-	82,881	-
Due from Fiduciary Funds	614,305	-	614,305	-
Internal balances	1,830,814	(1,830,814)	-	-
Total current assets	<u>121,160,912</u>	<u>59,739,774</u>	<u>180,900,686</u>	<u>9,368,259</u>
Noncurrent assets:				
Restricted cash and investments	2,517,025	2,579,539	5,096,564	1,661,561
Lease receivable - due in more than one year	440,490	822,162	1,262,652	-
Notes receivable - due in more than one year	8,003,577	-	8,003,577	2,864,337
Land held for resale	670,000	-	670,000	-
Capital assets:				
Non-depreciable	37,434,042	12,669,597	50,103,639	675,827
Depreciable/amortizable, net	<u>156,017,446</u>	<u>88,349,986</u>	<u>244,367,432</u>	<u>5,101,403</u>
Total capital assets, net	<u>193,451,488</u>	<u>101,019,583</u>	<u>294,471,071</u>	<u>5,777,230</u>
Total noncurrent assets	<u>205,082,580</u>	<u>104,421,284</u>	<u>309,503,864</u>	<u>10,303,128</u>
Total assets	<u>326,243,492</u>	<u>164,161,058</u>	<u>490,404,550</u>	<u>19,671,387</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to other post employment benefits	889,909	195,234	1,085,143	-
Related to pensions	<u>16,566,971</u>	<u>3,204,489</u>	<u>19,771,460</u>	<u>1,408,283</u>
Total deferred outflows of resources	<u>17,456,880</u>	<u>3,399,723</u>	<u>20,856,603</u>	<u>1,408,283</u>

City of Madera
Statement of Net Position (Continued)
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Authority of the City of Madera September 30, 2022
LIABILITIES				
Current liabilities:				
Accounts payable	6,704,247	4,689,465	11,393,712	78,958
Accrued payroll	1,352,728	2,558	1,355,286	19,132
Deposits	627,873	394,626	1,022,499	204,337
Interest payable	107,801	1,832,193	1,939,994	-
Unearned revenue	20,177,569	173,828	20,351,397	74,654
Compensated absences - due within one year	1,360,147	363,316	1,723,463	65,584
Long-term debt - due within one year	1,200,643	2,335,920	3,536,563	135,986
Total current liabilities	31,531,008	9,791,906	41,322,914	578,651
Noncurrent liabilities:				
Other non-current liabilities	-	-	-	580,392
Total OPEB liability	3,742,428	821,042	4,563,470	-
Aggregate net pension liability	45,235,059	10,909,961	56,145,020	4,031,725
Compensated absences - due in more than one year	580,842	76,277	657,119	65,584
Long-term debt - due in more than one year	21,131,102	32,861,228	53,992,330	2,640,476
Total noncurrent liabilities	70,689,431	44,668,508	115,357,939	7,318,177
Total liabilities	102,220,439	54,460,414	156,680,853	7,896,828
DEFERRED INFLOWS OF RESOURCES				
Related to service concession arrangement	-	16,670	16,670	-
Gain on refunding of debt	-	261,333	261,333	-
Related to leases	444,536	845,189	1,289,725	-
Related to other post employment benefits	154,229	33,836	188,065	-
Related to pensions	836,316	165,866	1,002,182	603,664
Total deferred inflows of resources	1,435,081	1,322,894	2,757,975	603,664
NET POSITION				
Net investment in capital assets	173,636,768	65,561,102	239,197,870	3,000,768
Restricted:				
Community development	12,751,924	-	12,751,924	-
Park development	98,941	-	98,941	-
Parking improvements	136,363	-	136,363	-
Public works and transportation	18,354,410	-	18,354,410	-
Special assessment project	519,667	-	519,667	-
Law enforcement	368,640	-	368,640	-
Capital projects and improvements	18,047,981	-	18,047,981	-
Housing services	-	-	-	88,031
Debt service	-	2,579,539	2,579,539	-
Total restricted	50,277,926	2,579,539	52,857,465	88,031
Unrestricted	16,130,158	43,636,832	59,766,990	9,490,379
Total net position	\$ 240,044,852	\$ 111,777,473	\$ 351,822,325	\$ 12,579,178

City of Madera
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary government:					
Governmental activities:					
General government	\$ 8,709,508	\$ 141,171	\$ 665,637	\$ -	\$ 806,808
Public protection	19,843,489	1,097,776	557,041	-	1,654,817
Social services	(12,583)	-	-	-	-
Public ways and facilities	3,690,712	2,860,111	10,295,159	1,857,783	15,013,053
Community development	4,195,329	3,468,500	399,658	-	3,868,158
Culture and recreation	4,670,551	823,466	401,817	-	1,225,283
Interest on long-term debt	643,406	-	-	-	-
Total governmental activities	<u>41,740,412</u>	<u>8,391,024</u>	<u>12,319,312</u>	<u>1,857,783</u>	<u>22,568,119</u>
Business-type activities:					
Water	9,595,209	12,047,849	-	130,260	12,178,109
Sewer	12,320,078	11,696,850	-	38,100	11,734,950
Solid waste	9,379,389	8,178,710	-	109,442	8,288,152
Drainage operations	1,241,082	882,656	-	196,180	1,078,836
Local transit	3,904,438	2,994,770	-	586,780	3,581,550
Golf course	75,993	84,107	-	-	84,107
Airport	1,227,634	348,230	-	-	348,230
Total business-type activities	<u>37,743,823</u>	<u>36,233,172</u>	<u>-</u>	<u>1,060,762</u>	<u>37,293,934</u>
Total primary government	<u>\$ 79,484,235</u>	<u>\$ 44,624,196</u>	<u>\$ 12,319,312</u>	<u>\$ 2,918,545</u>	<u>\$ 59,862,053</u>
Component unit:					
Housing Authority of the City of Madera	\$ 9,134,196	\$ 2,094,356	\$ 7,703,656	\$ -	\$ 9,798,012
Total component unit	<u>\$ 9,134,196</u>	<u>\$ 2,094,356</u>	<u>\$ 7,703,656</u>	<u>\$ -</u>	<u>\$ 9,798,012</u>

City of Madera
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing Authority of the City of Madera September 30, 2022
Primary government:				
Governmental activities:				
General government	\$ (7,902,700)	\$ -	\$ (7,902,700)	\$ -
Public protection	(18,188,672)	-	(18,188,672)	-
Social services	12,583	-	12,583	-
Public ways and facilities	11,322,341	-	11,322,341	-
Community development	(327,171)	-	(327,171)	-
Culture and recreation	(3,445,268)	-	(3,445,268)	-
Interest on long-term debt	(643,406)	-	(643,406)	-
Total governmental activities	(19,172,293)	-	(19,172,293)	-
Business-type activities:				
Water	-	2,582,900	2,582,900	-
Sewer	-	(585,128)	(585,128)	-
Solid waste	-	(1,091,237)	(1,091,237)	-
Drainage operations	-	(162,246)	(162,246)	-
Local transit	-	(322,888)	(322,888)	-
Golf course	-	8,114	8,114	-
Airport	-	(879,404)	(879,404)	-
Total business-type activities	-	(449,889)	(449,889)	-
Total primary government	(19,172,293)	(449,889)	(19,622,182)	-
Component unit:				
Housing Authority of the City of Madera	-	-	-	663,816
Total component unit	-	-	-	663,816
General Revenues and Transfers:				
General revenues:				
Taxes:				
Property taxes	13,505,386	258,727	13,764,113	-
Sales and use taxes	19,291,534	-	19,291,534	-
Franchise taxes	841,540	-	841,540	-
Other taxes	2,281,598	-	2,281,598	-
Total taxes	35,920,058	258,727	36,178,785	-
Investment income	959,461	679,254	1,638,715	153,796
Gain on sale of capital assets	-	52,605	52,605	-
Miscellaneous revenue	980,194	1,035,824	2,016,018	151,763
Transfers	(1,917,609)	1,917,609	-	-
Total general revenues and transfers	35,942,104	3,944,019	39,886,123	305,559
Change in net position	16,769,811	3,494,130	20,263,941	969,375
Net Position:				
Beginning of year, as restated	223,275,041	108,283,343	331,558,384	11,609,803
End of year	\$ 240,044,852	\$ 111,777,473	\$ 351,822,325	\$ 12,579,178

See accompanying Notes to the Basic Financial Statements.

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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.

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 finance street construction projects as provided by State law.

American Rescue Plan Act Fund - This fund is used to account for the grant revenues and expenditures received through the American Rescue Plan Act.

City of Madera
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds		
	General Fund	General Development Impact Fee Fund	Measure "T" Sales Tax Fund
ASSETS			
Cash and investments	\$ 36,869,010	\$ 21,014,797	\$ 14,321,143
Restricted cash and investments	-	-	-
Accounts receivable, net	635,405	6,754	-
Intergovernmental receivable	5,122,668	139	1,667,785
Lease receivable	447,018	-	-
Notes receivable	-	-	-
Prepaid items	58,961	-	-
Inventories	82,881	-	-
Due from other funds	5,806,505	-	-
Due from Fiduciary Funds	-	-	-
Advances to other funds	12,240	-	-
Land held for resale	-	-	-
Total assets	\$ 49,034,688	\$ 21,021,690	\$ 15,988,928
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,122,455	\$ 2,345,910	\$ 10,753
Accrued payroll	1,352,624	-	-
Due to other funds	-	-	-
Deposits payable	-	627,799	-
Unearned revenues	214	-	-
Total liabilities	2,475,293	2,973,709	10,753
Deferred inflows of resources:			
Unavailable revenue	403,737	-	1,667,785
Related to leases	428,574	-	-
Total deferred inflows of resources	832,311	-	1,667,785
Fund Balances:			
Nonspendable	141,842	-	-
Restricted	2,365,453	18,047,981	14,310,390
Committed	15,130,431	-	-
Assigned	15,797,488	-	-
Unassigned (deficit)	12,291,870	-	-
Total fund balances	45,727,084	18,047,981	14,310,390
Total liabilities, deferred inflows of resources, and fund balances	\$ 49,034,688	\$ 21,021,690	\$ 15,988,928

City of Madera
Balance Sheet (Continued)
Governmental Funds
June 30, 2023

	<u>Major Funds</u>		
	<u>American Rescue Plan Act Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 20,063,504	\$ 9,560,900	\$ 101,829,354
Restricted cash and investments	-	2,517,025	2,517,025
Accounts receivable, net	-	52,403	694,562
Intergovernmental receivable	-	3,420,293	10,210,885
Lease receivable	-	16,042	463,060
Notes receivable	-	8,003,577	8,003,577
Prepaid items	-	13,131	72,092
Inventories	-	-	82,881
Due from other funds	-	-	5,806,505
Due from Fiduciary Funds	-	614,305	614,305
Advances to other funds	-	-	12,240
Land held for resale	-	670,000	670,000
Total assets	<u>\$ 20,063,504</u>	<u>\$ 24,867,676</u>	<u>\$ 130,976,486</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 2,993,807	\$ 6,472,925
Accrued payroll	-	13	1,352,637
Due to other funds	-	3,987,931	3,987,931
Deposits payable	-	74	627,873
Unearned revenues	20,063,504	113,851	20,177,569
Total liabilities	<u>20,063,504</u>	<u>7,095,676</u>	<u>32,618,935</u>
Deferred inflows of resources:			
Unavailable revenue	-	1,751,283	3,822,805
Related to leases	-	15,962	444,536
Total deferred inflows of resources	<u>-</u>	<u>1,767,245</u>	<u>4,267,341</u>
Fund Balances:			
Nonspendable	-	13,131	154,973
Restricted	-	17,919,555	52,643,379
Committed	-	-	15,130,431
Assigned	-	-	15,797,488
Unassigned (deficit)	-	(1,927,931)	10,363,939
Total fund balances	<u>-</u>	<u>16,004,755</u>	<u>94,090,210</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,063,504</u>	<u>\$ 24,867,676</u>	<u>\$ 130,976,486</u>

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City of Madera
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds	<u>\$ 94,090,210</u>
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Unavailable revenues reported on the Governmental Fund Financial Statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	<u>3,822,805</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	193,451,488
Less: capital assets reported in Internal Service Funds	<u>(3,977,234)</u>
Total capital assets	<u>189,474,254</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	(1,360,147)
Compensated absences - due in more than one year	(580,842)
Long-term debt - due within one year	(1,200,643)
Long-term debt - due in more than one year	(21,131,102)
Less: amount reported in Internal Service Funds:	
Long-term debt - due within one year	94,498
Long-term debt - due in more than one year	96,792
Compensated absences - due within one year	141,992
Compensated absences - due in more than one year	59,899
Total long-term liabilities	<u>(23,879,553)</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>(107,801)</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	(45,235,059)
Total OPEB liability	(3,742,428)
Less: amount reported in Internal Service Funds:	
Net pension liability	4,010,475
Total OPEB liability	<u>343,692</u>
Total pension and OPEB	<u>(44,623,320)</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	889,909
Deferred outflows of resources related to pensions	16,566,971
Less: amount reported in Internal Service Funds:	
Deferred outflows of resources related to OPEB	(81,727)
Deferred outflows of resources related to pensions	<u>(1,177,962)</u>
Total deferred outflows of resources	<u>16,197,191</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	(154,229)
Deferred inflows of resources related to pensions	(836,316)
Less: amount reported in Internal Service Funds:	
Deferred inflows of resources related to OPEB	14,164
Deferred inflows of resources related to pensions	<u>60,973</u>
Total deferred inflows of resources	<u>(915,408)</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>5,986,474</u>
Net Position of Governmental Activities	<u><u>\$ 240,044,852</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, 2023

	Major Funds		
	General Fund	General Development Impact Fee Fund	Measure "T" Sales Tax Fund
REVENUES:			
Property taxes	\$ 4,879,850	\$ -	\$ -
Sales and use taxes	19,291,534	-	-
Other taxes	2,027,689	-	-
Investment income (loss)	341,518	288,682	277,586
Franchise fees	841,540	-	-
Licenses and permits	1,502,455	-	-
Fines and forfeitures	465,127	-	-
Intergovernmental	9,222,604	-	2,312,989
Charges for services	1,941,861	3,582,404	-
Miscellaneous	789,839	-	-
Total revenues	41,304,017	3,871,086	2,590,575
EXPENDITURES:			
Current:			
General government	3,766,122	-	-
Public protection	21,390,902	-	-
Social services	181,934	-	-
Public ways and facilities	2,025,586	1,223,881	2,578
Community development	5,031,074	-	-
Culture and recreation	4,164,682	522,558	-
Capital outlay	624,105	674,490	218,651
Debt service:			
Principal	264,909	-	-
Interest and fiscal charges	173,244	-	-
Total expenditures	37,622,558	2,420,929	221,229
REVENUES OVER (UNDER) EXPENDITURES	3,681,459	1,450,157	2,369,346
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of property	33,429	-	-
Inception of subscription liability	23,636	-	-
Transfers in	3,794,772	-	-
Transfers out	(382,358)	(397,771)	(897,474)
Total other financing sources (uses)	3,469,479	(397,771)	(897,474)
NET CHANGE IN FUND BALANCES	7,150,938	1,052,386	1,471,872
FUND BALANCES:			
Beginning of year	38,576,146	16,995,595	12,838,518
End of year	\$ 45,727,084	\$ 18,047,981	\$ 14,310,390

City of Madera
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	<u>Major Funds</u>		
	American Rescue Plan Act	Non-major Governmental Funds	Total Governmental Funds
	<u>Act</u>	<u>Funds</u>	<u>Funds</u>
REVENUES:			
Property taxes	\$ -	\$ 894,132	\$ 5,773,982
Sales and use taxes	-	-	19,291,534
Other taxes	-	443,140	2,470,829
Investment income (loss)	-	144,897	1,052,683
Franchise fees	-	-	841,540
Licenses and permits	-	-	1,502,455
Fines and forfeitures	-	3,845	468,972
Intergovernmental	2,521,023	5,939,253	19,995,869
Charges for services	-	64,570	5,588,835
Miscellaneous	-	623,006	1,412,845
Total revenues	<u>2,521,023</u>	<u>8,112,843</u>	<u>58,399,544</u>
EXPENDITURES:			
Current:			
General government	-	108,653	3,874,775
Public protection	-	227,051	21,617,953
Social services	-	-	181,934
Public ways and facilities	-	548,945	3,800,990
Community development	-	147,329	5,178,403
Culture and recreation	-	-	4,687,240
Capital outlay	-	1,104,007	2,621,253
Debt service:			
Principal	-	810,000	1,074,909
Interest and fiscal charges	-	505,220	678,464
Total expenditures	<u>-</u>	<u>3,451,205</u>	<u>43,715,921</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,521,023</u>	<u>4,661,638</u>	<u>14,683,623</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of property	-	-	33,429
Inception of subscription liability	-	-	23,636
Transfers in	-	509,546	4,304,318
Transfers out	(2,521,023)	(1,908,224)	(6,106,850)
Total other financing sources (uses)	<u>(2,521,023)</u>	<u>(1,398,678)</u>	<u>(1,745,467)</u>
NET CHANGE IN FUND BALANCES	-	3,262,960	12,938,156
FUND BALANCES:			
Beginning of year	-	12,741,795	81,152,054
End of year	<u>\$ -</u>	<u>\$ 16,004,755</u>	<u>\$ 94,090,210</u>

City of Madera
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2023

Net Changes in Fund Balances - Total Governmental Funds	\$ 12,938,156
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, the cost of those assets was allocated over their estimated useful lives as depreciation and amortization expenses. This is the amount of capital assets recorded in the current period (net of \$375,645 added in internal service funds) (\$457,618 of the governmental fund capital outlay balance were for repairs and maintenance expenditures).	2,163,634
In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution.	673,005
Depreciation and amortization 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 and amortization expense, net of internal service funds of \$678,937, was not reported as expenditures in the Governmental Funds.	(7,352,553)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(41,381)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Subscription liability	(23,636)
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, net of internal services funds of \$97,405.	1,074,909
Amortization of bond premium	30,167
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.	4,891
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 \$19,228 deducted in internal service funds).	(90,744)
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.	1,355,283
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	8,003,521
Changes in net pension liabilities	(15,389,948)
Changes in pension related deferred inflows of resources	13,998,678
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	214,494
Changes in total OPEB liabilities	(255,567)
Changes in OPEB related deferred inflows of resources	(44,165)
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.	(488,933)
Change in Net Position of Governmental Activities	\$ 16,769,811

See accompanying Notes to the Basic Financial Statements.

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.

Sewer Fund - This fund is used to account for the activities of the City's sewer 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, 2023

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
ASSETS				
Current assets:				
Cash and investments	\$ 38,174,131	\$ 13,532,216	\$ 1,064,518	\$ 1,041,059
Accounts receivable, net	2,509,354	1,363,686	1,125,117	90,925
Intergovernmental receivable	100	941	-	-
Lease receivable - due within one year	-	-	-	-
Prepaid items	23,828	3,274	-	9,410
Total current assets	40,707,413	14,900,117	2,189,635	1,141,394
Noncurrent assets:				
Restricted cash and investments	234,434	2,345,105	-	-
Lease receivable - due in more than one year	-	-	-	-
Capital assets:				
Non-depreciable	788,024	3,283,609	-	4,039,808
Depreciable, net	21,668,626	35,498,082	-	14,222,692
Total capital assets	22,456,650	38,781,691	-	18,262,500
Total noncurrent assets	22,691,084	41,126,796	-	18,262,500
Total assets	63,398,497	56,026,913	2,189,635	19,403,894
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	99,887	68,105	18,162	4,540
Related to pensions	1,164,401	1,087,929	359,298	212,347
Total deferred outflows of resources	1,264,288	1,156,034	377,460	216,887
LIABILITIES				
Current liabilities:				
Accounts payable	1,531,970	546,203	2,158,734	7,957
Accrued payroll	130	90	12	7
Due to other funds	-	-	-	-
Interest payable	83,192	309,727	-	-
Deposits payable	1,818,128	-	-	-
Unearned revenue	83,995	-	89,633	200
Compensated absences - due within one year	168,932	112,647	31,017	21,435
Long-term debt - due within one year	537,120	1,637,000	-	-
Total current liabilities	4,223,467	2,605,667	2,279,396	29,599
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Total OPEB liability	420,068	286,410	76,376	19,094
Aggregate net pension liability	3,964,307	3,703,950	1,223,260	722,954
Compensated absences - due in more than one year	16,602	-	39,709	11,434
Long term debt - due in more than one year	8,322,228	24,539,000	-	-
Total noncurrent liabilities	12,723,205	28,529,360	1,339,345	753,482
Total liabilities	16,946,672	31,135,027	3,618,741	783,081
DEFERRED INFLOWS OF RESOURCES				
Related to service concession arrangement	-	-	-	-
Gain on refunding of debt	17,530	243,803	-	-
Related to leases	-	-	-	-
Related to OPEB	17,311	11,803	3,148	787
Related to pensions	60,270	56,312	18,597	10,991
Total deferred inflows of resources	95,111	311,918	21,745	11,778
NET POSITION				
Net investment in capital assets	13,579,772	12,361,888	-	18,262,500
Restricted:				
Debt service	234,434	2,345,105	-	-
Unrestricted (deficit)	33,806,796	11,029,009	(1,073,391)	563,422
Total net position	\$ 47,621,002	\$ 25,736,002	\$ (1,073,391)	\$ 18,825,922

See accompanying Notes to the Basic Financial Statements.

City of Madera
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Non-major Funds	Total	Governmental Activities Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 1,092,013	\$ 54,903,937	\$ 5,731,397
Accounts receivable, net	52,113	5,141,195	14,377
Intergovernmental receivable	1,441,040	1,442,081	-
Lease receivable - due within one year	36,784	36,784	-
Prepaid items	10,079	46,591	57,675
Total current assets	<u>2,632,029</u>	<u>61,570,588</u>	<u>5,803,449</u>
Noncurrent assets:			
Restricted cash and investments	-	2,579,539	-
Lease receivable - due in more than one year	822,162	822,162	-
Capital assets:			
Non-depreciable	4,558,156	12,669,597	3,026
Depreciable, net	16,960,586	88,349,986	3,974,208
Total capital assets	<u>21,518,742</u>	<u>101,019,583</u>	<u>3,977,234</u>
Total noncurrent assets	<u>22,340,904</u>	<u>104,421,284</u>	<u>3,977,234</u>
Total assets	<u>24,972,933</u>	<u>165,991,872</u>	<u>9,780,683</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	4,540	195,234	81,727
Related to pensions	380,514	3,204,489	1,177,962
Total deferred outflows of resources	<u>385,054</u>	<u>3,399,723</u>	<u>1,259,689</u>
LIABILITIES			
Current liabilities:			
Accounts payable	444,601	4,689,465	231,322
Accrued payroll	2,319	2,558	91
Due to other funds	1,818,574	1,818,574	-
Interest payable	1,707	394,626	-
Deposits payable	14,065	1,832,193	-
Unearned revenue	-	173,828	-
Compensated absences - due within one year	29,285	363,316	141,992
Long-term debt - due within one year	161,800	2,335,920	94,498
Total current liabilities	<u>2,472,351</u>	<u>11,610,480</u>	<u>467,903</u>
Noncurrent liabilities:			
Advances from other funds	12,240	12,240	-
Total OPEB liability	19,094	821,042	343,692
Aggregate net pension liability	1,295,490	10,909,961	4,010,475
Compensated absences - due in more than one year	8,532	76,277	59,899
Long term debt - due in more than one year	-	32,861,228	96,792
Total noncurrent liabilities	<u>1,335,356</u>	<u>44,680,748</u>	<u>4,510,858</u>
Total liabilities	<u>3,807,707</u>	<u>56,291,228</u>	<u>4,978,761</u>
DEFERRED INFLOWS OF RESOURCES			
Related to service concession arrangement	16,670	16,670	-
Gain on refunding of debt	-	261,333	-
Related to leases	845,189	845,189	-
Related to OPEB	787	33,836	14,164
Related to pensions	19,696	165,866	60,973
Total deferred inflows of resources	<u>882,342</u>	<u>1,322,894</u>	<u>75,137</u>
NET POSITION			
Net investment in capital assets	21,356,942	65,561,102	3,785,944
Restricted:			
Debt service	-	2,579,539	-
Unrestricted (deficit)	(689,004)	43,636,832	2,200,530
Total net position	<u>\$ 20,667,938</u>	<u>\$ 111,777,473</u>	<u>\$ 5,986,474</u>

See accompanying Notes to the Basic Financial Statements.

City of Madera
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
OPERATING REVENUES:				
Charges for services	\$ 12,047,849	\$ 11,696,850	\$ 8,178,710	\$ 882,656
Miscellaneous revenue	252,528	8,198	636,982	182
Total operating revenues	12,300,377	11,705,048	8,815,692	882,838
OPERATING EXPENSES:				
Salaries and benefits	3,133,737	3,326,191	746,121	580,694
General and administrative	2,367,466	2,134,404	8,560,695	219,346
Supplies and miscellaneous	549,958	444,495	62,104	60,311
Parts and supplies	21,347	2,249,649	-	-
Utilities	2,360,492	470,960	10,469	31,937
Depreciation	907,175	2,451,263	-	348,794
Total operating expenses	9,340,175	11,076,962	9,379,389	1,241,082
OPERATING INCOME (LOSS)	2,960,202	628,086	(563,697)	(358,244)
NONOPERATING REVENUES (EXPENSES):				
Investment income	450,765	132,388	34,770	13,508
Property taxes	-	162,645	-	-
Gain on sale of capital assets	11,552	41,053	-	-
Interest expense	(255,034)	(1,243,116)	-	-
Total nonoperating revenues (expenses)	207,283	(907,030)	34,770	13,508
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,167,485	(278,944)	(528,927)	(344,736)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	130,260	38,100	-	196,180
Capital grants	-	-	109,442	-
Transfers in	310,733	2,464,056	50,000	-
Transfers out	(300,579)	(154,041)	(610,897)	(61,091)
Total capital contributions and transfers	140,414	2,348,115	(451,455)	135,089
Changes in net position	3,307,899	2,069,171	(980,382)	(209,647)
NET POSITION (DEFICIT):				
Beginning of year	44,313,103	23,666,831	(93,009)	19,035,569
End of year	<u>\$ 47,621,002</u>	<u>\$ 25,736,002</u>	<u>\$ (1,073,391)</u>	<u>\$ 18,825,922</u>

City of Madera
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Non-major Funds	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:			
Charges for services	\$ 3,427,107	\$ 36,233,172	\$ 5,479,219
Miscellaneous revenue	137,934	1,035,824	28,843
Total operating revenues	<u>3,565,041</u>	<u>37,268,996</u>	<u>5,508,062</u>
OPERATING EXPENSES:			
Salaries and benefits	1,367,144	9,153,887	3,334,219
General and administrative	2,275,994	15,557,905	903,975
Supplies and miscellaneous	485,092	1,601,960	329,501
Parts and supplies	322,965	2,593,961	157,958
Utilities	18,331	2,892,189	476,185
Depreciation	725,995	4,433,227	678,937
Total operating expenses	<u>5,195,521</u>	<u>36,233,129</u>	<u>5,880,775</u>
OPERATING INCOME (LOSS)	<u>(1,630,480)</u>	<u>1,035,867</u>	<u>(372,713)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	47,823	679,254	-
Property taxes	96,082	258,727	-
Gain on sale of capital assets	-	52,605	-
Interest expense	(12,544)	(1,510,694)	(1,143)
Total nonoperating revenues (expenses)	<u>131,361</u>	<u>(520,108)</u>	<u>(1,143)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(1,499,119)</u>	<u>515,759</u>	<u>(373,856)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	13,819	378,359	-
Capital grants	572,961	682,403	-
Transfers in	298,804	3,123,593	57,000
Transfers out	(79,376)	(1,205,984)	(172,077)
Total capital contributions and transfers	<u>806,208</u>	<u>2,978,371</u>	<u>(115,077)</u>
Changes in net position	<u>(692,911)</u>	<u>3,494,130</u>	<u>(488,933)</u>
NET POSITION (DEFICIT):			
Beginning of year	21,360,849	108,283,343	6,475,407
End of year	<u>\$ 20,667,938</u>	<u>\$ 111,777,473</u>	<u>\$ 5,986,474</u>

City of Madera
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 11,902,550	\$ 11,329,461	\$ 7,897,075	\$ 867,758
Cash payments to suppliers for goods and services	(5,365,043)	(5,781,991)	(6,492,897)	(326,203)
Cash payments to employees for services	(2,373,069)	(2,323,589)	(747,791)	(488,283)
Other operating revenues and expenses	252,528	8,198	636,982	182
Net cash provided by (used in) operating activities	4,416,966	3,232,079	1,293,369	53,454
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	-	162,645	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Transfers from other funds	310,733	2,464,056	50,000	-
Transfers to other funds	(300,579)	(154,041)	(610,897)	(61,091)
Net cash provided by (used in) noncapital financing activities	10,154	2,472,660	(560,897)	(61,091)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	-	-	109,442	-
Acquisition of capital assets	(99,582)	(216,016)	-	-
Principal payment of long-term debt	(539,479)	(1,852,307)	-	-
Interest paid on debt	(242,384)	(1,018,041)	-	-
Net cash provided by (used in) capital and related financing activities	(881,445)	(3,086,364)	109,442	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest from investments	450,765	132,388	34,770	13,508
Net cash provided by investing activities	450,765	132,388	34,770	13,508
Net change in cash and cash equivalents	3,996,440	2,750,763	876,684	5,871
CASH AND CASH EQUIVALENTS:				
Beginning of year	34,412,125	13,126,558	187,834	1,035,188
End of year	<u>\$ 38,408,565</u>	<u>\$ 15,877,321</u>	<u>\$ 1,064,518</u>	<u>\$ 1,041,059</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Cash and investments	\$ 38,174,131	\$ 13,532,216	\$ 1,064,518	\$ 1,041,059
Restricted cash and investments	234,434	2,345,105	-	-
Total cash and cash equivalents	\$ 38,408,565	\$ 15,877,321	\$ 1,064,518	\$ 1,041,059
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 2,960,202	\$ 628,086	\$ (563,697)	\$ (358,244)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation	907,175	2,451,263	-	348,794
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(383,670)	(363,631)	(281,635)	(14,898)
Intergovernmental receivable	(100)	(326)	-	-
Lease receivable	-	-	-	-
Prepaid items	5,165	3,038	38	(274)
Deferred outflows - OPEB related	(26,510)	(18,075)	(4,821)	(1,205)
Deferred outflows - pension related	(626,844)	(728,814)	(96,173)	(102,693)
Accounts payable	(70,945)	(485,521)	2,140,333	(14,335)
Accrued payroll	(52,937)	(49,884)	(17,678)	(10,286)
Deposits payable	246,071	-	-	-
Unearned revenue	(7,600)	(3,432)	-	-
Compensated absences	(20,505)	(4,821)	9,123	67
Aggregate net pension liability	1,829,402	2,172,482	226,383	277,177
Total OPEB liability	31,586	21,536	5,743	1,436
Deferred inflows - lease related	-	-	-	-
Deferred inflows - OPEB related	5,458	3,722	993	248
Deferred inflows - pension related	(378,982)	(393,544)	(125,240)	(72,333)
Total adjustments	1,456,764	2,603,993	1,857,066	411,698
Net cash provided by (used in) operating activities	\$ 4,416,966	\$ 3,232,079	\$ 1,293,369	\$ 53,454
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed property, plant and equipment	\$ 130,260	\$ 38,100	\$ -	\$ 196,180
Total noncash capital and related financing activities	\$ 130,260	\$ 38,100	\$ -	\$ 196,180

See accompanying Notes to the Basic Financial Statements.

City of Madera
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Non-major Funds	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 2,550,388	\$ 34,547,232	\$ 5,470,819
Cash payments to suppliers for goods and services	(2,832,535)	(20,798,669)	(1,835,447)
Cash payments to employees for services	(791,680)	(6,724,412)	(2,250,683)
Other operating revenues and expenses	137,934	1,035,824	28,843
Net cash provided by (used in) operating activities	(935,893)	8,059,975	1,413,532
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Property taxes	96,082	258,727	-
Due to other funds	1,011,813	1,011,813	-
Advances from other funds	(24,480)	(24,480)	-
Transfers from other funds	298,804	3,123,593	57,000
Transfers to other funds	(79,376)	(1,205,984)	(172,077)
Net cash provided by (used in) noncapital financing activities	1,302,843	3,163,669	(115,077)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital grants	572,961	682,403	-
Acquisition of capital assets	(1,009,568)	(1,325,166)	(324,159)
Principal payment of long-term debt	(631,976)	(3,023,762)	(97,405)
Interest paid on debt	(14,461)	(1,274,886)	(1,143)
Net cash provided by (used in) capital and related financing activities	(1,083,044)	(4,941,411)	(422,707)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest from investments	47,823	679,254	-
Net cash provided by investing activities	47,823	679,254	-
Net change in cash and cash equivalents	(668,271)	6,961,487	875,748
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,760,284	50,521,989	4,855,649
End of year	<u>\$ 1,092,013</u>	<u>\$ 57,483,476</u>	<u>\$ 5,731,397</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:			
Cash and investments	\$ 1,092,013	\$ 54,903,937	\$ 5,731,397
Restricted cash and investments	-	2,579,539	-
Total cash and cash equivalents	<u>\$ 1,092,013</u>	<u>\$ 57,483,476</u>	<u>\$ 5,731,397</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,630,480)	\$ 1,035,867	\$ (372,713)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	725,995	4,433,227	678,937
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(12,251)	(1,056,085)	(8,400)
Intergovernmental receivable	(857,089)	(857,515)	-
Lease receivable	52,768	52,768	-
Prepaid items	(362)	7,605	71,652
Deferred outflows - OPEB related	(1,205)	(51,816)	(21,692)
Deferred outflows - pension related	(301,759)	(1,856,283)	(763,670)
Accounts payable	270,209	1,839,741	(39,480)
Accrued payroll	(16,397)	(147,182)	(45,571)
Deposits payable	(100)	245,971	-
Unearned revenue	-	(11,032)	-
Compensated absences	(7,516)	(23,652)	(5,832)
Aggregate net pension liability	1,015,447	5,520,891	2,293,019
Total OPEB liability	1,436	61,737	25,843
Deferred inflows - lease related	(60,047)	(60,047)	-
Deferred inflows - OPEB related	248	10,669	4,466
Deferred inflows - pension related	(114,790)	(1,084,889)	(403,027)
Total adjustments	694,587	7,024,108	1,786,245
Net cash provided by (used in) operating activities	<u>\$ (935,893)</u>	<u>\$ 8,059,975</u>	<u>\$ 1,413,532</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Contributed property, plant and equipment	\$ 13,819	\$ 378,359	\$ -
Total noncash capital and related financing activities	<u>\$ 13,819</u>	<u>\$ 378,359</u>	<u>\$ -</u>

See accompanying Notes to the Basic Financial Statements.

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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 Madera 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, 2023

	Custodial Funds	RDA Successor Agency Private Purpose Trust Fund
ASSETS		
Cash and investments	\$ 2,842,474	\$ 6,095,628
Accounts receivable, net	1,658	57,687
Prepaid items	925	3,286
Restricted cash and investments with fiscal agent	48,600	420
Land held for resale	-	278,207
Capital asset, not being depreciated	-	16,701
Capital asset, being depreciated, net	-	1,493,748
Total assets	2,893,657	7,945,677
LIABILITIES		
Accounts payable	16,259	118
Interest payable	-	457,737
Due to City	614,305	-
Long-term debt - due within one year	-	1,515,000
Long-term debt - due in more than one year	-	32,059,973
Total liabilities	630,564	34,032,828
NET POSITION (DEFICIT)		
Restricted for:		
Individuals, organizations, and other governments	2,263,093	-
Held in trust for dissolution of RDA	-	(26,087,151)
Total net position (deficit)	\$ 2,263,093	\$ (26,087,151)

City of Madera
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds	RDA Successor Agency Private Purpose Trust Fund
ADDITIONS:		
Special assessments for other governments	\$ 184,968	\$ -
Investment income	131,969	95,272
RDA property tax trust fund distribution	-	3,049,122
Other payments received	-	27,181
Total additions	316,937	3,171,575
DEDUCTIONS:		
Administration	9,780	7,385
Project payments	-	14,075
Payments on conduit bonds - principal	88,740	-
Payments on conduit bonds - interest	80,916	-
Depreciation	-	34,738
Interest expense	-	1,154,077
Total deductions	179,436	1,210,275
Change in net position	137,501	1,961,300
NET POSITION (DEFICIT):		
Beginning of year	2,125,592	(28,048,451)
End of year	<u>\$ 2,263,093</u>	<u>\$ (26,087,151)</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Madera
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City of Madera
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City of Madera
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Madera, California (the “City”) have been prepared in conformity with Accounting Principles Generally Accepted in 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 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. As a result, 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, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Discretely Presented Component Units

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

Housing Authority of the City of Madera (Housing Authority)

The Housing Authority of the City of Madera (“Housing Authority”) is a governmental entity authorized in accordance with state law to engage in the development, acquisition, leasing, and administration of low-rent housing programs. The Housing Authority is governed by a Board of Commissioners, which is comprised of members of the City Council. Management of the Housing Authority is appointed and held accountable to the Governing Board. The Housing Authority has a September 30 year end in order to align with other Housing Authorities in California. 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.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Government-Wide Financial Statements (Continued)

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of U.S. GAAP. Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

- 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, 2023

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.

Measure “T” Sales Tax Fund – This fund is used to account for the receipt of sales tax revenue paid to the City as a subvention from the State of California. These funds support maintenance activities and finance street construction projects as provided by State law.

American Rescue Plan Act Fund – This fund used to account for the grant revenues received and expenditures incurred through the American Rescue Plan Act.

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 which provides services on a continuous basis, has 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 and an aggregate total column for all non-major Proprietary funds.

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 operations, facilities maintenance, and technology.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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.

Internal service fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

Fleet Operations 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.

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Fiduciary Fund Financial Statements (Continued)

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.

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 and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets 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 assets 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash, Cash Equivalents and Investments (Continued)

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

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

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

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

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

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Receivables

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

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

G. Interfund Transactions

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

H. Inventory

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

I. Prepaid Items

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

J. Leases

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial Statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Leases (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

K. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of \$50,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported as long-term debt on the statement of net position.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

L. 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.

M. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at the fair value of the assets on the date on which they were contributed. Donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The City utilizes a capitalization threshold of \$5,000 - \$25,000 depending on asset type.

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

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

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

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

N. 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.

O. Compensated Absences

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

P. 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 13). 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, 2021
Measurement date	June 30, 2022
Measurement period	July 1, 2021 to June 30, 2022

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.

Q. 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 14). 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 General Fund and Internal Service Funds are typically used to liquidate the OPEB liability related to the City's governmental activities while the OPEB liability for Business-type activities is liquidated from the respective Enterprise Funds.

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, 2022
Measurement date	June 30, 2022
Measurement period	July 1, 2021 to June 30, 2022

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

R. 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, 2023, 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.

S. 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 amortization 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position (Continued)

- 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.

T. 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.

U. Use of Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

V. Implementation of New GASB Pronouncements for the Year Ended June 30, 2023

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, 2023. 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, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Implementation of New GASB Pronouncements for the Year Ended June 30, 2023 (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. Implementation of this Statement did not have a significant effect on City's financial statements for the fiscal year ended June 30, 2023.

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. Implementation of this statement did not have a significant effect on City's financial statements for the fiscal year ended 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. Implementation of this Statement had a moderate effect on City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99

In April 2023, GASB issued Statement No. 99, *Omnibus 2023*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Implementation of this Statement did not have a significant effect on City's financial statements for the fiscal year ended June 30, 2023.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

W. Upcoming Government Accounting Standards Implementations

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

GASB Statement No. 100

In June 2023, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2024.

GASB Statement No. 101

In June 2023, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2025.

GASB Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City’s fiscal year ending June 30, 2025. Earlier application is encouraged.

Note 2 – Cash and Investments - City

A. Summary

Cash and investments are presented in the accompanying financial statements for the City at June 30, 2023 as follows:

	<u>Government-Wide Statement of Net Position</u>			<u>Fiduciary Funds</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>	<u>Statement of</u> <u>Net Position</u>	<u>Total</u>
Cash and investments	\$ 107,560,751	\$ 54,903,937	\$ 162,464,688	\$ 8,938,102	\$ 171,402,790
Restricted cash and investments	2,517,025	2,579,539	5,096,564	49,020	5,145,584
Total cash and investments	<u>\$ 110,077,776</u>	<u>\$ 57,483,476</u>	<u>\$ 167,561,252</u>	<u>\$ 8,987,122</u>	<u>\$ 176,548,374</u>

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments – City (Continued)

A. Summary (Continued)

Cash and investments for the City at June 30, 2023, consisted of the following:

Cash:	
Cash on hand	\$ 7,351
Deposits with financial institution	22,170,612
Total cash	22,177,963
Investments:	
Investments	149,224,827
Investments held by bond trustee	5,145,584
Total investments	154,370,411
Total cash and investments	\$ 176,548,374

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.

B. Demand Deposits

The carrying amounts of the City’s demand deposits were \$22,250,846 at June 30, 2023. Bank balances were \$22,974,002 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

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

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

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments – City (Continued)

C. 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, 2023

Note 2 – Cash and Investments – City (Continued)

D. 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

E. Fair Value Measurement

As of June 30, 2023, the City’s investments had the following recurring fair value measurements:

Investments measured by fair value level:	June 30, 2023	Level 2
Negotiable Certificates of Deposit	\$ 10,978,689	\$ 10,978,689
Municipal bonds	1,807,550	1,807,550
U.S. Treasury Obligations	19,094,412	19,094,412
U.S. Government Securities:		
Federal Home Loan Bank	14,104,140	14,104,140
Federal Farm Credit Bank	6,011,378	6,011,378
Federal Home Loan Mortgage Corporation	908,280	908,280
Federal National Mortgage Association	6,192,120	6,192,120
Federal Agricultural Mortgage Corporation	1,437,860	1,437,860
U.S. Corporate Bonds	8,494,690	8,494,690
Total investments by fair value level	69,029,119	<u>\$ 69,029,119</u>
Investments not subject to the fair value hierarchy:		
Local Agency Investment Fund	76,678,501	
Money market mutual funds	5,923,791	
Certificates of deposit	2,739,000	
Total investments not subject to the fair value hierarchy	<u>85,341,292</u>	
Total investments	<u>\$ 154,370,411</u>	

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, 2023

Note 2 – Cash and Investments – City (Continued)

F. 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	2 - 3 Years	3 - 4 Years	5+ Years
Local Agency Investment Fund	\$ 76,678,501	\$ 76,678,501	\$ -	\$ -	\$ -	\$ -
Money market mutual funds	778,207	778,207	-	-	-	-
Municipal bonds	1,807,550	-	911,690	-	895,860	-
Certificates of deposit	2,739,000	2,488,000	-	-	-	251,000
Negotiable certificates of deposit	10,978,689	1,904,412	3,720,994	4,472,894	880,389	-
U.S. Treasury Obligations	19,094,412	5,003,318	5,855,190	5,795,760	-	2,440,144
U.S. Government Securities:						
Federal Home Loan Bank	14,104,140	-	7,835,690	5,377,480	890,970	-
Federal Farm Credit Bank	6,011,378	988,100	5,023,278	-	-	-
Federal Home Loan Mortgage Corporation	908,280	-	-	908,280	-	-
Federal National Mortgage Association	6,192,120	-	4,375,990	1,816,130	-	-
Federal Agricultural Mortgage Corporation	1,437,860	488,860	949,000	-	-	-
U.S. corporate bonds	8,494,690	1,985,970	3,712,690	1,868,400	927,630	-
Held by bond trustee:						
Money market mutual funds	5,145,584	5,145,584	-	-	-	-
Total investments	\$ 154,370,411	\$ 95,460,952	\$ 32,384,522	\$ 20,238,944	\$ 3,594,849	\$ 2,691,144

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, 2023

Note 2 – Cash and Investments – City (Continued)

F. 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.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Ratings at Year-End AA or AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 76,678,501	N/A	\$ -	\$ 76,678,501
Money market mutual funds	778,207	A-1	-	778,207
Municipal bonds	1,807,550	AA+	1,807,550	-
Certificates of deposit	2,739,000	AA+	-	2,739,000
Negotiable certificates of deposit	10,978,689	AA+	-	10,978,689
U.S. Treasury Obligations	19,094,412	AA+	14,091,094	5,003,318
U.S. Government Securities:				
Federal Home Loan Bank	14,104,140	AA	14,104,140	-
Federal Farm Credit Bank	6,011,378	AA	6,011,378	-
Federal Home Loan Mortgage Corporation	908,280	AA	908,280	-
Federal National Mortgage Association	6,192,120	AA-	6,192,120	-
Federal Agricultural Mortgage Corporation	1,437,860	AA-	1,437,860	-
U.S. corporate bonds	8,494,690	AA	8,494,690	-
Held by bond trustee:				
Money market mutual funds	5,145,584	AA+	-	5,145,584
Total investments	\$ 154,370,411		\$ 53,047,112	\$ 101,323,299

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, 2023, the following investments in 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.

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percentage of Portfolio</u>
Federal Home Loan Bank	U.S. Government Securities	\$ 14,104,140	9.14%

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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments – City (Continued)

F. Risk Disclosure (Continued)

Disclosures Relating to Custodial Credit Risk (Continued)

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, 2023, the City’s deposits (bank balances) were collateralized under California Law.

G. 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, 2023 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, 2023, the City had \$72,576,879 invested in LAIF, which had invested 2.78% 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, 2023, 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, 2023.

Note 3 – Cash and Investments – Component Unit

A. Summary

Cash and investments are presented in the accompanying financial statements for the Component Unit at September 30, 2022 as follows:

	Component Unit
Cash and investments	\$ 9,145,512
Restricted cash and investments	1,661,561
Total cash and investments	\$ 10,807,073

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments – Component Unit (Continued)

A. Summary (Continued)

Cash and investments for the Component Unit at September 30, 2022, consisted of the following:

Cash:	
Cash on hand	\$ 100
Deposits with financial institution	4,075,484
Total cash	4,075,584
Investments:	
Investments	6,731,489
Total investments	6,731,489
Total cash and investments	\$ 10,807,073

B. Demand Deposits

The carrying amounts of the Component Unit’s demand deposits were \$4,075,484 at September 30, 2022. Bank balances were \$4,075,484 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the Component Unit’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Component Unit’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 Component Unit's name.

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

C. Investments Authorized by the California Government Code and the Housing Authority’s Investment Policy

The Housing Authority’s investment policy only authorizes investment in the Local Agency Investment Fund (LAIF) administered by the State of California. The Housing Authority’s investment policy does not contain any specific provisions intended to limit its exposure to interest rate risk, credit risk, and concentration of credit risk.

D. 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 Component Unit 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments – Component Unit (Continued)

D. Risk Disclosure (Continued)

Information about the sensitivity of the fair values of the Component Unit’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 Component Unit’s investments by maturity. For purposes of the schedule shown on the next page, any callable securities are assumed to be held to maturity.

<u>Investment Type</u>	<u>Total</u>	<u>Investment</u>
		<u>Maturities</u>
		<u>1 year or less</u>
Local Agency Investment Fund	\$ 6,731,489	\$ 6,731,489

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, some issuers do not seek a credit rating. For instance, the California Local Agency Investment Fund (LAIF) has not sought or received a credit rating. In these cases, the purchaser is solely responsible for performing their own due diligence before purchasing an investment or participating in an external investment pool. Certificates of deposit of \$250,000 or less are fully insured by the Federal Deposit Insurance Corporation (FDIC), and therefore, do not seek a credit rating.

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

<u>Investment Type</u>	<u>Total</u>	<u>Minimum</u>	<u>Not Rated</u>
		<u>Legal</u>	
		<u>Rating</u>	
Local Agency Investment Fund	\$ 6,731,489	N/A	\$ 6,731,489

Disclosure Relating to Concentration of Credit Risk

The investment policy of the Component Unit 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 September 30, 2022, the had no investments in one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of the Component Unit'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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments – Component Unit (Continued)

D. Risk Disclosure (Continued)

Disclosures Relating to Custodial Credit Risk

The California Government Code and the Component Unit'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 Component Unit deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At September 30, 2022, the Component Unit's deposits (bank balances) were collateralized under California Law.

E. Investment in State Investment Pool

The Component Unit 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 Component Unit's investments in LAIF at June 30, 2023 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 September 30, 2022, the Component Unit had \$6,731,487 invested in LAIF, which had invested 2.05% 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 Component Unit valued its investments in LAIF as of September 30, 2022, 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 Component Unit'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 September 30, 2022.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Notes Receivables

A. Governmental Activities

At June 30, 2023, notes receivable for government activities consisted of the following:

	Notes Receivable Balance June 30, 2023	Allowance for Doubtful Accounts Balance June 30, 2023	Financial Statement Balance June 30, 2023
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	12,739,642	(12,739,642)	-
Total Residential Rehab Special Revenue Fund	20,736,219	(12,739,642)	7,996,577
Low and Moderate Income Housing Fund	7,000	-	7,000
Total City	\$ 20,743,219	\$ (12,739,642)	\$ 8,003,577

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, 2023 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, 2023 is \$5,034,343, which is recorded as a note receivable in the Residential Rehab special revenue fund.

Forgivable Loans

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

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Notes Receivables (Continued)

A. Governmental Activities (Continued)

Loans and related items as of June 30, 2023 are summarized as follows:

<u>Loan Type</u>	<u>Outstanding Loan Balance June 30, 2023</u>	<u>Due</u>
First-time homebuyer	\$ 5,431,572	30 years
Housing rehabilitation	1,506,296	30 years
Small business	740,162	10 years
Total	\$ 7,678,030	

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.

B. Component Unit

Component Unit:	<u>Notes Receivable Balance September 30, 2022</u>	<u>Allowance for Doubtful Accounts Balance September 30, 2022</u>	<u>Financial Statement Balance September 30, 2022</u>
Housing Authority for the City of Madera:			
MORES Yosemite Manor, LP Loan	\$ 2,506,201	\$ -	\$ 2,506,201
MORES Corporation Loans	399,504	-	399,504
Total Component Unit	\$ 2,905,705	\$ -	\$ 2,905,705

The Housing Authority has a note receivable of \$2,506,201, due from MORES Yosemite Manor, L.P., secured by first deed on land and building subject to note. Interest bearing on the outstanding principal balance at the rate of 4.21%, compounded annually. The term of the note commenced May 14, 2008 and expires on December 31, 2063. The note is due and payable from residual receipts per the loan agreement. As of September 30, 2022, the outstanding interest receivable amounted to \$1,598,461. Management has established an allowance of \$1,598,461 as of September 30, 2022, due to the uncertainty of collectability.

The Housing Authority has a promissory note made from March 2010 to May 2014 amounting to \$440,872, due from Madera Opportunities for Resident Enrichment Services, Inc. (MORES), a California non-profit corporation. The promissory note is subject to various interest rates, payment start dates, and due dates. The note is secured by first and second deeds of trusts on buildings subject to the notes. The notes are due and payable from rental receipts per the loan agreements.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Lease Receivable

A. Governmental Activities

Certain portions of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 2 to 99 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2023, the City recognized \$47,685 in lease revenue and \$8,847 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2023 is as follows:

	Balance			Balance June 30, 2023	Classification	
	July 1, 2022	Additions	Deletions		Due within One Year	Due in More Than One Year
Leases receivable	\$ 510,745	\$ -	\$ (47,685)	\$ 463,060	\$ 22,570	\$ 440,490

As of June 30, 2023, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 22,570	\$ 8,516	\$ 31,086
2025	20,187	8,210	28,397
2026	14,572	7,926	22,498
2027	15,421	7,640	23,061
2028	16,301	7,336	23,637
2029-2033	95,835	31,514	127,349
2034-2038	122,993	21,092	144,085
2039-2042	155,181	7,838	163,019
Total	\$ 463,060	\$ 100,072	\$ 563,132

As of June 30, 2023, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2024	\$ 31,006
2025	27,814
2026	21,429
2027	21,429
2028	21,429
2029-2033	107,144
2034-2038	107,144
2039-2042	107,141
Total	\$ 444,536

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Lease Receivable (Continued)

B. Business-Type Activities

Certain portions of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 2 to 99 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2023, the City recognized \$52,768 in lease revenue and \$16,920 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2023 is as follows:

	Balance		Deletions	Balance		Classification	
	July 1, 2022	Additions		June 30, 2023	Due within One Year	Due in More Than One Year	
Leases receivable	\$ 911,714	\$ -	\$ (52,768)	\$ 858,946	\$ 36,784	\$ 822,162	

As of June 30, 2023, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 36,784	\$ 16,238	\$ 53,022
2025	37,459	15,563	53,022
2026	38,146	14,876	53,022
2027	38,846	14,176	53,022
2028	39,559	13,462	53,021
2029-2033	198,232	56,258	254,490
2034-2038	163,924	38,738	202,662
2039-2043	150,335	23,714	174,049
2044-2048	132,530	8,521	141,051
2049-2050	23,131	278	23,409
Total	\$ 858,946	\$ 201,824	\$ 1,060,770

As of June 30, 2023, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2024	\$ 43,419
2025	43,419
2026	43,419
2027	43,419
2028	43,419
2029-2033	207,212
2034-2038	160,116
2039-2043	134,554
2044-2048	108,394
2049-2050	17,818
Total	\$ 845,189

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Interfund Receivables, Payables, and Transfers

A. Due To / From Other Funds

Amounts due to and due from other funds at June 30, 2023, were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Federal Aid Urban Special Revenue Fund	\$ 36,181	Overdrawn Cash
General Fund	Street Construction Special Revenue Fund	378,236	Overdrawn Cash
General Fund	Intermodal Building Special Revenue Fund	38,560	Overdrawn Cash
General Fund	Low and Moderate Income Housing Special Revenue Fund	343,470	Overdrawn Cash
General Fund	Solar Energy Lease Capital Projects Fund	3,191,484	Overdrawn Cash
General Fund	Local Transit Enterprise Fund	1,255,040	Overdrawn Cash
General Fund	Golf Course Enterprise Fund	563,534	Overdrawn Cash
	Total	\$ 5,806,505	

B. Transfers

Interfund transfers during the year ended June 30, 2023, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Community Facilities District Special Revenue Fund	\$ 316,440	Administrative cost
General Fund	Parking District Operations Special Revenue Fund	7,709	Administrative cost
General Fund	Measure "T" Sales Tax Special Revenue Fund	897,474	Capital projects
General Fund	Solid Waste Disposal Enterprise Fund	390,000	Capital projects
General Fund	Special Gas Tax Special Revenue Fund	1,060,684	Capital projects
General Fund	Street Construction Special Revenue Fund	512,000	Capital projects
General Fund	Airport Enterprise Fund	3,545	Cost recovery
General Fund	Drainage Operations Enterprise Fund	8,577	Cost recovery
General Fund	General Development Impact Fee Special Revenue Fund	128,771	Cost recovery
General Fund	Intermodal Facility Special Revenue Fund	254	Cost recovery
General Fund	Internal Service Funds	34,200	Cost recovery
General Fund	Local Transit Fund	4,704	Cost recovery
General Fund	Parking District Operations Special Revenue Fund	317	Cost recovery
General Fund	Sewer Enterprise Fund	46,782	Cost recovery
General Fund	Solid Waste Disposal Enterprise Fund	219,765	Cost recovery
General Fund	Water Enterprise Fund	103,316	Cost recovery
General Fund	Drainage Operations Enterprise Fund	45,000	Engineering costs
General Fund	American Rescue Plan Act Fund	234	Capital projects
General Fund	General Development Impact Fee Special Revenue Fund	15,000	Engineering costs
	Subtotal	3,794,772	
Solar Energy Lease Capital Projects Fund	Airport Enterprise Fund	14,127	Debt service
Solar Energy Lease Capital Projects Fund	Drainage Operations Enterprise Fund	7,514	Debt service
Solar Energy Lease Capital Projects Fund	General Fund	83,554	Debt service
Solar Energy Lease Capital Projects Fund	Intermodal Facility Special Revenue Fund	4,072	Debt service
Solar Energy Lease Capital Projects Fund	Internal Service Funds	87,877	Debt service
Solar Energy Lease Capital Projects Fund	Landscape Assessment Special Revenue Fund	1,421	Debt service
Solar Energy Lease Capital Projects Fund	Parking District Operations Special Revenue Fund	1,004	Debt service
Solar Energy Lease Capital Projects Fund	Sewer Enterprise Fund	107,259	Debt service
Solar Energy Lease Capital Projects Fund	Solid Waste Disposal Enterprise Fund	1,132	Debt service
Solar Energy Lease Capital Projects Fund	Water Enterprise Fund	197,263	Debt service
	Subtotal	505,223	
Golf Course Enterprise Fund	General Fund	298,804	Capital projects
Internal Service Funds	Local Transit Fund	57,000	Cost recovery
Water Fund	American Rescue Plan Act Fund	310,733	Capital projects
Sewer Fund	American Rescue Plan Act Fund	2,210,056	Capital projects
Sewer Fund	General Development Impact Fee Special Revenue Fund	254,000	Debt service
	Subtotal	2,464,056	
Solid Waste Enterprise Fund	Internal Service Funds	50,000	Capital projects
Streets and Roads Special Revenue Fund	Special Gas Tax Special Revenue Fund	4,323	Capital projects
	Total	\$ 7,484,911	

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Interfund Receivables, Payables, and Transfers (Continued)

C. Long-Term Advances

At June 30, 2023, the balances of long-term advances were as follows:

<u>Advances To</u>	<u>Advances From</u>	<u>Amount</u>
General Fund	Golf Course Enterprise Fund	\$ 12,240

General Fund Advance to the Golf Course Fund

On January 1, 2014, the General Fund entered into loan agreement with the 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, 2023, the outstanding balance of the agreement was \$12,240.

The annual requirements to amortize the loan are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2024	\$ 12,240	\$ -	\$ 12,240

Note 7 – Due from Fiduciary Funds

Due from fiduciary funds as of June 30, 2023, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Deposit Custodial Fund	General Fund	\$ 614,305	Reimbursement

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Capital Assets

A. Governmental Activities

The summary of changes in governmental activities capital assets for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022, as restated	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated					
Land	\$ 12,614,951	\$ 259,585	\$ -	\$ (205,000)	\$ 12,669,536
Construction in progress	23,851,579	1,912,873	-	(999,946)	24,764,506
Total capital assets, not being depreciated	<u>36,466,530</u>	<u>2,172,458</u>	<u>-</u>	<u>(1,204,946)</u>	<u>37,434,042</u>
Capital assets, being depreciated					
Building and improvements	25,042,669	-	-	7,926,469	32,969,138
Infrastructure	319,937,316	672,973	-	(7,091,198)	313,519,091
Equipment	18,222,525	342,727	(623,395)	369,675	18,311,532
Total capital assets, being depreciated	<u>363,202,510</u>	<u>1,015,700</u>	<u>(623,395)</u>	<u>1,204,946</u>	<u>364,799,761</u>
Accumulated depreciation:					
Building and improvements	(10,236,124)	(720,725)	-	-	(10,956,849)
Infrastructure	(181,397,917)	(6,275,342)	-	-	(187,673,259)
Equipment	(9,960,133)	(998,354)	530,528	-	(10,427,959)
Subtotal	<u>(201,594,174)</u>	<u>(7,994,421)</u>	<u>530,528</u>	<u>-</u>	<u>(209,058,067)</u>
Total capital assets, being depreciated, net	<u>161,608,336</u>	<u>(6,978,721)</u>	<u>(92,867)</u>	<u>1,204,946</u>	<u>155,741,694</u>
Subscription assets, being amortized	288,695	24,126	-	-	312,821
Less accumulated amortization	-	(37,069)	-	-	(37,069)
Total subscription assets, being amortized, net	<u>288,695</u>	<u>(12,943)</u>	<u>-</u>	<u>-</u>	<u>275,752</u>
Total capital assets, net	<u><u>\$ 198,363,561</u></u>	<u><u>\$ (4,819,206)</u></u>	<u><u>\$ (92,867)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 193,451,488</u></u>

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

General government	\$ 5,075,855
Public protection	467,942
Social services	11,981
Public ways and facilities	1,136,038
Culture and recreation	660,737
Internal service funds	678,937
Total depreciation/amortization expense	<u><u>\$ 8,031,490</u></u>

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Capital Assets (Continued)

B. Business-Type Activities

The summary of changes in business-type activities capital assets for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated					
Land	\$ 9,725,315	\$ -	\$ -	\$ -	\$ 9,725,315
Construction in progress	1,762,601	1,181,681	-	-	2,944,282
Total capital assets, not being depreciated	<u>11,487,916</u>	<u>1,181,681</u>	<u>-</u>	<u>-</u>	<u>12,669,597</u>
Capital assets, being depreciated					
Building and improvements	65,594,837	26,982	-	-	65,621,819
Infrastructure	102,868,765	354,160	-	-	103,222,925
Equipment	9,440,737	482,002	(39,956)	-	9,882,783
Total capital assets, being depreciated	<u>177,904,339</u>	<u>863,144</u>	<u>(39,956)</u>	<u>-</u>	<u>178,727,527</u>
Accumulated depreciation:					
Building and improvements	(38,962,953)	(2,049,384)	-	-	(41,012,337)
Infrastructure	(44,049,076)	(2,099,564)	-	-	(46,148,640)
Equipment	(2,972,241)	(284,279)	39,956	-	(3,216,564)
Total accumulated depreciation	<u>(85,984,270)</u>	<u>(4,433,227)</u>	<u>39,956</u>	<u>-</u>	<u>(90,377,541)</u>
Total capital assets, being depreciated, net	<u>91,920,069</u>	<u>(3,570,083)</u>	<u>-</u>	<u>-</u>	<u>88,349,986</u>
Total capital assets, net	<u><u>\$ 103,407,985</u></u>	<u><u>\$ (2,388,402)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 101,019,583</u></u>

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

Water	\$ 907,175
Sewer	2,451,263
Drainage operations	348,794
Local transit	428,319
Airport	297,676
Total depreciation expense	<u><u>\$ 4,433,227</u></u>

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Capital Assets (Continued)

C. Fiduciary Fund Financial Statements

The summary of changes in capital assets for fiduciary funds for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated				
Land	\$ 16,701	\$ -	\$ -	\$ 16,701
Total capital assets, not being depreciated	16,701	-	-	16,701
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	(830,639)	(34,738)	-	(865,377)
Total accumulated depreciation	(830,639)	(34,738)	-	(865,377)
Total capital assets, being depreciated, net	1,528,486	(34,738)	-	1,493,748
Total capital assets, net	\$ 1,545,187	\$ (34,738)	\$ -	\$ 1,510,449

Depreciation expense for fiduciary fund financial statements for the year ended June 30, 2023 was \$34,738.

D. Component Unit

The summary of changes in capital assets for the component unit for the twelve month period ended September 30, 2022, is as follows:

	Balance October 1, 2021, as restated	Additions	Deletions	Balance September 30, 2022
Capital assets, not being depreciated				
Land	\$ 675,827	\$ -	\$ -	\$ 675,827
Total capital assets, not being depreciated	675,827	-	-	675,827
Capital assets, being depreciated				
Building and improvements	30,696,469	92,931	-	30,789,400
Equipment	816,628	143,323	(76,571)	883,380
Total capital assets, being depreciated	31,513,097	236,254	(76,571)	31,672,780
Less: accumulated depreciation	(25,863,789)	(707,588)	-	(26,571,377)
Total capital assets, being depreciated, net	5,649,308	(471,334)	(76,571)	5,101,403
Total capital assets, net	\$ 6,325,135	\$ (471,334)	\$ (76,571)	\$ 5,777,230

Depreciation expense for the component unit for the twelve month period ended September 30, 2022 was \$707,588.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – 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, 2023, is as follows:

	Balance July 1, 2022, as restated	Debt Issued	Debt Retired	Balance June 30, 2023	Classification	
					Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct borrowings:						
Subscription liability	\$ 288,695	\$ 23,636	\$ (102,914)	\$ 209,417	\$ 100,243	\$ 109,174
Finance purchase agreement	18,644,000	-	(810,000)	17,834,000	833,000	17,001,000
Loans payable	414,200	-	(114,400)	299,800	117,400	182,400
Public borrowings:						
Lease revenue bonds:						
Series 2019, New Fire Station plus: bond premium	3,615,000 548,695	- -	(145,000) (30,167)	3,470,000 518,528	150,000 -	3,320,000 518,528
Total lease revenue bonds	4,163,695	-	(175,167)	3,988,528	150,000	3,838,528
Total	\$ 23,510,590	\$ 23,636	\$ (1,202,481)	\$ 22,331,745	\$ 1,200,643	\$ 21,131,102

2019 Solar Energy Finance Purchase (Direct Borrowing)

On December 30, 2019, the City entered into an equipment finance purchase agreement in a direct placement transaction with Bank of America for an energy improvement and upgrade project (2019 Solar Equipment Finance Purchase) 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 finance purchase 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 through December 1st, 2039, with an interest rate of 2.77%. At June 30, 2023, the outstanding balance was \$17,834,000.

The annual debt service requirements at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 833,000	\$ 482,465	\$ 1,315,465
2025	856,000	459,072	1,315,072
2026	880,000	435,029	1,315,029
2027	905,000	410,306	1,315,306
2028	930,000	384,891	1,314,891
2029-2033	5,060,000	1,517,434	6,577,434
2034-2038	5,811,000	765,697	6,576,697
2039-2040	2,559,000	71,369	2,630,369
Total	\$ 17,834,000	\$ 4,526,263	\$ 22,360,263

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2019 Solar Energy Lease Purchase (Direct Borrowing) (Continued)

The City entered into finance purchase agreement whereby the City acquired certain capital assets and financed them to the City with the option to purchase. Unspent finance purchase 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 finance purchase proceeds	\$ 2,517,025
Construction in progress	18,220,272
Total	\$ 20,737,297

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

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

On January 1, 2018, the agreements 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 through December 25th, 2026. Total principal and interest remaining on the agreement is payable through 2026. At June 30, 2023, the outstanding balance was \$299,800.

The annual debt service requirements at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 117,400	\$ 7,470	\$ 124,870
2025	120,800	4,206	125,006
2026	61,600	850	62,450
Total	\$ 299,800	\$ 12,526	\$ 312,326

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, 2023 the outstanding balance was \$3,470,000.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

The annual debt service requirements at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 150,000	\$ 155,350	\$ 305,350
2025	155,000	147,850	302,850
2026	165,000	140,100	305,100
2027	175,000	131,850	306,850
2028	180,000	123,100	303,100
2029-2033	1,050,000	472,700	1,522,700
2034-2038	1,300,000	219,000	1,519,000
2039	295,000	11,800	306,800
Total	\$ 3,470,000	\$ 1,401,750	\$ 4,871,750

Subscription Liability

The City has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 4 years. The calculated interest rate used was 2.40%.

As of June 30, 2023, the capitalized right-to-use assets related to SBITAs were \$312,821 and the total subscription liability was \$209,417, of which \$100,243 is reported as a current liability representing the amount due within the next fiscal year.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 100,243	\$ 4,477	\$ 104,720
2025	102,830	2,044	104,874
2026	6,344	141	6,485
Total	\$ 209,417	\$ 6,662	\$ 216,079

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – 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, 2023, is as follows:

	Balance July 1, 2022	Debt Issued	Debt Retired	Balance June 30, 2023	Classification	
					Due within One Year	Due in More Than One Year
Business-Type Activities:						
Direct borrowings:						
Loans payable:						
BBVA loan	\$ 6,100,000	\$ -	\$ (379,000)	\$ 5,721,000	\$ 387,000	\$ 5,334,000
Airport Hanger loan	27,181	-	(27,181)	-	-	-
Golf Course commercial loan	477,900	-	(316,100)	161,800	161,800	-
Total loans payable	6,605,081	-	(722,281)	5,882,800	548,800	5,334,000
Public borrowings:						
Bonds payable:						
Water and Wastewater Refunding Revenue Bonds, Series 2015	23,230,000	-	(1,295,000)	21,935,000	1,340,000	20,595,000
2019 Water Revenue Refunding Bonds	7,814,894	-	(435,546)	7,379,348	447,120	6,932,228
Total bonds payable	31,044,894	-	(1,730,546)	29,314,348	1,787,120	27,527,228
Total	\$ 37,649,975	\$ -	\$ (2,452,827)	\$ 35,197,148	\$ 2,335,920	\$ 32,861,228

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, 2023, the total principal and interest remaining on the Department of Transportation, Division of Aeronautics loan was paid off.

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 through 2036. The average fiscal year savings is \$24,655, with a total savings of \$369,829. On June 30, 2023, the outstanding balance was \$5,721,000.

The annual debt service requirements at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 387,000	\$ 133,213	\$ 520,213
2025	395,000	123,790	518,790
2026	404,000	114,162	518,162
2027	412,000	104,329	516,329
2028	421,000	94,291	515,291
2029-2033	2,241,000	313,288	2,554,288
2034-2036	1,461,000	53,297	1,514,297
Total	\$ 5,721,000	\$ 936,370	\$ 6,657,370

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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. At June 30, 2023, the outstanding balance was \$161,800.

The annual debt service requirements at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 161,800	\$ 2,581	\$ 164,381
Total	\$ 161,800	\$ 2,581	\$ 164,381

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, 2023, the outstanding balance of the Water and Wastewater Revenue Bonds was \$21,935,000.

The Financing Authority has pledged a portion of future water and wastewater revenue to repay the 2015 Water and Wastewater Revenue Bonds. For the year ended June 30, 2023, total principal and interest paid was \$2,154,510, and net revenues were \$7,692,524. Total principal and interest remaining on the agreement is \$28,027,420 payable through 2036.

The annual debt service requirements at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,505,000	656,750	2,161,750
2028	1,555,000	601,065	2,156,065
2029-2033	8,675,000	2,099,935	10,774,935
2034-2036	6,015,000	450,660	6,465,660
Total	\$ 21,935,000	\$ 6,092,420	\$ 28,027,420

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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 through 2037. At June 30, 2023 the outstanding principal and interest balance was \$8,872,316. 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, 2023, total principal and interest paid was \$638,985, and net revenues were \$4,318,142.

The annual debt service requirements at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 447,120	\$ 191,863	\$ 638,983
2025	457,908	179,988	637,896
2026	467,850	167,834	635,684
2027	480,334	155,400	635,734
2028	487,160	142,675	629,835
2029-2033	2,651,697	510,999	3,162,696
2034-2037	2,387,279	144,209	2,531,488
Total	\$ 7,379,348	\$ 1,492,968	\$ 8,872,316

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, 2023, is as follows:

	Balance July 1, 2022	Debt Issued	Debt Retired	Balance June 30, 2023	Classification	
					Due within One Year	Due in More Than One Year
Fiduciary Activities:						
Public borrowings:						
Tax allocation bonds:						
Series 2018A	\$ 29,475,000	\$ -	\$ (770,000)	\$ 28,705,000	\$ 1,005,000	\$ 27,700,000
Series 2018B	2,105,000	-	(670,000)	1,435,000	510,000	925,000
Add: unamortized bond premiums	3,663,971	-	(228,998)	3,434,973	-	3,434,973
Total tax allocation bonds	35,243,971	-	(1,668,998)	33,574,973	1,515,000	32,059,973
Total	\$ 35,243,971	\$ -	\$ (1,668,998)	\$ 33,574,973	\$ 1,515,000	\$ 32,059,973

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

C. Fiduciary Fund Financial Statements (Continued)

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 through 2038. 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, 2023, 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, 2023 is \$41,615,044.

The annual debt service requirements for the 2018 TARBs outstanding at June 30, 2023 are as follows:

Tax Allocation Refunding Bonds, Series 2018A			
Year Ending			
June 30,	Principal	Interest	Total
2024	\$ 1,005,000	\$ 1,298,650	\$ 2,303,650
2025	1,045,000	1,247,400	2,292,400
2026	1,230,000	1,190,525	2,420,525
2027	1,705,000	1,125,675	2,830,675
2028	1,765,000	1,047,450	2,812,450
2029-2033	10,160,000	3,986,725	14,146,725
2034-2038	11,405,000	1,501,000	12,906,000
2039	390,000	6,338	396,338
Total	\$ 28,705,000	\$ 11,403,763	\$ 40,108,763

Tax Allocation Refunding Bonds, Series 2018B			
Year Ending			
June 30,	Principal	Interest	Total
2024	\$ 510,000	\$ 40,895	\$ 550,895
2025	525,000	23,296	548,296
2026	400,000	7,120	407,120
Total	\$ 1,435,000	\$ 71,311	\$ 1,506,311

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

D. Component Unit

A summary of changes in the long-term liabilities of the component unit for the twelve month period ended September 30, 2022, is as follows:

	Balance October 1, 2021	Debt Issued	Debt Retired	Balance September 30, 2022	Classification	
					Due within One Year	Due in More Than One Year
Component Unit:						
Direct borrowings:						
Loans payable:						
Farmers' Home Administration loan	\$ 219,019	\$ -	\$ (17,694)	\$ 201,325	\$ 18,605	\$ 182,720
Citizen Business Bank loan	2,687,812	-	(112,675)	2,575,137	117,381	2,457,756
Total loans payable	2,906,831	-	(130,369)	2,776,462	135,986	2,640,476
Total	\$ 2,906,831	\$ -	\$ (130,369)	\$ 2,776,462	\$ 135,986	\$ 2,640,476

Farmers' Home Administration loan

Notes payable to Farmers' Home Administration, 1.00% due in monthly installments of \$1,653, including interest, first trust deeds on land and building subject to note.

Citizen Business Bank loan

Note payable to Citizen Business Bank, 4.75% due in monthly installments of \$19,852, including interest, secured by assets subject to note.

The total annual debt service requirements for the Component Unit long-term liabilities outstanding at September 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 135,986	\$ 121,443	\$ 257,429
2025	146,910	115,510	262,420
2026	148,769	109,292	258,061
2027	155,282	102,777	258,059
2028	162,106	95,955	258,061
2029-2033	1,989,684	33,812	2,023,496
2034-2037	37,725	442	38,167
Total	\$ 2,776,462	\$ 579,231	\$ 3,355,693

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – 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 a custodian 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 \$88,740. The amount of principal outstanding as of June 30, 2023 is \$2,068,320. 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 custodial 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, 2023 are as follows:

	Original Amount	Outstanding Balance June 30, 2023
CFD 2006-1, Series Special Tax Bonds Refunding Bonds Series 2019	\$ 2,452,228	\$ 2,068,320

Note 11 – Compensated Absences

A. Governmental Activities

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2023 is as follows:

	Balance	Additions	Deletions	Balance	Classification	
	July 1, 2022			June 30, 2023	Due within One Year	Due in More Than One Year
Compensated absences	\$ 1,856,077	\$ 1,445,059	\$ (1,360,147)	\$ 1,940,989	\$ 1,360,147	\$ 580,842

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

Governmental Funds	\$ 1,739,098
Fleet Maintenance	44,009
Facilities Maintenance	119,357
Technology	38,525
Total	\$ 1,940,989

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – 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, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Classification	
					Due within One Year	Due in More Than One Year
Compensated absences	\$ 463,245	\$ 357,131	\$ (380,783)	\$ 439,593	\$ 363,316	\$ 76,277

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

Water Fund	\$ 185,534
Sewer Fund	112,647
Solid Waste Fund	70,726
Drainage Operations Fund	32,869
Local Transit Fund	26,944
Airport Fund	10,873
Total	\$ 439,593

C. Component Unit

A summary of changes in the compensated absences balances for the component unit for the twelve month period ended September 30, 2022 is as follows:

	Balance October 1, 2021, as restated	Additions	Deletions	Balance September 30, 2022	Classification	
					Due within One Year	Due in More Than One Year
Compensated absences	\$ 36,379	\$ 94,789	\$ -	\$ 131,168	\$ 65,584	\$ 65,584

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

Note 12 – 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-three 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Risk Management (Continued)

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

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

CSJVRMA is currently operating as a common risk management and insurance program for 53 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 financial information of the CSJVRMA for fiscal year ended June 30, 2023, is as follows:

Total assets	\$ 153,984,502
Total liabilities	<u>\$ 120,022,096</u>
Net position	<u>\$ 33,962,406</u>
Operating revenues	<u>\$ 73,024,624</u>
Operating expenses	<u>\$ 71,300,255</u>
Nonoperating revenues (expenses)	<u>\$ 64,143</u>
Change in net position	<u>\$ 1,788,512</u>

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total	Component Unit
Deferred outflows of resources:				
Pension contribution made after measurement date:				
CalPERS Miscellaneous	\$ 2,703,821	\$ 1,363,432	\$ 4,067,253	\$ 21,980
CalPERS Safety	3,202,253	-	3,202,253	-
Total pension contribution made after measurement date	5,906,074	1,363,432	7,269,506	21,980
Change in assumption:				
CalPERS Miscellaneous	1,335,436	673,408	2,008,844	413,134
CalPERS Safety	2,379,547	-	2,379,547	-
Total change in assumption	3,714,983	673,408	4,388,391	413,134
Projected earnings on pension plan investments in excess of actual earnings:				
CalPERS Miscellaneous	2,315,559	1,167,649	3,483,208	738,505
Total projected earnings on pension plan investments in excess of actual earnings	2,315,559	1,167,649	3,483,208	738,505
Difference between expected and actual experience:				
CalPERS Miscellaneous	-	-	-	80,965
CalPERS Safety	720,426	-	720,426	-
Total difference between expected and actual experience	720,426	-	720,426	80,965
Adjustment due to difference in proportions:				
CalPERS Miscellaneous	-	-	-	4,088
CalPERS Safety	183,234	-	183,234	-
Total adjustment due to difference in proportions	183,234	-	183,234	4,088
Employer contributions in excess of proportionate share of contribution:				
CalPERS Miscellaneous	-	-	-	149,611
CalPERS Safety	3,726,695	-	3,726,695	-
Total employer contributions in excess of proportionate share of contribution	3,726,695	-	3,726,695	149,611
Total deferred outflows of resources				
CalPERS Miscellaneous	6,354,816	3,204,489	9,559,305	1,408,283
CalPERS Safety	10,212,155	-	10,212,155	-
Total deferred outflows of resources	\$ 16,566,971	\$ 3,204,489	\$ 19,771,460	\$ 1,408,283
Net pension liability:				
CalPERS Miscellaneous	\$ 21,635,534	\$ 10,909,961	\$ 32,545,495	\$ 4,031,725
CalPERS Safety	23,599,525	-	23,599,525	-
Total net pension liability	\$ 45,235,059	\$ 10,909,961	\$ 56,145,020	\$ 4,031,725
Deferred inflows of resources:				
Adjustment due to difference in proportions:				
CalPERS Miscellaneous	\$ -	\$ -	\$ -	\$ 494,153
Total adjustment due to difference in proportions	-	-	-	494,153
Employer contributions in excess of proportionate share of contribution:				
CalPERS Miscellaneous	-	-	-	55,284
CalPERS Safety	507,386	-	507,386	-
Total employer contributions in excess of proportionate share of contribution	507,386	-	507,386	55,284
Changes in actual vs. expected experience				
CalPERS Miscellaneous	328,930	165,866	494,796	54,227
Total difference between expected and actual experience	328,930	165,866	494,796	54,227
Total deferred inflows of resources				
CalPERS Miscellaneous	328,930	165,866	494,796	603,664
CalPERS Safety	507,386	-	507,386	-
Total deferred inflows of resources	\$ 836,316	\$ 165,866	\$ 1,002,182	\$ 603,664
Pension expenses (income):				
CalPERS Miscellaneous	\$ 2,360,567	\$ 1,190,343	\$ 3,550,910	\$ (742,558)
CalPERS Safety	414,758	-	414,758	-
Total net pension expenses (income)	\$ 2,775,325	\$ 1,190,343	\$ 3,965,668	\$ (742,558)

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

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.

Employees Covered

At June 30, 2022, the measurement date, the following employees were covered by the benefit terms for the Plan:

Active employees	173
Non-contributing members not drawing retirement	267
Retired employees and beneficiaries	265
Total	705

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 50; full formula at age 55 with at least 5 years of credited service. Public Employees’ Pension Reform Act (“PEPRA”) miscellaneous members become eligible for service retirement upon attainment of age 52; full formula at 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%	6.900%
Required employer contribution rates	9.830%	9.830%	9.830%
Final Annual Compensation	1 year	3 years	3 years

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (“PERL”) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through 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, 2023, the employer contributions made for the Miscellaneous Plan was \$4,067,253.

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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is described as follows.

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 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	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00%
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% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of December 2021 actuarial experience study for the period 2000 to 2019. Further details of the Experiences Study can be found on the CalPERS website.

Change in Assumptions

The discount rate lowered from 7.15% in 2022 to 6.90% in 2023. The inflation rate lowered from 2.50% in 2022 to 2.30% in 2023. The payroll growth increased from 2.75% in 2022 to 2.80% in 2023. The investment rate of return lowered from 7.25% in 2022 to 7.00% in 2023. In the prior year, the actuarial report did not have any changes in assumptions.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

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.

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.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
Global equity - cap-weighted	30.00%	4.45%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Liquidity	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study.

The discount rate used to measure the total pension liability was 6.90% 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 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% 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.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

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%
(5.90%)	Rate (6.90%)	(7.90%)
\$ 46,010,739	\$ 32,545,495	\$ 21,437,509

Changes in the Net Pension Liability

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2021 (Valuation Date)	\$ 97,597,059	\$ 78,350,446	\$ 19,246,613
Changes in the year:			
Service cost	1,715,940	-	1,715,940
Interest on the total pension liabilities	6,797,912	-	6,797,912
Changes in assumptions	3,348,073	-	3,348,073
Differences between expected and actual experience	(550,819)	-	(550,819)
Benefit payments, including refunds of members contributions	(5,463,626)	(5,463,626)	-
Contributions - employer	-	3,270,441	(3,270,441)
Contributions - employee	-	719,807	(719,807)
Net investment income	-	(5,929,216)	5,929,216
Administrative expenses	-	(48,808)	48,808
Net changes	5,847,480	(7,451,402)	13,298,882
Balance at June 30, 2022 (Measurement Date)	\$ 103,444,539	\$ 70,899,044	\$ 32,545,495

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

For the year ended June 30, 2023, the City recognized pension income in the amount of \$3,550,910 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 2021-22 measurement period is 2.5 years, which was obtained by dividing the total service years of 1,699 (the sum of remaining service lifetimes of the active employees) by 680 (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, 2023

Note 13 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

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

At June 30, 2022 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	\$ 4,067,253	\$ -
Difference between projected and actual earning on pension plan investments	3,483,208	-
Changes in assumptions	2,008,844	-
Differences between expected and actual experience	-	(494,796)
Total	<u>\$ 9,559,305</u>	<u>\$ (494,796)</u>

For the City Miscellaneous Plan, \$4,067,253 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, 2024. 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>
2024	\$ 1,496,239
2025	1,034,737
2026	210,925
2027	2,255,355
2028	-
Thereafter	-
	<u>\$ 4,997,256</u>

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

The City reported a payable of \$0 for the outstanding amount of contributions to the Miscellaneous pension plan required for the year ended June 30, 2023.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

C. City Safety Plan

Employees Covered

At June 30, 2022, the measurement date, the following employees were covered by the benefit terms the Plan:

Active employees	58
Non-contributing members not drawing retirement	45
Retired employees and beneficiaries	122
Total	225

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 50 with at least 5 years of credited 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%	13.000%
Required employer contribution rates	23.750%	20.640%	12.780%
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 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, 2023, employer contributions made for the Safety Cost-sharing Plan was \$3,202,253.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

C. City Safety Plan (Continued)

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2023, 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: 6/30/21 (Valuation date)	\$ 72,217,372	\$ 58,522,823	13,694,549
Balance at: 6/30/22 (Measurement date)	77,276,594	53,677,069	23,599,525
Net Changes during 2021-2022	5,059,222	(4,845,754)	9,904,976

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, 2021). 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, 2022). 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, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2021-22).
- (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).

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

C. City Safety Plan (Continued)

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

The City’s proportionate share of the net pension liability for the Safety Plan as of June 30, 2021 and 2022 was as follows:

Proportion June 30, 2021	0.39022%	
Proportion June 30, 2022	0.34344%	
Change - Increase (Decrease)	-0.04678%	

For the year ended June 30, 2023, the City recognized pension income in the amount of \$414,758 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, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (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.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources		Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 3,202,253	\$	-
Difference between projected and actual earning on pension plan investments	3,726,695		-
Adjustment due to differences in proportions	183,234		-
Changes in assumptions	2,379,547		-
Difference between actual and expected experience	720,428		-
Difference between employer's actual contributions and proportionate share of contributions	-		(507,386)
Total	\$ 10,212,157	\$	(507,386)

For the City Safety Plan, \$3,202,253 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, 2024.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

C. City Safety Plan (Continued)

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

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
2024	\$ 1,929,682
2025	1,495,387
2026	804,117
2027	2,273,332
2028	-
Thereafter	-
	\$ 6,502,518

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. Both the June 30, 2022 and the June 30, 2021 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	6.90%
Inflation	2.50%
Payroll Growth	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00%
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% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of December 2021 actuarial experience study for the period 2000 to 2019. 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 6.90%. 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 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

C. City Safety Plan (Continued)

Discount Rate (Continued)

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

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
Global equity - cap-weighted	30.00%	4.45%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Liquidity	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

C. City Safety Plan (Continued)

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% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
\$ 34,271,302	\$ 23,599,525	\$ 14,877,759

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, 2023, the City reported a payable of \$0 for the outstanding amount of contributions to the Safety pension plan required for the year ended June 30, 2023.

D. Component Unit Miscellaneous Plan

Plan Description

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

Employees Covered

At June 30, 2022, the measurement date, the following employees were covered by the benefit terms the Plan:

Active employees	21
Transferred and terminated employees	52
Retired employees and beneficiaries	32
Total	105

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

Benefits Provided

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

Following are the benefit provisions for each plan:

	Miscellaneous - Component Unit		
	Prior to January 1, 2011	January 1, 2011 thru January 1, 2013	On or After January 1, 2013
Hire Date			
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	12.200%	8.650%	7.590%
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 the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Miscellaneous risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal year ended September 30, 2022, employer contributions made for the Housing Authority Miscellaneous Cost- sharing Plan was \$331,109.

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

The Authority's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2022, 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, 2021 rolled forward to June 30, 2022 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

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

As of September 30, 2022, the Authority reported net pension liability for its proportionate shares of the net pension liability of the Housing Authority Miscellaneous Plan as follows:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 6/30/21 (Valuation date)	\$ 11,439,712	\$ 8,922,694	\$ 2,517,018
Balance at: 6/30/22 (Measurement date)	11,831,764	7,800,039	4,031,725
Net Changes during 2021-2022	392,052	(1,122,655)	1,514,707

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, 2021). 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, 2022). 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, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2021-22).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

The Authority’s proportionate share of the net pension liability for the Housing Authority Miscellaneous Plan as of June 30, 2021 and 2022 was as follows:

Proportion June 30, 2021	0.13260%
Proportion June 30, 2022	0.08616%
Change - Increase (Decrease)	<u><u>-0.04644%</u></u>

For the twelve months ended September 30, 2022, the Authority recognized pension income in the amount of \$742,558 for the Housing Authority Miscellaneous Plan.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

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

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, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (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.

At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 21,980	\$ -
Difference between projected and actual earning on pension plan investments	738,505	-
Adjustment due to differences in proportions	4,088	(494,153)
Changes in assumptions	413,134	-
Difference between actual and expected experience	80,965	(54,227)
Difference between employer's actual contributions and proportionate share of contributions	149,611	(55,284)
Total	\$ 1,408,283	\$ (603,664)

For the Housing Authority Miscellaneous Plan, \$21,980 was reported as deferred outflows of resources related to pensions resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023.

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
2023	\$ 79,838
2024	60,648
2025	26,967
2026	615,186
2027	-
Thereafter	-
	\$ 782,639

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. Both the June 30, 2021 and the June 30, 2022 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	6.90%
Inflation	2.50%
Payroll Growth	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, 2021 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 6.90%. 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 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% 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, 2023

Note 13 – Pension Plans (Continued)

D. Component Unit 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.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
Global equity - cap-weighted	30.00%	4.45%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Liquidity	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study.

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

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

<u>Plan's Aggregate Net Pension Liability/(Asset)</u>		
<u>Discount Rate - 1%</u>	<u>Current Discount</u>	<u>Discount Rate + 1%</u>
<u>(5.90%)</u>	<u>Rate (6.90%)</u>	<u>(7.90%)</u>
\$ 5,644,607	\$ 4,031,725	\$ 2,704,722

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 September 30, 2022, the Housing Authority reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the fiscal year ended September 30, 2022.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Other Postemployment Benefits

A. Summary

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	\$ 112,407	\$ 24,659	\$ 137,066
Difference between expected and actual experience	412,607	90,520	503,127
Changes in assumptions	364,895	80,055	444,950
Total deferred outflows of resources	<u>\$ 889,909</u>	<u>\$ 195,234</u>	<u>\$ 1,085,143</u>
Total OPEB liability:			
Total OPEB liability	\$ 3,742,428	\$ 821,042	\$ 4,563,470
Total OPEB liability	<u>\$ 3,742,428</u>	<u>\$ 821,042</u>	<u>\$ 4,563,470</u>
Deferred inflows of resources:			
Changes in assumptions	\$ 154,229	\$ 33,836	\$ 188,065
Total deferred inflows of resources	<u>\$ 154,229</u>	<u>\$ 33,836</u>	<u>\$ 188,065</u>
OPEB Expense	<u>\$ 236,239</u>	<u>\$ 51,828</u>	<u>\$ 288,067</u>

B. General Information about OPEB

Plan Description

The City administers a single employer defined benefit (implicit subsidy) healthcare plan. No assets have been accumulated in a trust for the payment of benefits that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Employees from groups other than Management who have attained age 50 and completed at least five years of PERS service or who become eligible for medical disability benefits under PERS, are eligible to retire and participate in the City's healthcare plans by paying COBRA premiums based on 102% of the premiums applicable to active employees. Spouses and eligible dependent children of retirees may also be covered at the retiree's expense. Eligibility for this benefit ends at age 65 or when the individual becomes eligible for Medicare.

Management employees, who meet the requirements, may retire and receive City-paid medical insurance for the retiree only. This is a grandfathered benefit and is no longer offered prospectively to new Management employees, nor is it provided to any employee who did not meet required criteria as of December 31, 2018. Once the retiree attains age 65, a Medicare Supplement benefit is payable by the City for the retiree only, for the retiree's further lifetime. Employees from Management who do not have the grandfathered benefit are eligible to retire and participate in the City's healthcare plans by paying COBRA premiums based on 102% of the premiums applicable to active employees.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Other Postemployment Benefits (Continued)

B. General Information about OPEB (Continued)

Covered Employees

Membership in the plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

Active employees	229
Transferred and terminated employees	-
Retired employees and beneficiaries	12
Total	241

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 paying the premiums of the actuarially determined contribution (ADC) on a pay as you go basis. For the fiscal year ended June 30, 2023, 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, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total OPEB liability at June 30, 2023 was \$4,563,470.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	3.69%
Inflation	2.50%
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 2021 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2014
Healthcare Trend Rate	6.50 percent for 2022, 6.00 percent for 2023, 5.50 percent for 2024, 5.25c prcent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for all years for 2022-2029 and 4.00 percent for 2030 and later years.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2022.

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Other Postemployment Benefits (Continued)

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.69% 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, 2021 (Measurement Date)	\$ 4,220,323
Changes Recognized for the Measurement Period:	
Service Cost	266,779
Interest on the total OPEB liability	84,763
Changes of benefit terms	(179,263)
Difference between expected and actual experience	416,211
Changes of assumptions	(99,963)
Benefit payments	(145,380)
Net Changes during July 1, 2021 to June 30, 2022	343,147
Balance at June 30, 2022 (Measurement Date)	\$ 4,563,470

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

Plan's Total OPEB Liability		
Discount Rate - 1% (2.69%)	Current Discount Rate (3.69%)	Discount Rate + 1% (4.69%)
\$ 5,078,911	\$ 4,563,470	\$ 4,101,151

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%
\$ 3,951,465	\$ 4,563,470	\$ 5,299,570

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Other Postemployment Benefits (Continued)

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

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$288,067. At June 30, 2023, 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	\$ 137,066	\$ -
Difference between expected and actual experience	503,127	-
Changes of assumptions	444,950	(188,065)
Total	\$ 1,085,143	\$ (188,065)

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, 2021, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

For the OPEB plan, \$137,066 was reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30 2024. Other amounts 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
2023	\$ 115,788
2024	115,788
2025	115,788
2026	133,459
2027	109,476
Thereafter	169,713
	\$ 760,012

Note 15 – 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. The employer is not required to contribute to the deferred compensation plan but is required for full time non-management, non-sworn employees. 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. 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."

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Deferred Compensation Plan (Continued)

B. Component Unit

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

Note 16 – Service Concession Agreement

On June 21, 2023, the City approved an amendment to the Madera Municipal Golf Course Operation and Management Lease Agreement (Agreement) with Sierra Golf Management Inc. dba Sierra Golf Management, Inc. (SGM), extending the term to five years after the current lease agreements expiration on June 30, 2023, and making various economic modifications. The Agreement would be for 5 years and includes, at City discretion, one option to extend the term an additional five years. This would mean the agreement would expire on June 30, 2028, with the five-year extension available through June 30, 2033. The Agreement would increase the base rent to the present value of \$65,000 annually to lease the golf course and clubhouse facilities. SGM will remit \$2.75 per round of golf to the City in years one through four. The remittance will increase to \$3.00 per round in year five. SGM, the Clubhouse Tenant, currently Sugar Pine Smokehouse (SPS), and the City will each contribute \$25,000 annually to a capital improvement fund. Thus, the grand contribution for capital improvements annually shall be \$75,000. City will hold SGM capital funds of \$50k per year until capital projects are completed. SGM is required to operate and maintain the golf course in accordance with the Agreement.

Note 17 – Other Required Disclosures

A. Deficit Fund Balances/Net Position

At June 30, 2023, 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	\$ 1,242,142	Federal grant reimbursement
Solar Energy Lease Fund	Capital Projects Fund	674,459	Interfund cost allocation

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the following funds by function:

Fund	Function	Excess Expenditures over Appropriations
General Fund	General government: City manager	\$ 93,401
General Fund	Debt service: Principal	5,509
General Development Impact Fee Special Revenue Fund	Public ways and facilities	1,209,506
General Development Impact Fee Special Revenue Fund	Culture and recreation	522,558
Measure "T" Sales Tax Special Revenue Fund	Public ways and facilities	778
Intermodal Building Special Revenue Fund	General government	934
Intermodal Building Special Revenue Fund	Public ways and facilities	8,886
Economic Development Special Revenue Fund	Community development	198

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 18 – Fund Balance Classification

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2023:

	General Fund	General Development Impact Fee Fund	Measure "T" Sales Tax Fund	American Rescue Plan Act Fund	Non-major Governmental Funds	Total
Nonspendable						
Prepaid items	\$ 58,961	\$ -	\$ -	\$ -	\$ 13,131	\$ 72,092
Inventories	82,881	-	-	-	-	82,881
Total nonspendable	141,842	-	-	-	13,131	154,973
Restricted						
Community development	-	-	-	-	12,751,924	12,751,924
Park development	-	-	-	-	98,941	98,941
Parking improvements	-	-	-	-	136,363	136,363
Public works and transportation	-	-	14,310,390	-	4,044,020	18,354,410
Special assessment project	-	-	-	-	519,667	519,667
Insurance stabilization reserve	2,365,453	-	-	-	-	2,365,453
Public protection	-	-	-	-	368,640	368,640
Capital projects and improvements	-	18,047,981	-	-	-	18,047,981
Total restricted	2,365,453	18,047,981	14,310,390	-	17,919,555	52,643,379
Committed						
General Fund stabilization reserve	12,731,891	-	-	-	-	12,731,891
General plan update	50,000	-	-	-	-	50,000
Solar street light repair Installation	50,000	-	-	-	-	50,000
Measure K - Fire Protection Stabilization	780,000	-	-	-	-	780,000
Measure K - Police Protection Stabilization	780,000	-	-	-	-	780,000
Measure K - Fire Protection Vehicle Replacement	738,540	-	-	-	-	738,540
Total committed	15,130,431	-	-	-	-	15,130,431
Assigned						
Golf course capital	20,000	-	-	-	-	20,000
Debt service	1,106,145	-	-	-	-	1,106,145
OPEB liability	97,339	-	-	-	-	97,339
Insurance claims reserve	950,134	-	-	-	-	950,134
Health insurance premiums	1,357,000	-	-	-	-	1,357,000
Future annual stipend payments	650,000	-	-	-	-	650,000
Measure K - Fire Protection	7,293,910	-	-	-	-	7,293,910
Measure K - Police	3,422,960	-	-	-	-	3,422,960
Measure K - Sales Tax Refund Reserve	900,000	-	-	-	-	900,000
Total assigned	15,797,488	-	-	-	-	15,797,488
Unassigned (deficit)	12,291,870	-	-	-	(1,927,931)	10,363,939
Total fund balances	\$ 45,727,084	\$ 18,047,981	\$ 14,310,390	\$ -	\$ 16,004,755	\$ 94,090,210

City of Madera
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 19 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2023, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Total capital assets, net	\$ 193,451,488	\$ 101,019,583	\$ 294,471,071
Less related debt:			
Subscription liability	(209,417)	-	(209,417)
Finance purchase agreement	(17,834,000)	-	(17,834,000)
Loans payable	(299,800)	(5,882,800)	(6,182,600)
Lease revenue bonds	(3,988,528)	-	(3,988,528)
Bonds payable	-	(29,314,348)	(29,314,348)
Unspent bond proceeds	2,517,025	-	2,517,025
Gain on refunding of debt	-	(261,333)	(261,333)
Net investment in capital assets	<u>\$ 173,636,768</u>	<u>\$ 65,561,102</u>	<u>\$ 239,197,870</u>

Note 20 – Prior Period Adjustments

A. Government-Wide Financial Statements

The beginning net position at October 1, 2021 of the Governmental-Wide Financial Statements was restated as follows:

	<u>Component Unit Housing Authority of the City of Madera September 30, 2022</u>
Net position, as previously reported, at October 1, 2021	\$ 12,284,478
To correct various errors in financial statements	(674,675)
Net position at October 1, 2021, as restated	<u>\$ 11,609,803</u>

Note 21 – 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, 2023

Note 21 – 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. In December of 2022, the Hospital closed and filed for bankruptcy protection on March 10, 2023. As of this report, the Hospital's bankruptcy status is still uncertain. 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, 2023, 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, 2023. At year-end, the City’s major contractual commitments are as follows:

	Contract Amount	Spent-to-Date	Remaining Commitment
Engineering Design Services for Intermodal Facility	\$ 285,961	\$ 71,024	\$ 214,937
Engineering Design Services for Sidewalk Improvements	402,344	337,693	64,651
Engineering Design Services for Westberry Bridge	1,015,144	728,091	287,053
Manual Water Meter Replacements	310,048	176,720	133,328
Northwest Water Storage Tank	392,430	154,894	237,536
Olive Ave Widening from Gateway To Knox	380,553	253,270	127,284
Sewer Main Video Inspection	536,000	505,296	30,704
Sewer System Condition Assessment/Rehab	320,320	205,690	114,630
Sewer Trunk Main Rehab at Ave 13	518,399	252,889	265,510
Solar and Energy Efficiency Equipment	18,848,862	18,194,324	654,538
Water System Condition Assessment/Rehab	295,000	255,754	39,246
Total	\$ 23,305,061	\$ 21,135,645	\$ 2,169,416

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, 2023

Note 21 – Commitments and Contingencies (Continued)

E. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for all 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 for operating expenditures outstanding as of June 30, 2023 amounted to \$991,280.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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City of Madera
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2023

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. During the year ended June 30, 2023, the City did not prepare a budget for the American Rescue Plan Act Special Revenue Fund.
- 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)
Budgetary Comparison Schedules – General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Property taxes	\$ 4,335,119	\$ 4,335,119	\$ 4,879,850	\$ 544,731
Sales and use taxes	18,939,052	18,939,052	19,291,534	352,482
Other taxes	1,862,413	1,862,413	2,027,689	165,276
Investment income	477,085	477,085	341,518	(135,567)
Franchise fees	800,000	800,000	841,540	41,540
Licenses and permits	1,196,820	1,196,820	1,502,455	305,635
Fines and forfeitures	439,998	439,998	465,127	25,129
Intergovernmental	11,838,790	11,838,790	9,222,604	(2,616,186)
Charges for services	1,442,330	1,442,330	1,941,861	499,531
Miscellaneous	399,075	399,075	789,839	390,764
Total revenues	41,730,682	41,730,682	41,304,017	(426,665)
EXPENDITURES:				
Current:				
General government				
City clerk	574,839	574,839	400,519	174,320
City manager	1,354,364	1,359,000	1,452,401	(93,401)
Finance	505,733	505,733	430,594	75,139
City attorney	394,834	394,834	234,588	160,246
Human resources	640,342	696,216	634,169	62,047
Economic development	248,694	5,248,694	613,851	4,634,843
Public safety				
Police	16,857,079	17,205,497	16,758,044	447,453
Fire	6,548,354	6,655,688	4,632,858	2,022,830
Social services	217,802	250,302	181,934	68,368
Public ways and facilities				
Development and engineering	2,177,616	2,177,616	2,025,586	152,030
Community development				
Parks and community services	5,331,086	5,594,547	5,031,074	563,473
Culture and recreation	4,563,603	4,571,978	4,164,682	407,296
Capital outlay	4,392,098	4,652,063	624,105	4,027,958
Debt service:				
Principal	259,400	259,400	264,909	(5,509)
Interest and fiscal charges	173,248	173,248	173,244	4
Total expenditures	44,239,092	50,319,655	37,622,558	12,697,097
REVENUES OVER (UNDER) EXPENDITURES	(2,508,410)	(8,588,973)	3,681,459	12,270,432
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	33,429	33,429
Inception of subscription liability	-	-	23,636	23,636
Transfers in	5,633,216	5,633,216	3,794,772	(1,838,444)
Transfers out	(2,066,036)	(2,066,036)	(382,358)	1,683,678
Total other financing sources (uses)	3,567,180	3,567,180	3,469,479	(97,701)
Net change in fund balance	\$ 1,058,770	\$ (5,021,793)	7,150,938	\$ 12,172,731
FUND BALANCE:				
Beginning of year			38,576,146	
End of year			<u>45,727,084</u>	

City of Madera
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedules – General Development Impact Fee Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income	\$ 149,025	\$ 149,025	\$ 288,682	\$ 139,657
Charges for services	3,078,081	3,078,081	3,582,404	504,323
Total revenues	<u>3,227,106</u>	<u>3,227,106</u>	<u>3,871,086</u>	<u>643,980</u>
EXPENDITURES:				
Current:				
Public ways and facilities	6,550	14,375	1,223,881	(1,209,506)
Culture and recreation	-	-	522,558	(522,558)
Capital outlay	2,340,627	2,342,752	674,490	1,668,262
Total expenditures	<u>2,347,177</u>	<u>2,357,127</u>	<u>2,420,929</u>	<u>(63,802)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>879,929</u>	<u>869,979</u>	<u>1,450,157</u>	<u>580,178</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(397,771)	(397,771)	(397,771)	-
Total other financing sources (uses)	<u>(397,771)</u>	<u>(397,771)</u>	<u>(397,771)</u>	<u>-</u>
Net change in fund balance	<u>\$ 482,158</u>	<u>\$ 472,208</u>	1,052,386	<u>\$ 580,178</u>
FUND BALANCE:				
Beginning of year			<u>16,995,595</u>	
End of year			<u>\$ 18,047,981</u>	

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – Measure “T” Sales Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 38,548	\$ 38,548	\$ 277,586	\$ 239,038
Intergovernmental	3,209,972	3,209,972	2,312,989	(896,983)
Total revenues	<u>3,248,520</u>	<u>3,248,520</u>	<u>2,590,575</u>	<u>(657,945)</u>
EXPENDITURES:				
Current:				
Public ways and facilities	1,800	1,800	2,578	(778)
Capital outlay	2,878,386	2,953,393	218,651	2,734,742
Total expenditures	<u>2,880,186</u>	<u>2,955,193</u>	<u>221,229</u>	<u>2,733,964</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>368,334</u>	<u>293,327</u>	<u>2,369,346</u>	<u>2,076,019</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(897,474)	(897,474)	(897,474)	-
Total other financing sources (uses)	<u>(897,474)</u>	<u>(897,474)</u>	<u>(897,474)</u>	<u>-</u>
Net change in fund balance	<u>\$ (529,140)</u>	<u>\$ (604,147)</u>	1,471,872	<u>\$ 2,076,019</u>
FUND BALANCE:				
Beginning of year			12,838,518	
End of year			<u>\$ 14,310,390</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, 2023

Miscellaneous Plan

Measurement period, year ended	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014 ¹
Total pension liability									
Service cost	\$ 1,715,940	\$ 1,606,099	\$ 1,719,344	\$ 1,915,335	\$ 2,074,876	\$ 1,857,394	\$ 1,556,770	\$ 1,515,655	\$ 1,562,632
Interest on total pension liability	6,797,912	6,643,295	6,484,056	6,295,654	5,940,862	5,651,202	5,352,560	5,085,808	4,865,000
Differences between expected and actual experience	(550,819)	(711,985)	(758,426)	1,363,296	1,082,691	1,184,077	337,609	(269,941)	-
Changes in assumptions	3,348,073	-	-	-	(647,285)	4,531,204	-	(1,189,492)	-
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,463,626)	(5,525,027)	(4,890,282)	(4,548,873)	(4,125,431)	(3,877,650)	(3,532,833)	(3,412,481)	(3,247,986)
Net change in total pension liability	5,847,480	2,012,382	2,554,692	5,025,412	4,325,713	9,346,227	3,714,106	1,729,549	3,179,646
Total pension liability - beginning	97,597,059	95,584,677	93,029,985	88,004,573	83,678,860	74,332,633	70,618,527	68,888,978	65,709,332
Total pension liability - ending (a)	\$103,444,539	\$ 97,597,059	\$ 95,584,677	\$ 93,029,985	\$ 88,004,573	\$ 83,678,860	\$ 74,332,633	\$ 70,618,527	\$ 68,888,978
Plan fiduciary net position									
Contributions - employer	3,270,441	3,088,563	2,776,816	2,610,704	2,395,891	\$ 2,329,046	\$ 1,948,033	\$ 1,603,067	\$ 1,465,153
Contributions - employee	719,807	724,414	736,497	798,675	858,755	829,670	775,135	705,875	787,068
Investment income (net of administrative expenses)	(5,929,216)	14,821,011	3,166,226	3,967,331	4,851,004	5,795,462	282,173	1,164,130	7,962,241
Benefit payments	(5,463,626)	(5,525,027)	(4,890,282)	(4,548,873)	(4,125,431)	(3,877,650)	(3,532,833)	(3,412,481)	(3,247,986)
Plan to plan resources	-	-	-	132	(140)	(1,724)	394	-	-
Other	(48,808)	(65,237)	(89,670)	(43,264)	(258,000)	(76,926)	(32,095)	(59,277)	(55,556)
Net change in plan fiduciary net position	(7,451,402)	13,043,724	1,699,587	2,784,705	3,722,079	4,997,878	(559,193)	1,314	6,910,920
Plan fiduciary net position - beginning	78,350,446	65,306,722	63,607,135	60,822,430	57,100,351	52,102,473	52,661,666	52,660,352	45,749,432
Plan fiduciary net position - ending (b)	\$ 70,899,044	\$ 78,350,446	\$ 65,306,722	\$ 63,607,135	\$ 60,822,430	\$ 57,100,351	\$ 52,102,473	\$ 52,661,666	\$ 52,660,352
Net pension liability - ending (a)-(b)	\$ 32,545,495	\$ 19,246,613	\$ 30,277,955	\$ 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	68.54%	80.28%	68.32%	68.37%	69.11%	68.24%	70.09%	74.57%	76.44%
Covered payroll	\$ 9,829,365	\$ 9,543,073	\$ 10,054,641	\$ 11,058,515	\$ 12,035,942	\$ 10,240,349	\$ 9,298,593	\$ 8,909,327	\$ 8,873,549
Net pension liability as a percentage of covered payroll	331.10%	201.68%	301.13%	266.07%	225.84%	259.55%	239.07%	201.55%	182.89%

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, 2023

Measurement period, year ended	Safety Plan								
	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014 ¹
Plan's proportion of the net pension liability	0.343440%	0.390215%	0.318266%	0.317253%	0.319144%	0.314800%	0.324000%	0.340000%	0.337500%
Plan's proportionate share of the net pension liability	\$ 23,599,525	\$ 13,694,549	\$ 21,203,994	\$ 19,804,633	\$ 18,725,928	\$ 18,807,385	\$ 16,778,473	\$ 14,009,122	\$ 12,759,288
Plan's covered payroll	\$ 5,148,829	\$ 4,998,863	\$ 4,853,265	\$ 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 payroll	458.35%	273.95%	436.90%	420.31%	409.34%	424.68%	398.43%	368.90%	325.76%
Plan's fiduciary net position	\$ 53,677,069	\$ 58,522,823	\$ 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	69.46%	81.04%	69.60%	70.82%	44.92%	44.75%	46.68%	53.15%	57.52%
Plan's proportionate share of aggregate employer contributions	\$ 3,055,010	\$ 2,879,830	\$ 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 the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Component Unit - Miscellaneous Plan								
Measurement period, year ended	<u>6/30/2022</u>	<u>6/30/2021</u>	<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> ¹
Plan's proportion of the net pension liability	0.086162%	0.132600%	0.084600%	0.084400%	0.082100%	0.082800%	0.088100%	0.078600%
Plan's proportionate share of the net pension liability	\$ 4,031,725	\$ 2,517,018	\$ 3,389,295	\$ 3,179,336	\$ 3,235,424	\$ 2,875,227	\$ 2,416,697	\$ 1,966,014
Plan's covered payroll	\$ 941,461	\$ 1,191,513	\$ 1,280,623	\$ 1,270,009	\$ 1,140,725	\$ 1,043,730	\$ 982,585	\$ 1,108,052
Plan's proportionate share of the net pension liability as a percentage of covered payroll	428.24%	211.25%	264.66%	250.34%	283.63%	275.48%	245.95%	177.43%
Plan's fiduciary net position	\$ 7,800,039	\$ 8,922,694	\$ 7,134,083	\$ 6,579,986	\$ 5,930,422	\$ 6,264,351	\$ 6,281,657	\$ 5,399,644
Plan's fiduciary net position as a percentage of the total pension liability	51.69%	28.21%	47.51%	48.32%	54.56%	45.90%	38.47%	36.41%
Plan's proportionate share of aggregate employer contributions	\$ 331,109	\$ 336,461	\$ 302,136	\$ 268,409	\$ 238,140	\$ 257,128	\$ 203,184	\$ 239,779

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, 2023

Fiscal Year:	Miscellaneous Plan									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Contractually determined contribution (actuarially determined)	\$ 4,067,253	\$ 3,270,441	\$ 3,088,563	\$ 2,776,816	\$ 2,610,704	\$ 2,395,891	\$ 2,329,046	\$ 1,948,033	\$ 1,603,067	\$ 1,465,153
Contributions in relation to the actuarially determined contributions	(4,067,253)	(3,270,441)	(3,088,563)	(2,776,816)	(2,610,313)	(2,395,891)	(2,329,046)	(1,948,033)	(1,603,067)	(1,397,058)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,124,246	\$ 9,829,365	\$ 9,543,073	\$ 10,054,641	\$ 11,058,515	\$ 12,035,942	\$ 10,240,349	\$ 9,298,593	\$ 8,909,327	\$ 8,873,549
Contributions as a percentage of covered payroll	40.17%	33.27%	32.36%	27.62%	23.60%	19.91%	22.74%	20.95%	17.99%	15.74%

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 2023 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 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, 2023

Fiscal Year:	Safety Plan									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Contractually determined contribution (actuarially determined)	\$ 3,202,253	\$ 3,055,010	\$ 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	(3,202,253)	(3,055,010)	(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,303,294	\$ 5,148,829	\$ 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	60.38%	59.33%	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 2023 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 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, 2023

Component Unit - Miscellaneous Plan								
Fiscal Year:	<u>2021-22</u>	<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>2014-15¹</u>
Contractually determined contribution (actuarially determined)	\$ 331,109	\$ 336,461	\$ 302,136	\$ 268,409	\$ 238,140	\$ 257,128	\$ 203,184	\$ 239,779
Contributions in relation to the actuarially determined contributions	(331,109)	(336,461)	(302,136)	(268,409)	(238,140)	(257,128)	(203,184)	(239,779)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 941,461	\$ 1,191,513	\$ 1,280,623	\$ 1,270,009	\$ 1,140,725	\$ 1,043,730	\$ 982,585	\$ 1,108,052
Contributions as a percentage of covered payroll	35.17%	28.24%	23.59%	21.13%	20.88%	24.64%	20.68%	21.64%

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 2022 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2020 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, 2023

Measurement period, year ending:	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u> ¹
Total OPEB liability						
Service cost	\$ 266,779	\$ 188,828	\$ 159,827	\$ 148,304	\$ 196,158	\$ 165,796
Interest	84,763	95,919	104,757	110,666	97,813	92,870
Changes of benefit terms	(179,263)	-	-	-	(219,769)	
Differences between expected and actual experience	416,211	-	156,277	-	74,529	-
Changes of assumptions	(99,963)	255,972	263,250	183,321	(254,393)	-
Benefit payments, including refunds of member contributions	(145,380)	(92,662)	(196,273)	(132,070)	(89,635)	(111,633)
Net change in total OPEB liability	343,147	448,057	487,838	310,221	(195,297)	147,033
Total OPEB liability - beginning	4,220,323	3,772,266	3,284,428	2,974,207	3,169,504	3,022,471
Total OPEB liability - ending (a)	\$ 4,563,470	\$ 4,220,323	\$ 3,772,266	\$ 3,284,428	\$ 2,974,207	\$ 3,169,504
OPEB fiduciary net position						
Contributions - employer	\$ 145,380	\$ 92,662	\$ 196,273	\$ 132,070	\$ 89,635	\$ 111,633
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(145,380)	(92,662)	(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 4,563,470	\$ 4,220,323	\$ 3,772,266	\$ 3,284,428	\$ 2,974,207	\$ 3,169,504
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 11,444,154	\$ 11,110,829	\$ 10,787,213	\$ 13,763,983	\$ 13,752,967	\$ 13,352,395
Plan net OPEB liability as a percentage of covered-employee payroll	39.88%	37.98%	34.97%	23.86%	21.63%	23.74%

¹ Information only presented from the implementation year

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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 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 patrol a designated area in Madera's downtown and issue 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 separate detailed report by program is available which meets 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 rents collected to fund its operations, and therefore does not impact the General Fund 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 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 assessment proceeds to be used for the construction and implementation of off-site infrastructure improvements. In addition, the Fund accounts for services and administration of assessments received annually.

Capital Projects Funds:

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.

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, 2023

	Special Revenue			
	Special Gas Tax Fund	Business Improvement District	Park Development	Parking District
ASSETS				
Cash and investments	\$ 4,518,212	\$ 2,417	\$ 98,941	\$ 119,291
Accounts receivable, net	-	15,663	-	17,974
Intergovernmental receivable	619,527	-	-	-
Lease receivable	-	-	-	-
Notes receivable	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 5,137,739	\$ 18,080	\$ 98,941	\$ 137,265
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,120,000	\$ 2,417	\$ -	\$ 902
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	1,120,000	2,417	-	902
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	4,017,739	15,663	98,941	136,363
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	4,017,739	15,663	98,941	136,363
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,137,739	\$ 18,080	\$ 98,941	\$ 137,265

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Special Revenue			
	Federal Aid	Street	Landscape	Supplemental
	Urban	Construction	Assessment	Law Enforcement
ASSETS				
Cash and investments	\$ -	\$ -	\$ 509,717	\$ 385,562
Accounts receivable, net	-	-	2,744	56
Intergovernmental receivable	154,125	2,453,431	4,384	111,283
Lease receivable	-	-	-	-
Notes receivable	-	-	-	-
Prepaid items	-	11,330	-	1,027
Land held for resale	-	-	-	-
Total assets	\$ 154,125	\$ 2,464,761	\$ 516,845	\$ 497,928
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,688,667	\$ 1,206	\$ 16,972
Accrued payroll	-	-	-	6
Due to other funds	36,181	378,236	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	36,181	2,066,903	1,206	16,978
Deferred inflows of resources:				
Unavailable revenue	-	1,640,000	-	111,283
Related to leases	-	-	-	-
Total deferred inflows of resources	-	1,640,000	-	111,283
Fund Balances:				
Nonspendable	-	11,330	-	1,027
Restricted	117,944	-	515,639	368,640
Unassigned (deficit)	-	(1,253,472)	-	-
Total fund balances (deficit)	117,944	(1,242,142)	515,639	369,667
Total liabilities deferred inflows of resources, and fund balances	\$ 154,125	\$ 2,464,761	\$ 516,845	\$ 497,928

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Special Revenue			
	Intermodal Building	Economic Development	Residential Rehab	Low and Moderate Income Housing
ASSETS				
Cash and investments	\$ -	\$ 1,545,268	\$ 1,080,131	\$ -
Accounts receivable, net	417	-	14,664	885
Intergovernmental receivable	67,512	-	5,000	-
Lease receivable	16,042	-	-	-
Notes receivable	-	-	7,996,577	7,000
Prepaid items	80	-	-	694
Land held for resale	-	-	-	670,000
Total assets	\$ 84,051	\$ 1,545,268	\$ 9,096,372	\$ 1,292,884
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,161	\$ 156,500	\$ 3,982	\$ -
Accrued payroll	7	-	-	-
Due to other funds	38,560	-	-	343,470
Deposits payable	-	-	-	74
Unearned revenues	-	-	-	-
Total liabilities	41,728	156,500	3,982	343,544
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Related to leases	15,962	-	-	-
Total deferred inflows of resources	15,962	-	-	-
Fund Balances:				
Nonspendable	80	-	-	694
Restricted	26,281	1,388,768	9,092,390	948,646
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	26,361	1,388,768	9,092,390	949,340
Total liabilities, deferred inflows of resources, and fund balances	\$ 84,051	\$ 1,545,268	\$ 9,096,372	\$ 1,292,884

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Special Revenue		Capital Projects	
	Community Facilities Districts	Solar Energy Lease	Streets and Roads	Total Other Governmental Funds
ASSETS				
Cash and investments	\$ 1,297,333	\$ -	\$ 4,028	\$ 9,560,900
Accounts receivable, net	-	-	-	52,403
Intergovernmental receivable	5,031	-	-	3,420,293
Lease receivable	-	-	-	16,042
Notes receivable	-	-	-	8,003,577
Prepaid items	-	-	-	13,131
Land held for resale	-	-	-	670,000
Total assets	\$ 1,302,364	\$ 2,517,025	\$ 4,028	\$ 24,867,676
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,993,807
Accrued payroll	-	-	-	13
Due to other funds	-	3,191,484	-	3,987,931
Deposits payable	-	-	-	74
Unearned revenues	113,851	-	-	113,851
Total liabilities	113,851	3,191,484	-	7,095,676
Deferred inflows of resources:				
Unavailable revenue	-	-	-	1,751,283
Related to leases	-	-	-	15,962
Total deferred inflows of resources	-	-	-	1,767,245
Fund Balances:				
Nonspendable	-	-	-	13,131
Restricted	1,188,513	-	4,028	17,919,555
Unassigned (deficit)	-	(674,459)	-	(1,927,931)
Total fund balances (deficit)	1,188,513	(674,459)	4,028	16,004,755
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,302,364	\$ 2,517,025	\$ 4,028	\$ 24,867,676

(Concluded)

City of Madera
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue			
	Special Gas Tax Fund	Business Improvement District	Park Development	Parking District
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Investment income (loss)	-	-	-	-
Fines and forfeitures	-	-	-	3,845
Intergovernmental	4,194,692	-	-	-
Charges for services	-	19,975	-	17,858
Miscellaneous	-	-	-	-
Total revenues	4,194,692	19,975	-	21,703
EXPENDITURES:				
Current:				
General government	-	18,594	-	16,870
Public protection	-	-	-	-
Public ways and facilities	2	-	-	-
Community development	-	-	-	-
Capital outlay	35,395	-	6,034	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	35,397	18,594	6,034	16,870
REVENUES OVER (UNDER) EXPENDITURES	4,159,295	1,381	(6,034)	4,833
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(1,065,007)	-	-	(9,030)
Total other financing sources (uses)	(1,065,007)	-	-	(9,030)
NET CHANGES IN FUND BALANCES	3,094,288	1,381	(6,034)	(4,197)
FUND BALANCES:				
Beginning of year	923,451	14,282	104,975	140,560
End of year	<u>\$ 4,017,739</u>	<u>\$ 15,663</u>	<u>\$ 98,941</u>	<u>\$ 136,363</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, 2023

	Special Revenue			
	Federal Aid	Street	Landscape	Supplemental
	Urban	Construction	Assessment	Law Enforcement
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	443,140	-
Investment income	-	-	-	2,768
Fines and forfeitures	-	-	-	-
Intergovernmental	422,363	887,216	-	341,213
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	422,363	887,216	443,140	343,981
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public protection	-	-	-	227,051
Public ways and facilities	-	110,872	389,176	-
Community development	-	-	-	-
Capital outlay	208,450	302,127	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	208,450	412,999	389,176	227,051
REVENUES OVER (UNDER) EXPENDITURES	213,913	474,217	53,964	116,930
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(512,000)	(1,421)	-
Total other financing sources (uses)	-	(512,000)	(1,421)	-
NET CHANGES IN FUND BALANCES	213,913	(37,783)	52,543	116,930
FUND BALANCES (DEFICIT):				
Beginning of year	(95,969)	(1,204,359)	463,096	252,737
End of year	<u>\$ 117,944</u>	<u>\$ (1,242,142)</u>	<u>\$ 515,639</u>	<u>\$ 369,667</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, 2023

	Special Revenue			
	Intermodal Building	Economic Development	Residential Rehab	Low and Moderate Income Housing
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Investment income	2,318	25,477	107,691	-
Fines and forfeitures	-	-	-	-
Intergovernmental	91,909	-	1,860	-
Charges for services	26,737	-	-	-
Miscellaneous	-	-	8,701	614,305
Total revenues	120,964	25,477	118,252	614,305
EXPENDITURES:				
Current:				
General government	67,830	-	-	-
Public protection	-	-	-	-
Public ways and facilities	48,895	-	-	-
Community development	-	2,522	117,994	26,813
Capital outlay	-	-	-	552,001
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	116,725	2,522	117,994	578,814
REVENUES OVER (UNDER) EXPENDITURES	4,239	22,955	258	35,491
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(4,326)	-	-	-
Total other financing sources (uses)	(4,326)	-	-	-
NET CHANGES IN FUND BALANCES	(87)	22,955	258	35,491
FUND BALANCES (DEFICIT):				
Beginning of year	26,448	1,365,813	9,092,132	913,849
End of year	<u>\$ 26,361</u>	<u>\$ 1,388,768</u>	<u>\$ 9,092,390</u>	<u>\$ 949,340</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, 2023

	Special Revenue	Capital Projects		Total Other Governmental Funds
	Community Facilities Districts	Solar Energy Lease	Streets and Roads	
REVENUES:				
Property taxes	\$ 894,132	\$ -	\$ -	\$ 894,132
Other taxes	-	-	-	443,140
Investment income	6,643	-	-	144,897
Fines and forfeitures	-	-	-	3,845
Intergovernmental	-	-	-	5,939,253
Charges for services	-	-	-	64,570
Miscellaneous	-	-	-	623,006
Total revenues	900,775	-	-	8,112,843
EXPENDITURES:				
Current:				
General government	5,359	-	-	108,653
Public protection	-	-	-	227,051
Public ways and facilities	-	-	-	548,945
Community development	-	-	-	147,329
Capital outlay	-	-	-	1,104,007
Debt service:				
Principal	-	810,000	-	810,000
Interest and fiscal charges	-	505,220	-	505,220
Total expenditures	5,359	1,315,220	-	3,451,205
REVENUES OVER (UNDER) EXPENDITURES	895,416	(1,315,220)	-	4,661,638
OTHER FINANCING SOURCES (USES):				
Transfers in	-	505,223	4,323	509,546
Transfers out	(316,440)	-	-	(1,908,224)
Total other financing sources (uses)	(316,440)	505,223	4,323	(1,398,678)
NET CHANGES IN FUND BALANCES	578,976	(809,997)	4,323	3,262,960
FUND BALANCES (DEFICIT):				
Beginning of year	609,537	135,538	(295)	12,741,795
End of year	\$ 1,188,513	\$ (674,459)	\$ 4,028	\$ 16,004,755

(Concluded)

City of Madera
Budgetary Comparison Schedule
Special Gas Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,329,273	\$ 3,329,273	\$ 4,194,692	\$ 865,419
Total revenues	<u>3,329,273</u>	<u>3,329,273</u>	<u>4,194,692</u>	<u>865,419</u>
EXPENDITURES:				
Current:				
Public ways and facilities	590,715	590,715	2	590,713
Capital outlay	2,145,612	2,180,155	35,395	2,144,760
Total expenditures	<u>2,736,327</u>	<u>2,770,870</u>	<u>35,397</u>	<u>2,735,473</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>592,946</u>	<u>558,403</u>	<u>4,159,295</u>	<u>3,600,892</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,073,151)	(1,073,151)	(1,065,007)	8,144
Total other financing sources (uses)	<u>(1,073,151)</u>	<u>(1,073,151)</u>	<u>(1,065,007)</u>	<u>8,144</u>
Net change in fund balance	<u><u>\$ (480,205)</u></u>	<u><u>\$ (514,748)</u></u>	3,094,288	<u><u>\$ 3,609,036</u></u>
FUND BALANCE:				
Beginning of year			<u>923,451</u>	
End of year			<u><u>\$ 4,017,739</u></u>	

City of Madera
Budgetary Comparison Schedule
Business Improvement District Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 24,371	\$ 24,371	\$ 19,975	\$ (4,396)
Total revenues	<u>24,371</u>	<u>24,371</u>	<u>19,975</u>	<u>(4,396)</u>
EXPENDITURES:				
Current:				
General government	23,801	23,801	18,594	5,207
Total expenditures	<u>23,801</u>	<u>23,801</u>	<u>18,594</u>	<u>5,207</u>
Net change in fund balance	<u>\$ 570</u>	<u>\$ 570</u>	1,381	<u>\$ 811</u>
FUND BALANCE:				
Beginning of year			<u>14,282</u>	
End of year			<u>\$ 15,663</u>	

City of Madera
Budgetary Comparison Schedule
Parking Development Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
EXPENDITURES:				
Capital outlay	\$ 15,059	\$ 15,059	\$ 6,034	\$ 9,025
Total expenditures	<u>15,059</u>	<u>15,059</u>	<u>6,034</u>	<u>9,025</u>
Net change in fund balance	<u>\$ (15,059)</u>	<u>\$ (15,059)</u>	(6,034)	<u>\$ 9,025</u>
FUND BALANCE:				
Beginning of year			<u>104,975</u>	
End of year			<u>\$ 98,941</u>	

City of Madera
Budgetary Comparison Schedule
Parking District Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 19,797	\$ 19,797	\$ 3,845	\$ (15,952)
Charges for services	21,334	21,334	17,858	(3,476)
Total revenues	<u>41,131</u>	<u>41,131</u>	<u>21,703</u>	<u>(19,428)</u>
EXPENDITURES:				
Current:				
General government	34,403	34,403	16,870	17,533
Total expenditures	<u>34,403</u>	<u>34,403</u>	<u>16,870</u>	<u>17,533</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>6,728</u>	<u>6,728</u>	<u>4,833</u>	<u>(1,895)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(9,030)	(9,030)	(9,030)	-
Total other financing sources (uses)	<u>(9,030)</u>	<u>(9,030)</u>	<u>(9,030)</u>	<u>-</u>
Net change in fund balance	<u>\$ (2,302)</u>	<u>\$ (2,302)</u>	<u>(4,197)</u>	<u>\$ (1,895)</u>
FUND BALANCE:				
Beginning of year			<u>140,560</u>	
End of year			<u>\$ 136,363</u>	

City of Madera
Budgetary Comparison Schedule
Federal Aid Urban Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,293,021	\$ 3,293,021	\$ 422,363	\$ (2,870,658)
Total revenues	<u>3,293,021</u>	<u>3,293,021</u>	<u>422,363</u>	<u>(2,870,658)</u>
EXPENDITURES:				
Current:				
Capital outlay	2,257,782	2,309,971	208,450	2,101,521
Total expenditures	<u>2,257,782</u>	<u>2,309,971</u>	<u>208,450</u>	<u>2,101,521</u>
Net change in fund balance	<u>\$ 1,035,239</u>	<u>\$ 983,050</u>	213,913	<u>\$ (769,137)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(95,969)	
End of year			<u>\$ 117,944</u>	

City of Madera
Budgetary Comparison Schedule
Street Construction Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,086,290	\$ 3,086,290	\$ 887,216	\$ (2,199,074)
Total revenues	<u>3,086,290</u>	<u>3,086,290</u>	<u>887,216</u>	<u>(2,199,074)</u>
EXPENDITURES:				
Current:				
Public ways and facilities	-	129,250	110,872	18,378
Capital outlay	<u>1,952,040</u>	<u>2,112,945</u>	<u>302,127</u>	<u>1,810,818</u>
Total expenditures	<u>1,952,040</u>	<u>2,242,195</u>	<u>412,999</u>	<u>1,829,196</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,134,250</u>	<u>844,095</u>	<u>474,217</u>	<u>(369,878)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(512,000)</u>	<u>(512,000)</u>	<u>(512,000)</u>	<u>-</u>
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>\$ 622,250</u>	<u>\$ 332,095</u>	<u>(37,783)</u>	<u>\$ (369,878)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(1,204,359)</u>	
End of year			<u>\$ (1,242,142)</u>	

City of Madera
Budgetary Comparison Schedule
Landscape Assessment Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Other taxes	\$ 417,383	\$ 417,383	\$ 443,140	\$ 25,757
Total revenues	<u>417,383</u>	<u>417,383</u>	<u>443,140</u>	<u>25,757</u>
EXPENDITURES:				
Current:				
Public ways and facilities	405,269	405,269	389,176	16,093
Total expenditures	<u>405,269</u>	<u>405,269</u>	<u>389,176</u>	<u>16,093</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>12,114</u>	<u>12,114</u>	<u>53,964</u>	<u>41,850</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,421)	(1,421)	(1,421)	-
Total other financing sources (uses)	<u>(1,421)</u>	<u>(1,421)</u>	<u>(1,421)</u>	<u>-</u>
Net change in fund balance	<u>\$ 10,693</u>	<u>\$ 10,693</u>	52,543	<u>\$ 41,850</u>
FUND BALANCE:				
Beginning of year			<u>463,096</u>	
End of year			<u>\$ 515,639</u>	

City of Madera
Budgetary Comparison Schedule
Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 1,235	\$ 1,235	\$ 2,768	\$ 1,533
Intergovernmental	162,899	267,899	341,213	73,314
Total revenues	<u>164,134</u>	<u>269,134</u>	<u>343,981</u>	<u>74,847</u>
EXPENDITURES:				
Current:				
Public protection	204,719	309,719	227,051	82,668
Total expenditures	<u>204,719</u>	<u>309,719</u>	<u>227,051</u>	<u>82,668</u>
Net change in fund balance	<u>\$ (40,585)</u>	<u>\$ (40,585)</u>	116,930	<u>\$ 157,515</u>
FUND BALANCE:				
Beginning of year			<u>252,737</u>	
End of year			<u>\$ 369,667</u>	

City of Madera
Budgetary Comparison Schedule
Intermodal Building Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ -	\$ -	\$ 2,318	\$ 2,318
Intergovernmental	50,000	50,000	91,909	41,909
Charges for services	38,180	38,180	26,737	(11,443)
Total revenues	<u>88,180</u>	<u>88,180</u>	<u>120,964</u>	<u>32,784</u>
EXPENDITURES:				
Current:				
General government	66,896	66,896	67,830	(934)
Public ways and facilities	40,009	40,009	48,895	(8,886)
Total expenditures	<u>106,905</u>	<u>106,905</u>	<u>116,725</u>	<u>(9,820)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(18,725)</u>	<u>(18,725)</u>	<u>4,239</u>	<u>22,964</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,326)	(4,326)	(4,326)	-
Total other financing sources (uses)	<u>(4,326)</u>	<u>(4,326)</u>	<u>(4,326)</u>	<u>-</u>
Net change in fund balance	<u>\$ (23,051)</u>	<u>\$ (23,051)</u>	(87)	<u>\$ 22,964</u>
FUND BALANCE:				
Beginning of year			<u>26,448</u>	
End of year			<u>\$ 26,361</u>	

City of Madera
Budgetary Comparison Schedule
Economic Development Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 11,377	\$ 11,377	\$ 25,477	\$ 14,100
Total revenues	<u>11,377</u>	<u>11,377</u>	<u>25,477</u>	<u>14,100</u>
EXPENDITURES:				
Current:				
Community development	2,324	2,324	2,522	(198)
Total expenditures	<u>2,324</u>	<u>2,324</u>	<u>2,522</u>	<u>(198)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>9,053</u>	<u>9,053</u>	<u>22,955</u>	<u>13,902</u>
Net change in fund balance	<u>\$ 9,053</u>	<u>\$ 9,053</u>	22,955	<u>\$ 13,902</u>
FUND BALANCE:				
Beginning of year			<u>1,365,813</u>	
End of year			<u>\$ 1,388,768</u>	

City of Madera
Budgetary Comparison Schedule
Residential Rehab Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 414,944	\$ 414,944	\$ 107,691	\$ (307,253)
Intergovernmental	-	-	1,860	1,860
Miscellaneous	24,431	24,431	8,701	(15,730)
Total revenues	<u>439,375</u>	<u>439,375</u>	<u>118,252</u>	<u>(321,123)</u>
EXPENDITURES:				
Current:				
Community development	117,711	126,820	117,994	8,826
Total expenditures	<u>117,711</u>	<u>126,820</u>	<u>117,994</u>	<u>8,826</u>
Net change in fund balance	<u>\$ 321,664</u>	<u>\$ 312,555</u>	258	<u>\$ (312,297)</u>
FUND BALANCE:				
Beginning of year			9,092,132	
End of year			<u>\$ 9,092,390</u>	

City of Madera
Budgetary Comparison Schedule
Low and Moderate Income Housing Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 194,750	\$ 194,750	\$ -	\$ (194,750)
Miscellaneous	7,000	7,000	614,305	607,305
Total revenues	<u>201,750</u>	<u>201,750</u>	<u>614,305</u>	<u>412,555</u>
EXPENDITURES:				
Current:				
Community development	650	36,650	26,813	9,837
Capital outlay	1,686,384	2,136,384	552,001	1,584,383
Total expenditures	<u>1,687,034</u>	<u>2,173,034</u>	<u>578,814</u>	<u>1,594,220</u>
Net change in fund balance	<u>\$ (1,485,284)</u>	<u>\$ (1,971,284)</u>	35,491	<u>\$ 2,006,775</u>
FUND BALANCE:				
Beginning of year			<u>913,849</u>	
End of year			<u>\$ 949,340</u>	

City of Madera
Budgetary Comparison Schedule
Community Facilities District Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Property taxes	\$ 493,035	\$ 493,035	\$ 894,132	\$ 401,097
Investment income (loss)	3,739	3,739	6,643	2,904
Total revenues	<u>496,774</u>	<u>496,774</u>	<u>900,775</u>	<u>404,001</u>
EXPENDITURES:				
Current:				
General government	6,303	6,303	5,359	944
Total expenditures	<u>6,303</u>	<u>6,303</u>	<u>5,359</u>	<u>944</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>490,471</u>	<u>490,471</u>	<u>895,416</u>	<u>404,945</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(316,440)	(316,440)	(316,440)	-
Total other financing sources (uses)	<u>(316,440)</u>	<u>(316,440)</u>	<u>(316,440)</u>	<u>-</u>
Net change in fund balance	<u>\$ 174,031</u>	<u>\$ 174,031</u>	578,976	<u>\$ 404,945</u>
FUND BALANCE:				
Beginning of year			609,537	
End of year			<u>\$ 1,188,513</u>	

Non-Major Enterprise Funds

Local Transit Fund - This fund is used to account for the activities of the City's public transit operations.

Golf Course Fund - This fund is used to account for the activities of the City's golf course operations.

Airport Fund - This fund is used to account for the activities of the City's airport operations.

City of Madera
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2023

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ -	\$ 1,092,013	\$ 1,092,013
Accounts receivable, net	-	16,670	35,443	52,113
Intergovernmental receivable	1,409,265	-	31,775	1,441,040
Lease receivable - due within one year	-	-	36,784	36,784
Prepaid items	358	-	9,721	10,079
Total current assets	<u>1,409,623</u>	<u>16,670</u>	<u>1,205,736</u>	<u>2,632,029</u>
Noncurrent assets:				
Lease receivable - due in more than one year	-	-	822,162	822,162
Capital assets:				
Non-depreciable	323,583	146,933	4,087,640	4,558,156
Depreciable, net	7,810,439	1,881,928	7,268,219	16,960,586
Total capital assets	<u>8,134,022</u>	<u>2,028,861</u>	<u>11,355,859</u>	<u>21,518,742</u>
Total noncurrent assets	<u>8,134,022</u>	<u>2,028,861</u>	<u>12,178,021</u>	<u>22,340,904</u>
Total assets	<u>9,543,645</u>	<u>2,045,531</u>	<u>13,383,757</u>	<u>24,972,933</u>
DEFERRED OUTFLOW OF RESOURCES				
Related to OPEB	-	-	4,540	4,540
Related to pensions	298,622	-	81,892	380,514
Total deferred outflow of resources	<u>298,622</u>	<u>-</u>	<u>86,432</u>	<u>385,054</u>
LIABILITIES				
Current liabilities:				
Accounts payable	27,287	-	417,314	444,601
Accrued payroll	2,313	-	6	2,319
Due to other funds	1,255,040	563,534	-	1,818,574
Interest payable	-	1,707	-	1,707
Deposits payable	-	-	14,065	14,065
Compensated absences - due within one year	21,996	-	7,289	29,285
Long-term debt - due within one year	-	161,800	-	161,800
Total current liabilities	<u>1,306,636</u>	<u>727,041</u>	<u>438,674</u>	<u>2,472,351</u>
Noncurrent liabilities:				
Advances from other funds	-	12,240	-	12,240
Total OPEB liability	-	-	19,094	19,094
Aggregate net pension liability	1,016,682	-	278,808	1,295,490
Compensated absences - due in more than one year	4,948	-	3,584	8,532
Total noncurrent liabilities	<u>1,021,630</u>	<u>12,240</u>	<u>301,486</u>	<u>1,335,356</u>
Total liabilities	<u>2,328,266</u>	<u>739,281</u>	<u>740,160</u>	<u>3,807,707</u>
DEFERRED INFLOWS OF RESOURCES				
Related to service concession arrangement	-	16,670	-	16,670
Related to leases	-	-	845,189	845,189
Related to OPEB	-	-	787	787
Related to pensions	15,457	-	4,239	19,696
Total deferred inflows of resources	<u>15,457</u>	<u>16,670</u>	<u>850,215</u>	<u>882,342</u>
NET POSITION				
Net investment in capital assets	8,134,022	1,867,061	11,355,859	21,356,942
Unrestricted (deficit)	(635,478)	(577,481)	523,955	(689,004)
Total net position	<u>\$ 7,498,544</u>	<u>\$ 1,289,580</u>	<u>\$ 11,879,814</u>	<u>\$ 20,667,938</u>

City of Madera
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2023

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 2,994,770	\$ 84,107	\$ 348,230	\$ 3,427,107
Miscellaneous revenue	1,856	-	136,078	137,934
Total operating revenues	2,996,626	84,107	484,308	3,565,041
OPERATING EXPENSES:				
Salaries and benefits	1,119,584	-	247,560	1,367,144
General and administrative	1,900,123	64,083	311,788	2,275,994
Supplies and miscellaneous	456,412	-	28,680	485,092
Parts and supplies	-	-	322,965	322,965
Utilities	-	-	18,331	18,331
Depreciation	428,319	-	297,676	725,995
Total operating expenses	3,904,438	64,083	1,227,000	5,195,521
OPERATING INCOME (LOSS)	(907,812)	20,024	(742,692)	(1,630,480)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	2,691	20	45,112	47,823
Property taxes	-	-	96,082	96,082
Interest expense	-	(11,910)	(634)	(12,544)
Total nonoperating revenues (expenses)	2,691	(11,890)	140,560	131,361
(LOSS) BEFORE TRANSFERS	(905,121)	8,134	(602,132)	(1,499,119)
TRANSFERS				
Capital contributions	13,819	-	-	13,819
Capital grants	572,961	-	-	572,961
Transfers in	-	298,804	-	298,804
Transfers out	(61,704)	-	(17,672)	(79,376)
Total transfers	525,076	298,804	(17,672)	806,208
Changes in net position	(380,045)	306,938	(619,804)	(692,911)
NET POSITION:				
Beginning of year	7,878,589	982,642	12,499,618	21,360,849
End of year	<u>\$ 7,498,544</u>	<u>\$ 1,289,580</u>	<u>\$ 11,879,814</u>	<u>\$ 20,667,938</u>

City of Madera
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2023

	Local Transit Fund	Golf Course Fund	Airport Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 2,115,312	\$ 84,125	\$ 350,951	\$ 2,550,388
Cash payments to suppliers for goods and services	(2,492,105)	(64,083)	(276,347)	(2,832,535)
Cash payments to employees for services	(618,118)	-	(173,562)	(791,680)
Receipts from other operating revenues	1,856	-	136,078	137,934
Net cash provided by (used in) operating activities	(993,055)	20,042	37,120	(935,893)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	-	-	96,082	96,082
Advances from other funds	-	(24,480)	-	(24,480)
Due to other funds	977,355	34,458	-	1,011,813
Transfers from other funds	-	298,804	-	298,804
Transfers to other funds	(61,704)	-	(17,672)	(79,376)
Net cash provided by (used in) noncapital financing activities	915,651	308,782	78,410	1,302,843
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	572,961	-	-	572,961
Acquisition of capital assets	(498,248)	-	(511,320)	(1,009,568)
Principal payment of long-term debt	-	(316,100)	(315,876)	(631,976)
Interest paid on debt	-	(12,744)	(1,717)	(14,461)
Net cash provided by (used in) capital and related financing activities	74,713	(328,844)	(828,913)	(1,083,044)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest from investments	2,691	20	45,112	47,823
Net cash provided by investing activities	2,691	20	45,112	47,823
Net change in cash and cash equivalents	-	-	(668,271)	(668,271)
CASH AND CASH EQUIVALENTS:				
Beginning of year	-	-	1,760,284	1,760,284
End of year	\$ -	\$ -	\$ 1,092,013	\$ 1,092,013

(Continued)

City of Madera
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
For the Year Ended June 30, 2023

	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)	\$ (907,812)	\$ 20,024	\$ (742,692)	\$ (1,630,480)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	428,319	-	297,676	725,995
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	-	-	(12,251)	(12,251)
Intergovernmental receivable	(879,458)	-	22,369	(857,089)
Lease receivable	-	16,646	36,122	52,768
Prepaid items	343	-	(705)	(362)
Deferred outflows - OPEB related	-	-	(1,205)	(1,205)
Deferred outflows - pension related	(250,335)	-	(51,424)	(301,759)
Accounts payable	(135,913)	-	406,122	270,209
Accrued payroll	(12,375)	-	(4,022)	(16,397)
Deposits payable	-	-	(100)	(100)
Compensated absences	(7,418)	-	(98)	(7,516)
Aggregate net pension liability	852,775	-	162,672	1,015,447
Total OPEB liability	-	-	1,436	1,436
Deferred inflows - lease related	-	(16,628)	(43,419)	(60,047)
Deferred inflows - OPEB related	-	-	248	248
Deferred inflows - pension related	(81,181)	-	(33,609)	(114,790)
Total adjustments	(85,243)	18	779,812	694,587
Net cash provided by (used in) operating activities	\$ (993,055)	\$ 20,042	\$ 37,120	\$ (935,893)

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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's 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, 2023

	Fleet Maintenance	Facilities Maintenance	Technology	Total
ASSETS				
Current assets:				
Cash and investments	\$ 3,358,487	\$ 1,532,333	\$ 840,577	\$ 5,731,397
Accounts receivable, net	7,481	6,230	666	14,377
Prepaid items	-	-	57,675	57,675
Total current assets	3,365,968	1,538,563	898,918	5,803,449
Noncurrent assets:				
Capital assets:				
Non-depreciable	3,026	-	-	3,026
Depreciable, net	3,575,159	3,684	395,365	3,974,208
Total capital assets	3,578,185	3,684	395,365	3,977,234
Total noncurrent assets	3,578,185	3,684	395,365	3,977,234
Total assets	6,944,153	1,542,247	1,294,283	9,780,683
DEFERRED OUTFLOW OF RESOURCES				
Related to OPEB	27,242	36,323	18,162	81,727
Related to pensions	281,693	563,181	333,088	1,177,962
Total deferred outflow of resources	308,935	599,504	351,250	1,259,689
LIABILITIES				
Current liabilities:				
Accounts payable	148,991	82,331	-	231,322
Accrued payroll	18	49	24	91
Compensated absences - due within one year	28,793	85,173	28,026	141,992
Long-term debt, due within one year	-	-	94,498	94,498
Total current liabilities	177,802	167,553	122,548	467,903
Noncurrent liabilities:				
Total OPEB liability	114,564	152,752	76,376	343,692
Aggregate net pension liability	959,047	1,917,401	1,134,027	4,010,475
Compensated absences - due in more than one year	15,216	34,184	10,499	59,899
Long term debt - due in more than one year	-	-	96,792	96,792
Total noncurrent liabilities	1,088,827	2,104,337	1,317,694	4,510,858
Total liabilities	1,266,629	2,271,890	1,440,242	4,978,761
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	4,721	6,295	3,148	14,164
Related to pensions	14,581	29,151	17,241	60,973
Total deferred inflows of resources	19,302	35,446	20,389	75,137
NET POSITION				
Investment in capital assets	3,578,185	3,684	395,365	3,977,234
Unrestricted (deficit)	2,388,972	(169,269)	(210,463)	2,009,240
Total net position (deficit)	\$ 5,967,157	\$ (165,585)	\$ 184,902	\$ 5,986,474

City of Madera
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2023

	Fleet Maintenance	Facilities Maintenance	Technology	Total
OPERATING REVENUES:				
Charges for services	\$ 1,980,070	\$ 2,126,458	\$ 1,372,691	\$ 5,479,219
Miscellaneous revenue	28,309	316	218	28,843
Total operating revenues	2,008,379	2,126,774	1,372,909	5,508,062
OPERATING EXPENSES:				
Salaries and benefits	618,454	1,750,688	965,077	3,334,219
General and administrative	232,659	255,499	415,817	903,975
Supplies and miscellaneous	240,275	85,403	3,823	329,501
Parts and supplies	-	-	157,958	157,958
Utilities	1,053	463,337	11,795	476,185
Amortization	-	-	-	-
Depreciation and amortization	566,191	1,263	111,483	678,937
Total operating expenses	1,658,632	2,556,190	1,665,953	5,880,775
OPERATING INCOME	349,747	(429,416)	(293,044)	(372,713)
NONOPERATING REVENUES (EXPENSES):				
Interest expense	-	-	(1,143)	(1,143)
Total nonoperating revenues (expenses)	-	-	(1,143)	(1,143)
INCOME (LOSS) BEFORE TRANSFERS	349,747	(429,416)	(294,187)	(373,856)
TRANSFERS:				
Transfers in	57,000	-	-	57,000
Transfers out	(58,036)	(103,742)	(10,299)	(172,077)
Total transfers	(1,036)	(103,742)	(10,299)	(115,077)
Changes in net position	348,711	(533,158)	(304,486)	(488,933)
NET POSITION (DEFICIT):				
Beginning of year	5,618,446	367,573	489,388	6,475,407
End of year	<u>\$ 5,967,157</u>	<u>\$ (165,585)</u>	<u>\$ 184,902</u>	<u>\$ 5,986,474</u>

City of Madera
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2023

	Fleet Maintenance	Facilities Maintenance	Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,978,297	\$ 2,120,497	\$ 1,372,025	\$ 5,470,819
Cash payments to suppliers for goods and services	(381,505)	(825,439)	(628,503)	(1,835,447)
Cash payments to employees for services	(448,861)	(1,163,997)	(637,825)	(2,250,683)
Receipts from other operating activities	28,309	316	218	28,843
Net cash provided by operating activities	1,176,240	131,377	105,915	1,413,532
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	57,000	-	-	57,000
Transfers to other funds	(58,036)	(103,742)	(10,299)	(172,077)
Net cash (used in) noncapital financing activities	(1,036)	(103,742)	(10,299)	(115,077)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(310,975)	-	(13,184)	(324,159)
Principal payment of long-term debt	-	-	(97,405)	(97,405)
Interest paid on debt	-	-	(1,143)	(1,143)
Net cash (used in) capital and related financing activities	(310,975)	-	(111,732)	(422,707)
Net change in cash and cash equivalents	864,229	27,635	(16,116)	875,748
CASH AND CASH EQUIVALENTS:				
Beginning of year	2,494,258	1,504,698	856,693	4,855,649
End of year	\$ 3,358,487	\$ 1,532,333	\$ 840,577	\$ 5,731,397

(Continued)

City of Madera
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2023

	Fleet Maintenance	Facilities Maintenance	Technology	Total
RECONCILIATION OF OPERATING INCOME				
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 349,747	\$ (429,416)	\$ (293,044)	\$ (372,713)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	566,191	1,263	111,483	678,937
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(1,773)	(5,961)	(666)	(8,400)
Prepaid items	27,329	32	44,291	71,652
Deferred outflows - OPEB related	(7,230)	(9,641)	(4,821)	(21,692)
Deferred outflows -pension related	(151,349)	(377,097)	(235,224)	(763,670)
Accounts payable	65,153	(21,232)	(83,401)	(39,480)
Accrued payroll	(9,344)	(24,728)	(11,499)	(45,571)
Compensated absences	(5,530)	17,001	(17,303)	(5,832)
Aggregate net pension liability	430,993	1,149,131	712,895	2,293,019
Total OPEB liability	8,614	11,486	5,743	25,843
Deferred inflows - OPEB related	1,488	1,985	993	4,466
Deferred inflows - pension related	(98,049)	(181,446)	(123,532)	(403,027)
Total adjustments	826,493	560,793	398,959	1,786,245
Net cash provided by operating activities	\$ 1,176,240	\$ 131,377	\$ 105,915	\$ 1,413,532

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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 held as deposits on behalf of others.

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, 2023

	General Deposit Fund	Community Facilities Districts	Total
ASSETS			
Cash and investments	\$ 2,499,300	\$ 343,174	\$ 2,842,474
Accounts receivable, net	-	1,658	1,658
Prepaid items	-	925	925
Restricted cash and investments with fiscal agents	-	48,600	48,600
Total assets	2,499,300	394,357	2,893,657
LIABILITIES			
Accounts payable	\$ 16,259	\$ -	\$ 16,259
Due to City	614,305	-	614,305
Total liabilities	630,564	-	630,564
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	1,868,736	394,357	2,263,093
Total net position	\$ 1,868,736	\$ 394,357	\$ 2,263,093

City of Madera
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

	General Deposit Fund	Community Facilities Districts	Total
ADDITIONS:			
Special assessments for other governments	\$ -	\$ 184,968	\$ 184,968
Investment income (loss)	128,204	3,765	131,969
Total additions	128,204	188,733	316,937
DEDUCTIONS:			
Administration	-	9,780	9,780
Payments on conduit bonds - principal	-	88,740	88,740
Payments on conduit bonds - interest	-	80,916	80,916
Total deductions	-	179,436	179,436
Changes in net position	128,204	9,297	137,501
NET POSITION:			
Beginning of year	1,740,532	385,060	2,125,592
End of year	<u>\$ 1,868,736</u>	<u>\$ 394,357</u>	<u>\$ 2,263,093</u>

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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.

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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				
	2023	2022	2021	2020	2019
Governmental activities					
Net investment in capital assets,	\$ 173,636,768	\$ 177,369,996	\$ 178,947,614	\$ 160,970,918	\$ 172,189,172
Restricted	50,277,926	44,524,605	46,349,016	55,679,367	44,311,906
Unrestricted	16,130,158	1,380,440	(9,774,183)	(10,495,207)	(12,968,431)
Total governmental activities net position	\$ 240,044,852	\$ 223,275,041	\$ 215,522,447	\$ 206,155,078	\$ 203,532,647
Business type activities					
Net investment in capital assets	\$ 65,561,102	\$ 65,475,770	\$ 65,967,085	\$ 64,433,636	\$ 61,048,060
Restricted	2,579,539	1,794,447	963,474	1,166,101	4,940,553
Unrestricted	43,636,832	41,013,126	33,447,161	26,306,961	17,336,248
Total business type activities net position	\$ 111,777,473	\$ 108,283,343	\$ 100,377,720	\$ 91,906,698	\$ 83,324,861
Primary government					
Net investment in capital assets	\$ 239,197,870	\$ 242,845,766	\$ 244,914,699	\$ 225,404,554	\$ 233,237,232
Restricted	52,857,465	46,319,052	47,312,490	56,845,468	49,252,459
Unrestricted	59,766,990	42,393,566	23,672,978	15,811,754	4,367,817
Total primary government net position	\$ 351,822,325	\$ 331,558,384	\$ 315,900,167	\$ 298,061,776	\$ 286,857,508

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

	Fiscal Years				
	2018	2017	2016	2015	2014
Governmental activities					
Net investment in capital assets	\$ 176,114,816	\$ 178,119,000	\$ 178,483,617	\$ 182,403,676	\$ 185,644,703
Restricted	37,033,179	34,863,951	32,193,071	32,671,232	32,451,846
Unrestricted	(10,128,387)	(9,560,807)	(11,207,039)	(14,435,936)	12,294,870
Total governmental activities net position	<u>\$ 203,019,608</u>	<u>\$ 203,422,144</u>	<u>\$ 199,469,649</u>	<u>\$ 200,638,972</u>	<u>\$ 230,391,419</u>
Business type activities					
Net investment in capital assets	\$ 58,537,120	\$ 58,792,617	\$ 57,639,498	\$ 58,455,927	\$ 60,056,090
Restricted	1,125,151	1,076,451	-	-	-
Unrestricted	15,846,498	13,966,875	17,152,594	15,542,964	19,739,870
Total business type activities net position	<u>\$ 75,508,769</u>	<u>\$ 73,835,943</u>	<u>\$ 74,792,092</u>	<u>\$ 73,998,891</u>	<u>\$ 79,795,960</u>
Primary government					
Net investment in capital assets	\$ 234,651,936	\$ 236,911,617	\$ 236,123,115	\$ 240,859,603	\$ 245,700,793
Restricted	38,158,330	35,940,402	32,193,071	32,671,232	32,451,846
Unrestricted	5,718,111	4,406,068	5,945,555	1,107,028	32,034,740
Total primary government net position	<u>\$ 278,528,377</u>	<u>\$ 277,258,087</u>	<u>\$ 274,261,741</u>	<u>\$ 274,637,863</u>	<u>\$ 310,187,379</u>

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

	Fiscal Years				
	2023	2022	2021	2020	2019
Expenses					
Governmental activities:					
General government	\$ 8,709,507	\$ 9,503,665	\$ 9,700,357	\$ 9,574,371	\$ 9,703,723
Public protection	19,843,489	21,670,917	18,826,073	20,182,145	18,983,486
Social services	(12,583)	1,061,114	133,639	422,270	330,498
Public ways and facilities	3,690,713	5,320,754	3,741,698	7,369,948	5,478,070
Culture and recreation	4,195,329	5,136,917	5,993,699	4,056,088	4,525,133
Community development	4,670,551	3,158,176	3,509,000	4,654,520	4,492,799
Interest on long-term debt	643,406	671,356	692,894	509,977	210,504
Total governmental activities expenses	41,740,412	46,522,899	42,597,360	46,769,319	43,724,213
Business type activities:					
Water	9,595,209	7,317,498	7,427,430	8,295,137	7,654,315
Sewer	12,320,078	8,737,728	9,216,976	10,038,430	9,924,665
Solid waste	9,379,389	6,146,265	5,758,119	5,875,225	6,056,309
Drainage operations	1,241,082	929,265	943,353	1,110,864	1,149,676
Local transit	3,904,438	3,104,405	2,499,127	2,403,789	2,321,063
Golf course	75,993	85,044	94,635	103,861	120,763
Airport	1,227,634	883,402	787,373	801,043	842,652
Total business type activities expenses	37,743,823	27,203,607	26,727,013	28,628,349	28,069,443
Total primary government expenses	\$ 79,484,235	\$ 73,726,506	\$ 69,324,373	\$ 75,397,668	\$ 71,793,656
Program Revenues					
Governmental activities:					
Program revenues:					
General government	\$ 806,808	\$ 951,582	\$ 1,174,107	\$ 242,424	\$ 6,223,401
Public protection	1,654,817	1,583,277	1,906,334	2,492,680	1,498,740
Social services	-	-	-	42,549	45,159
Public ways and facilities	15,013,053	11,479,145	10,910,045	9,246,144	10,385,688
Community development	3,868,158	4,842,711	5,645,305	2,866,097	3,434,002
Culture and recreation	1,225,283	638,302	1,048,539	696,197	941,359
Total governmental activities program revenues	22,568,119	19,495,017	20,684,330	15,586,091	22,528,349
Business type activities:					
Program revenues:					
Water	12,178,109	13,727,980	13,538,219	12,414,215	12,323,836
Sewer	11,734,950	10,921,383	11,352,608	10,797,565	10,352,115
Solid waste	8,288,152	6,096,051	5,890,825	5,982,010	5,890,085
Drainage operations	1,078,836	1,510,375	1,070,277	869,502	938,423
Local transit	3,581,550	2,842,877	2,398,029	5,873,660	4,316,816
Golf course	84,107	74,712	78,053	101,734	95,889
Airport	348,230	442,548	617,608	581,739	579,745
Total business type activities program revenues	37,293,934	35,615,926	34,945,619	36,620,425	34,496,909
Total primary government program revenues	\$ 59,862,053	\$ 55,110,943	\$ 55,629,949	\$ 52,206,516	\$ 57,025,258
Net (Expense)/Revenue					
Governmental activities	\$ (19,172,293)	\$ (27,027,882)	\$ (21,913,030)	\$ (31,183,228)	\$ (21,195,864)
Business type activities	(449,889)	8,412,319	8,218,606	7,992,076	6,427,466
Total primary government net expense	\$ (19,622,182)	\$ (18,615,563)	\$ (13,694,424)	\$ (23,191,152)	\$ (14,768,398)

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

	Fiscal Years				
	2018	2017	2016	2015	2014
Expenses					
Governmental activities:					
General government	\$ 8,697,525	\$ 7,692,256	\$ 8,890,092	\$ 11,483,880	\$ 11,482,393
Public protection	18,425,675	12,903,321	14,722,091	13,759,629	13,358,929
Social services	346,863	303,015	182,286	331,774	517,537
Public ways and facilities	5,081,612	4,607,237	6,852,731	3,695,605	3,766,236
Culture and recreation	4,744,555	4,421,827	4,451,155	4,335,983	3,814,936
Community development	4,022,163	3,029,515	5,249,438	5,812,948	5,478,644
Interest on long-term debt	74,490	110,856	280,037	258,764	269,845
Total governmental activities expenses	41,392,883	33,068,027	40,627,830	39,678,583	38,688,520
Business type activities:					
Water	9,262,549	10,066,546	5,590,810	5,668,873	4,788,350
Sewer	9,854,304	8,758,885	8,476,744	7,573,475	7,318,263
Solid waste	5,811,095	6,305,944	4,936,291	4,675,782	4,326,840
Drainage operations	887,698	956,287	1,024,498	900,903	933,506
Local transit	2,166,293	2,184,533	2,051,814	1,996,563	1,827,194
Golf course	199,012	115,882	74,596	122,102	66,651
Airport	1,163,134	893,106	852,560	871,796	687,228
Total business type activities expenses	29,344,085	29,281,183	23,007,313	21,809,494	19,948,032
Total primary government expenses	\$ 70,736,968	\$ 62,349,210	\$ 63,635,143	\$ 61,488,077	\$ 58,636,552
Program Revenues					
Governmental activities:					
Program revenues:					
General government	\$ 5,727,717	\$ 5,526,628	\$ 6,996,758	\$ 8,763,455	\$ 7,894,884
Public protection	1,268,539	1,160,181	1,414,790	1,558,094	1,820,803
Social services	87,568	82,637	69,314	80,730	111,223
Public ways and facilities	6,320,845	7,164,876	7,865,237	7,432,036	14,609,971
Community development	2,831,560	3,085,754	3,833,881	5,481,186	9,596,690
Culture and recreation	837,220	934,173	1,529,999	996,481	836,826
Total governmental activities program revenues	17,073,449	17,954,249	21,709,979	24,311,982	34,870,397
Business type activities:					
Program revenues:					
Water	11,932,955	9,232,389	7,312,514	5,616,869	5,759,100
Sewer	8,791,285	8,108,977	7,469,167	6,474,652	6,275,667
Solid waste	5,872,152	5,889,675	5,695,241	5,697,468	5,550,361
Drainage operations	692,227	706,793	955,602	686,328	793,149
Local transit	2,263,648	2,297,400	2,811,840	1,870,304	2,191,542
Golf course	100,469	93,797	96,542	117,562	122,494
Airport	1,038,032	1,810,619	551,005	647,283	1,341,754
Total business type activities program revenues	30,690,768	28,139,650	24,891,911	21,110,466	22,034,067
Total primary government program revenues	\$ 47,764,217	\$ 46,093,899	\$ 46,601,890	\$ 45,422,448	\$ 56,904,464
Net (Expense)/Revenue					
Governmental activities	\$ (24,319,434)	\$ (15,113,778)	\$ (18,917,851)	\$ (15,366,601)	\$ (3,818,123)
Business type activities	1,346,683	(1,141,533)	1,884,598	(699,028)	2,086,035
Total primary government net expense	\$ (22,972,751)	\$ (16,255,311)	\$ (17,033,253)	\$ (16,065,629)	\$ (1,732,088)

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

	Fiscal Years				
	2023	2022	2021	2020	2019
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 13,505,386	\$ 12,134,288	\$ 11,020,353	\$ 11,045,364	\$ 4,332,639
Sales and use taxes	19,291,534	19,440,017	16,894,337	15,227,811	13,399,196
Franchises taxes	841,540	763,276	721,028	688,563	649,666
Other taxes	2,281,598	2,462,689	1,813,979	2,019,087	1,964,472
Investment income (loss)	959,461	(1,475,300)	(97,360)	1,247,564	1,910,967
Miscellaneous	980,194	934,376	317,971	1,205,394	829,050
Gain (loss) on sale of capital assets	-	-	35,469	(42,920)	43,791
Transfers	(1,917,609)	521,130	574,622	352,225	275,116
Special items - Transfers of assets	-	-	-	2,062,571	-
Total governmental activities	35,942,104	34,780,476	31,280,399	33,805,659	23,404,897
Business type activities:					
Property taxes	258,727	247,624	237,264	228,943	209,374
Investment income (loss)	679,254	(913,654)	340,816	548,322	407,450
Miscellaneous	1,035,824	680,464	113,658	78,165	76,531
Gain (loss) on sale of capital assets	52,605	-	135,300	86,556	-
Transfers	1,917,609	(521,130)	(574,622)	(352,225)	(275,116)
Total business type activities	3,944,019	(506,696)	252,416	589,761	418,239
Total primary government	\$ 39,886,123	\$ 34,273,780	\$ 31,532,815	\$ 34,395,420	\$ 23,823,136
Change in Net Position					
Governmental activities	\$ 16,769,811	\$ 7,752,594	\$ 9,367,369	\$ 2,622,431	\$ 2,209,033
Business type activities	3,494,130	7,905,623	8,471,022	8,581,837	6,845,705
Total primary government	\$ 20,263,941	\$ 15,658,217	\$ 17,838,391	\$ 11,204,268	\$ 9,054,738

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

	Fiscal Years				
	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 3,824,185	\$ 4,040,067	\$ 3,571,669	\$ 2,837,432	\$ 2,943,796
Sales and use taxes	12,923,918	9,112,909	6,506,004	5,638,847	5,472,283
Transient occupancy taxes	666,238	649,415	678,438	612,474	591,116
Other taxes	1,707,452	1,694,786	2,172,574	2,035,238	1,821,326
Investment earnings	265,581	203,973	603,795	309,988	795,691
Miscellaneous	1,147,727	343,287	580,398	577,213	1,071,486
Gain (loss) on sale of capital assets	-	31,374	16,304	26,983	75,607
Transfers	374,407	172,913	1,718,751	1,065,193	2,538,648
Special items - Transfers of assets	-	-	-	-	-
Total governmental activities	20,909,508	16,248,724	15,847,933	13,103,368	15,309,953
Business type activities:					
Other taxes	182,390	171,878	58,333	70,353	61,049
Investment earnings	68,049	120,594	210,257	262,948	19,076
Miscellaneous	3,956	26,004	34,976	28,170	25,478
Gain (loss) on sale of capital assets	12,990	39,821	4,250	14,476	(11,968)
Transfers	(372,671)	(172,913)	(1,718,751)	(1,065,193)	(2,538,648)
Total business type activities	(105,286)	185,384	(1,410,935)	(689,246)	(2,445,013)
Total primary government	\$ 20,804,222	\$ 16,434,108	\$ 14,436,998	\$ 12,414,122	\$ 12,864,940
Change in Net Position					
Governmental activities	\$ (3,409,926)	\$ 1,134,946	\$ (3,069,918)	\$ (2,263,233)	\$ 11,491,830
Business type activities	1,241,397	(956,149)	473,663	(1,388,274)	(358,978)
Total primary government	\$ (2,168,529)	\$ 178,797	\$ (2,596,255)	\$ (3,651,507)	\$ 11,132,852

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

	Fiscal Years				
	2023	2022	2021	2020	2019
General Fund					
Nonspendable	\$ 141,842	\$ 149,510	\$ 139,843	\$ 249,637	\$ 202,901
Restricted	2,365,453	-	-	401,700	4,934,403
Committed	15,130,431	10,903,504	11,194,964	10,292,405	10,483,246
Assigned	15,797,488	16,614,848	13,906,278	6,763,704	5,528,814
Unassigned	12,291,870	10,908,284	5,482,689	7,398,714	3,049,282
Total General Fund	<u>45,727,084</u>	<u>38,576,146</u>	<u>30,723,774</u>	<u>25,106,160</u>	<u>24,198,646</u>
All other Governmental Funds					
Nonspendable	13,131	-	4,010	3,815	27
Restricted	50,277,926	43,876,531	45,692,871	55,277,667	39,377,503
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,927,931)	(1,300,623)	(1,460,591)	(959,555)	-
Total all other Governmental Fund	<u>48,363,126</u>	<u>42,575,908</u>	<u>44,236,290</u>	<u>54,321,927</u>	<u>39,377,530</u>
TOTAL FUND BALANCES	<u><u>\$ 94,090,210</u></u>	<u><u>\$ 81,152,054</u></u>	<u><u>\$ 74,960,064</u></u>	<u><u>\$ 79,428,087</u></u>	<u><u>\$ 63,576,176</u></u>

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

	Fiscal Years				
	2018	2017	2016	2015	2014
General Fund					
Nonspendable	\$ 601,522	\$ 272,102	\$ 368,959	\$ 258,252	\$ 282,184
Restricted	-	-	-	646,823	87,453
Committed	11,574,005	-	-	-	-
Assigned	1,199,518	1,199,518	1,199,518	727,159	1,199,518
Unassigned	4,673,303	13,968,482	12,879,473	12,326,175	11,280,658
Total General Fund	18,048,348	15,440,102	14,447,950	13,958,409	12,849,813
All other Governmental Funds					
Nonspendable	42	-	8,547,157	-	-
Restricted	35,986,212	33,857,600	23,974,874	32,277,375	32,615,786
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(231,803)	(221,039)	42,897
Total all other Governmental Fund	35,986,254	33,857,600	32,290,228	32,056,336	32,658,683
TOTAL FUND BALANCES	\$ 54,034,602	\$ 49,297,702	\$ 46,738,178	\$ 46,014,745	\$ 45,508,496

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

	Fiscal Years				
	2023	2022	2021	2020	2019
Revenues					
Taxes	\$ 5,773,982	\$ 4,971,690	\$ 4,331,022	\$ 4,613,254	\$ 4,332,639
Sales and use taxes	19,291,534	19,440,017	16,894,337	15,227,811	13,399,196
Other taxes	2,470,829	2,644,500	1,921,747	2,114,190	2,081,211
Use of money and property	1,052,683	(689,229)	323,569	1,378,494	2,078,944
Franchises	841,540	763,276	721,028	688,563	649,666
Licenses, permits and fees	1,502,455	1,174,652	1,555,955	1,106,424	1,322,830
Fines	468,972	436,032	452,319	494,823	591,298
Intergovernmental	19,995,869	17,976,535	17,641,730	13,620,058	16,380,444
Charges for services	5,588,835	4,995,341	5,118,683	4,091,909	3,322,989
Other revenue	1,412,845	1,212,449	578,896	1,235,377	1,048,977
Total revenues	<u>58,399,544</u>	<u>52,925,263</u>	<u>49,539,286</u>	<u>44,570,903</u>	<u>45,208,194</u>
Expenditures					
General government	3,874,775	4,301,922	3,628,480	2,691,729	3,075,710
Public protection	21,617,953	20,383,663	19,854,358	18,393,027	17,196,886
Social services	181,934	45,991	131,881	198,360	192,633
Public ways and facilities	3,800,991	6,072,097	3,319,019	5,957,037	4,233,896
Community development	5,178,403	4,548,230	5,839,428	3,130,348	3,429,815
Culture and recreation	4,687,240	3,237,150	2,796,274	3,300,189	4,006,826
Capital outlay	2,621,252	6,955,986	18,538,217	13,834,273	6,802,125
Debt service:					
Principal	1,074,909	1,034,200	401,700	559,403	633,222
Interest	678,464	709,092	730,344	351,820	52,341
Total expenditures	<u>43,715,921</u>	<u>47,288,331</u>	<u>55,239,701</u>	<u>48,416,186</u>	<u>39,623,454</u>
Culture and recreation					
Excess of revenues over (under) expenditures	<u>14,683,623</u>	<u>5,636,932</u>	<u>(5,700,415)</u>	<u>(3,845,283)</u>	<u>5,584,740</u>
Other financing sources (uses)					
Proceeds from sale of property	33,429	400	513,267	679,580	46,518
Proceeds from issuance of long-term debt	-	-	-	19,432,000	4,005,000
Premium on bond issuance	-	-	-	-	648,613
Cost of issuance	23,636	-	-	(84,752)	(153,613)
Transfers in	4,304,318	3,350,930	5,103,755	15,443,432	2,768,183
Transfers out	(6,106,850)	(2,796,272)	(4,384,630)	(15,773,066)	(2,992,087)
Total other financing sources (uses)	<u>(1,745,467)</u>	<u>555,058</u>	<u>1,232,392</u>	<u>19,697,194</u>	<u>4,322,614</u>
Net change in fund balances	<u>\$ 12,938,156</u>	<u>\$ 6,191,990</u>	<u>\$ (4,468,023)</u>	<u>\$ 15,851,911</u>	<u>\$ 9,907,354</u>
Debt service as a percentage of non-capital expenditures	4.3%	4.3%	3.1%	2.6%	2.1%

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

	Fiscal Years				
	2018	2017	2016	2015	2014
Revenues					
Taxes	\$ 3,825,921	\$ 4,054,503	\$ 3,115,740	\$ 3,087,520	\$ 2,869,599
Sales and used taxes	13,262,908	8,741,373	6,506,004	5,638,847	5,539,847
Other taxes	1,707,452	1,698,487	2,141,433	2,041,961	1,842,002
Use of money and property	392,428	358,735	767,778	463,853	961,315
Franchises	666,238	649,415	678,438	612,474	591,116
Licenses, permits and fees	1,049,103	701,825	646,800	595,255	395,730
Fines	588,584	750,388	935,358	985,169	874,861
Intergovernmental	11,781,034	12,654,660	16,326,841	15,934,329	28,437,678
Charges for services	3,457,257	3,497,588	3,240,452	6,041,361	5,775,536
Other revenue	924,918	632,560	437,305	908,991	1,453,736
Total revenues	<u>37,655,843</u>	<u>33,739,534</u>	<u>34,796,149</u>	<u>36,309,760</u>	<u>48,741,420</u>
Expenditures					
General government	2,106,580	1,796,055	2,959,739	5,123,445	4,797,564
Public protection	16,932,579	14,934,669	14,621,471	13,616,969	13,177,569
Social services	309,121	405,251	357,699	330,062	510,579
Public ways and facilities	3,476,106	3,101,070	3,834,908	2,532,178	3,012,275
Community development	3,800,416	3,831,163	3,392,870	3,425,208	2,814,466
Culture and recreation	3,598,837	3,106,938	5,219,577	5,380,767	4,681,217
Capital outlay	2,519,381	3,143,357	7,073,119	5,255,764	10,925,198
Debt service:					
Principal	1,452,775	568,464	977,512	425,970	415,920
Interest	75,660	113,860	266,431	259,255	270,255
Total expenditures	<u>34,271,455</u>	<u>31,000,827</u>	<u>38,703,326</u>	<u>36,349,618</u>	<u>40,605,043</u>
Excess of revenues over (under) expenditures	<u>3,384,388</u>	<u>2,738,707</u>	<u>(3,907,177)</u>	<u>(39,858)</u>	<u>8,136,377</u>
Other financing sources (uses)					
Proceeds from sale of property	41,691	37,027	9,969	-	-
Proceeds from issuance of long-term debt	895,900	-	-	-	-
Premium on bond issuance	-	-	1,540,065	157,755	-
Cost of issuance	-	-	-	-	-
Transfers in	5,005,541	4,504,230	7,289,955	5,557,426	6,338,959
Transfers out	(5,284,157)	(4,812,845)	(6,109,973)	(5,111,740)	(4,357,470)
Total other financing sources (uses)	<u>658,975</u>	<u>(271,588)</u>	<u>2,730,016</u>	<u>603,441</u>	<u>1,981,489</u>
Net change in fund balances	<u>\$ 4,043,363</u>	<u>\$ 2,467,119</u>	<u>\$ (1,177,161)</u>	<u>\$ 563,583</u>	<u>\$ 10,117,866</u>
Debt service as a percentage of non-capital expenditures	4.8%	2.4%	3.9%	2.2%	2.3%

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

Sources of Tax Revenues	Business Licenses	Franchise Fees	Property Tax	Sales Tax ¹	Transient Occupancy	Gas Tax	TOTAL
2022-2023	\$ 567,304	\$ 1,052,683	\$ 5,773,982	\$ 19,291,534	\$ 1,105,972	\$ 2,910,090	\$ 30,701,565
2021-2022	566,564	763,276	4,971,690	19,440,017	1,149,939	2,807,345	29,698,831
2020-2021	291,109	721,028	4,331,022	16,894,337	886,017	2,563,059	25,686,572
2019-2020	578,040	688,563	4,613,254	15,227,811	804,286	2,578,121	24,490,075
2018-2019	442,443	649,666	4,332,639	13,399,196	903,124	2,397,464	22,124,532
2017-2018	447,059	666,238	3,824,186	12,934,817	-	1,607,173	19,479,473
2016-2017	426,375	649,415	3,696,995	8,741,373	-	1,145,897	14,660,055
2015-2016	416,806	678,438	3,115,740	6,506,004	-	1,290,623	12,007,611
2014-2015	408,728	612,474	3,087,520	5,638,847	-	-	9,747,569
2013-2014	392,946	591,116	2,869,599	5,539,847	-	4,007,477	13,400,985

NOTES:

1) The City passed "Measure T" allowing an additional increase of 0.50% in the local sales tax rate. This local measure became effective on April 1, 2007 and ends on March 31, 2027. In addition, the City passed "Measure K", an additional 0.50% sales tax increase specifically for public safety in November 2016 with no sunset date.

City of Madera
Schedule 6
Assessed Value of Taxable Property
Last Ten Fiscal Years

CATEGORY	Fiscal Years				
	2023	2022	2021	2020	2019
Residential	\$ 2,760,446,564	\$ 2,496,189,868	\$ 2,335,164,803	\$ 2,201,293,176	\$ 2,035,513,239
Commercial	520,965,786	498,301,393	483,155,413	443,426,571	429,900,137
Industrial	186,944,825	169,861,323	174,322,830	178,171,356	179,040,074
Agriculture	15,017,779	14,056,096	13,017,642	13,457,474	12,920,915
Dry Farm	16,137,016	15,746,916	15,306,770	15,019,028	15,391,780
Government	-	-	2,036,417	2,054,539	-
Institutional	1,426,383	1,603,250	1,920,464	1,282,549	1,674,829
Irrigated	1,732,408	1,697,771	1,680,888	1,635,256	1,603,053
Cross Reference	39,530,686	38,833,078	40,913,367	37,692,391	39,817,937
Vacant Land	212,580,116	207,422,925	196,572,803	183,027,173	219,593,087
SBE Non-Unitary	590,440	548,402	548,402	625,460	625,460
Unsecured	306,329,667	305,755,769	307,490,035	287,932,288	280,734,337
Unknown	653,585	643,408	638,191	628,316	1,236,714
TOTALS	4,062,355,255	3,750,660,199	3,572,768,025	3,366,245,577	3,218,051,562
Total Direct Rate	0.13287	0.12699	0.13147	0.13198	0.13281

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				
	2017	2017	2016	2015	2014*
Residential	\$ 1,824,835,555	\$ 1,824,835,555	\$ 1,739,590,175	\$ 1,629,686,371	\$ 1,518,325,305
Commercial	403,687,826	403,687,826	386,226,705	376,032,631	366,862,480
Industrial	166,063,864	166,063,864	178,416,598	170,784,960	164,018,245
Agriculture	5,275,944	5,275,944	5,153,044	5,042,110	4,791,797
Dry Farm	13,830,501	13,830,501	11,764,375	12,516,645	12,649,078
Government	5,950	5,950	5,861	5,747	5,722
Institutional	1,295,250	1,295,250	1,558,852	1,348,373	1,242,996
Irrigated	1,566,070	1,566,070	1,541,526	1,510,496	1,502,446
Cross Reference	35,511,414	35,511,414	34,716,877	28,515,201	23,735,117
Vacant Land	166,553,864	166,553,864	155,926,515	153,947,112	158,636,497
SBE Non-Unitary	743,768	743,768	743,768	743,768	743,768
Unsecured	221,973,452	221,973,452	201,164,923	200,566,825	191,093,988
Unknown	4,025,707	4,025,707	3,939,930	3,939,713	3,540,012
TOTALS	2,845,369,165	2,845,369,165	2,720,749,149	2,584,639,952	2,447,147,451
Total Direct Rate	0.13243	0.13243	0.13255	0.1328	0.13242

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
2023	\$ 4,337,253	\$ 4,090,897	94.32%	\$ 9,509	\$ 4,100,406	94.54%
2022	3,804,550	3,763,833	98.93%	5,281	3,769,114	99.07%
2021	3,591,118	3,582,748	99.77%	-	3,582,748	99.77%
2020	3,409,931	3,394,991	99.56%	4,184	3,399,175	99.68%
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%

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
2023	0.0%	11.4%	2.8%	100.0%	114.3%
2022	0.0%	12.5%	1.8%	100.0%	114.3%
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%

Note: The basis for the tax rates is \$100 per assessed valuation. Only 1% of the value is taxed.

Source: Madera County Auditor-Controller Tax Rate Book

City of Madera
Schedule 9
Top Ten Principal Property Taxpayers
Fiscal Year 2023 and Ten Years Prior

	2022-2023			2013-2014		
	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
John Hancock Life Insurance Co.	1	\$ 48,146,582	1.17%			
Severn Peanut Company, Inc.	2	\$ 24,123,962	0.58%			
David L and Partrica R Berry	3	23,638,496	0.57%	1	23,286,493	0.95%
Evapco, Inc.	4	21,242,462	0.51%			
Sealed Air Corporation	5	20,900,085	0.51%	3	17,751,837	0.72%
Newman Development Group of Madera	6	19,532,017	0.47%	6	15,722,442	0.64%
The Almond Company	7	19,284,010	0.47%			
Crossroads Madera	8	19,137,479	0.46%			
801 N Granada Drive LLC	9	18,985,200	0.46%			
OldCastle Precast Inc	10	17,900,162	0.43%	2	20,859,668	0.85%
Lowes HIW Inc				4	17,725,468	0.72%
Advanced Drainage System				5	16,660,960	0.68%
Berry & Berry, Inc.				7	13,836,594	0.56%
Airport Drive Investment, LLC.				8	13,658,009	0.56%
Eurodrip USA, Inc.				9	13,643,632	0.55%
Color Box, LLC.				10	13,451,501	0.55%
Top Ten Totals		\$ 232,890,455	5.64%		\$ 166,596,604	6.77%
CITY TOTALS		\$ 4,130,257,128			\$ 2,459,841,087	

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	Finance Purchase	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
2023	\$ -	\$ 30,140,000	\$ -	\$ 299,800	\$ 17,834,000	\$ 48,273,800	3.57%	\$ 737
2022	-	31,580,000	-	414,200	18,644,000	50,638,200	4.24%	769
2021	-	32,970,000	-	525,400	19,432,000	52,927,400	4.43%	804
2020	-	34,295,000	-	633,600	19,595,500	54,524,100	4.71%	824
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

NOTES:

- a) See Schedule 15 (Demographic and Economic Statistics) for personal income and population data
- b) As of February 1, 2012 all redevelopment agencies in California ceased to exist per ABX1 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
2023	-	30,140,000	-	30,140,000	0.74%	\$ 460
2022	-	31,580,000	-	31,580,000	0.84%	\$ 480
2021	-	32,970,000	-	32,970,000	0.92%	\$ 501
2020	-	34,295,000	-	34,295,000	0.91%	\$ 518
2019	-	39,862,859	-	39,862,859	1.18%	\$ 609
2018	-	43,794,788	-	43,794,788	1.36%	\$ 659
2017	-	45,039,358	-	45,039,358	1.51%	\$ 680
2016	-	46,231,429	2,683,119	48,914,548	1.72%	\$ 740
2015	-	47,379,250	2,722,525	50,101,775	1.84%	\$ 765
2014	-	48,459,969	2,756,931	51,216,900	1.98%	\$ 813

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 15
- c) As of February 1, 2012 all redevelopment agencies in California ceased to exist per ABX1 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, 2023

2022-23 Assessed Valuation: \$4,062,355,255

	Debt Outstanding <u>6/30/2023</u>	% <u>Applicable</u> ¹	City's Share of Debt as of <u>6/30/23</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
State Center Community College District	\$ 394,910,000	3.768%	\$ 14,880,209
Madera Unified School District	155,719,922	51.298%	\$ 79,881,206
City of Madera Community Facilities District No. 2006-1	2,068,320	100.000%	\$ 2,068,320
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 96,829,733</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Madera County General Fund Obligations	69,728,679	22.324%	\$ 15,566,230
Madera County Board of Education General Fund Obligations	18,898,549	22.324%	4,218,912
Madera Unified School District Certificates of Participation	82,970,000	51.298%	42,561,951
City of Madera General Fund Obligations Direct Debt	21,765,600	100.000%	<u>21,765,600</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 84,112,694
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$ 30,140,000	98.851%	\$ 29,793,691
TOTAL DIRECT DEBT			\$ 21,765,600
TOTAL OVERLAPPING DEBT			\$ 188,970,519
COMBINED TOTAL DEBT			<u>\$ 210,736,119</u>

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 2023	FY 2022	FY 2021	FY 2020	FY 2019
Assessed value	\$ 4,130,257,128	\$ 3,750,660,199	\$ 3,750,525,788	\$ 3,572,633,614	\$ 3,366,111,166
Debt limit (15% of assessed value)	619,538,569	562,599,030	562,578,868	535,895,042	504,916,675
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	619,538,569	562,599,030	562,578,868	535,895,042	504,916,675
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 2018	FY 2017	FY 2016	FY 2015	FY 2014
Assessed value	\$ 3,214,555,536	\$ 2,984,863,745	\$ 2,843,541,362	\$ 2,717,869,926	\$ 2,580,951,334
Debt limit (15% of assessed value)	482,183,330	447,729,562	426,531,204	407,680,489	387,142,700
Debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Less: Amount set aside for repayment of general obligation debt	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-
Legal Debt Margin	482,183,330	447,729,562	426,531,204	407,680,489	387,142,700
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	
2023	\$ 25,365,131	\$ 15,129,771	\$ 1,295,000	\$ 859,510	7.02
2022	24,441,447	12,898,231	1,250,000	905,760	5.98
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	-	-	-	-	-

2019 Water Refunding Bonds

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2023	\$ 13,244,985	\$ 8,306,127	\$ 435,546	\$ 203,439	13.00
2022	13,465,525	7,402,503	418,148	214,592	11.70
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	-	-	-	-	-

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

Wastewater Loans Payable

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2023	\$ 12,120,146	\$ 6,823,644	\$ 379,000	\$ 142,037	13.10
2022	10,792,230	5,495,728	372,000	150,626	10.52
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

Successor Agency 2018 Tax Allocation Bonds

Fiscal Year	Special Assessment Collections	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2023	\$ 3,049,112	\$ 2,799,122	\$ 1,440,000	\$ 1,403,216	0.98
2022	2,871,594	2,621,594	1,390,000	1,461,510	0.92
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

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
2022	65,540	\$ 1,352,811,140	\$ 20,641	32,161	6.6%
2021	65,843	1,194,391,000	18,139	31,494	9.1%
2020	66,172	1,158,300,000	17,504	32,144	10.9%
2019	65,415	1,069,038,000	16,342	31,925	7.8%
2018	66,419	994,407,000	14,971	31,728	7.7%
2017	66,225	959,263,000	14,484	31,468	7.3%
2016	66,082	917,664,000	13,886	31,077	7.9%
2015	65,474	904,576,000	13,815	30,865	9.1%
2014	63,008	894,966,000	14,204	30,861	9.6%
2013	63,008	895,029,000	14,205	30,478	16.0%

NOTES:

Data provided by HdL, Coren & Cone

¹ Demographic data has a lag because of time to tabulate, 2023 data not available at this time.

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

**City of Madera
Schedule 16
Principal Employers
Fiscal Year 2023 and Ten Years Prior**

<u>Employer</u>	2022-2023			Percentage of Total City Employment	2013-2014		
	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>		<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
Madera Unified School District	3500	1	7.94%	Madera Unified School District	2139	2	6.22%
State of California	2600	2	5.90%				
County of Madera	1516	3	3.44%	County of Madera	1188	3	3.45%
Wal Mart	350	4	0.79%				
City of Madera	310	5	0.70%	City of Madera	310	7	0.90%
US Government	300	6	0.68%				
Camarena Health	249	7	0.57%				
Community Action Partnership of Madera Co	235	8	0.53%				
Home Depot	170	9	0.39%				
JBT Food Tech	165	10	0.37%	JBT Food Tech	143	8	0.42%
				Valley Children's Healthcare	2500	1	7.27%
				Madera Community Hospital	936	4	2.72%
				Constellation Wines	400	5	1.16%
				Ardagh Group	350	6	1.02%
				Evapco West	140	9	0.41%
				Georgia Pacific Corp	125	10	0.36%
	9395		4.04%		8231		12.99%
Total City Employment			44,063				34,400

Source: 2022-23 data based on City of Madera 2023-24 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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
City Attorney	0	0	0	0	2	2	2	2	2	2
City Council	7	7	7	7	7	7	7	7	7	7
City Manager	2.7	3.7	2.7	2.7	1.7	1.95	2.7	0.7	0.7	1
City Clerk	2	2	2	2	2	2	2	2	2	2
Finance	27.6	24.9	27.7	24.89	24.73	23.73	24.5	24.03	24.45	25.48
Information Technology	4	4	4.2	4.17	4.25	4	4	4	4	4
Human Resources	4	4	4	4	4	4	4	4	4	4
Community Development Planning Commissioners	10.64	10.8	14.9	18.97	19.59	21.46	21.86	22.13	21.38	21.27
	0	0	0	0	0	0	0	0	0	0
Public Safety										
Police Officers-Sworn	76	71	71	70.3	70.01	69.84	60	57.25	57	57
Other Full-Time Employees	32	24	24	24	23.48	23.48	20	20	20	20
Public Works										
Engineering	19.44	19.9	17.9	13.63	14.67	11.21	11.69	11.85	10.74	10.61
Maintenance	28.22	24.7	17.5	34.45	27.33	28.88	29.57	30.97	30.71	34.78
Transit Services	4.75	5.3	1.7	2.7	3.08	3.08	3.38	3.38	2.98	2.98
Airport	1.88	1.9	1.9	2.86	2.88	2.98	2.46	2.46	2.36	2.58
Solid Waste Disposal	7.26	0.7	0.7	1	6.48	8.88	9.02	7.77	6.69	3.38
Storm Drainage	4.69	4.8	4.1	5.45	5.74	4.54	5.19	4.89	5.89	5.45
Waster	20.54	15.1	18.4	22.34	23.08	25.18	20.66	18.66	16.81	14.74
Wastewater/Sewer	18.82	19.7	25.1	24.66	26.29	26.62	20.32	20.07	19.04	17.59
Waste Disposal Recycling	0	0	0	0	1	1.3	1.35	1.3	1.2	0
Successor Agency/RDA	0.5	0.5	0.5	1	1.8	2.3	2.3	2.3	2.59	2.62
Culture & Recreation	53.81	49.1	37.4	47.64	51.42	56.05	61.12	60.9	53.01	45.67
Total	325.85	293.1	282.7	313.76	322.53	330.48	315.12	307.66	294.55	284.15

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

FUNCTION/PROGRAM	Fiscal Years				
	2023	2022	2021	2020	2019
Police					
Physical Arrests	2,317	2,653	1,789	1,829	2,381
Parking Violations	401	541	1,432	2,189	1,417
Traffic Violations	1,854	2,676	2,206	3,385	5,141
Community Development					
Building Permits Issued	3,534	3,010	2,236	1,797	2,202
Building Inspections Performed	17,324	20,369	12,003	12,003	13,322
Planning Permits Issued	367	270	200	153	196
Public Services					
Street Resurfacing (miles)	18	11	16	3	5
Street Light Replacement	203	186	115	86	64
Potholes Filled	1,936	4,836	2,864	2,012	2,341
Waste Water Average Daily Treatment (millions of gallons)	5	5	5	5	5
Transit Route (Service) Miles	283,815	238,887	258,599	317,504	352,476
Transit Passenger Count	84,567	52,164	54,683	95,326	108,535
Parks & Recreation					
Sports Field Participation	775	1,603	360	1,802	1,701
Community Center/Gym/Pool Participation	24,222	14,170	24,728	31,779	38,271
Other Participation	19,629	10,152	86,364	124,062	133,186

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				
	2018	2017	2016	2015	2014
Police					
Physical Arrests	1,585	1,014	N/A	N/A	N/A
Parking Violations	953	777	N/A	N/A	N/A
Traffic Violations	1,824	2,801	N/A	N/A	N/A
Community Development					
Building Permits Issued	2,390	N/A	N/A	N/A	N/A
Building Inspections Performed	16,106	15,186	N/A	N/A	N/A
Planning Permits Issued	234	211	N/A	N/A	N/A
Public Services					
Street Resurfacing (miles)	6	4	8	5	N/A
Street Light Replacement ^a	92	206	N/A	N/A	N/A
Potholes Filled	2,703	2,542	N/A	N/A	N/A
Waste Water Average Daily Treatment (millions of gallons)	5	5	5	5	5
Transit Route (Service) Miles	140,033	366,788	N/A	N/A	N/A
Transit Passenger Count	143,746	142,991	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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	19	19	41	41	35	35	34	N/A	N/A	N/A
Motorecycle unit	5	5	5	4	4	5	3	N/A	N/A	N/A
K-9 unit	3	3	3	3	3	3	3	N/A	N/A	N/A
Streets										
Streets (miles)	203	199	199	199	160	N/A	N/A	N/A	N/A	N/A
Streetlights	3326	3309	3000	3000	3000	N/A	N/A	N/A	N/A	N/A
Traffic Signals										
CalTrans maintained	16	16	15	15	15	N/A	N/A	N/A	N/A	N/A
City of Madera maintained	35	34	32	29	29	N/A	N/A	N/A	N/A	N/A
Culture & Recreation										
Total Park Acreage	160	160	159	159	151	N/A	N/A	N/A	N/A	N/A
Parks	16	16	15	15	13	N/A	N/A	N/A	N/A	N/A
Baseball Fields	2	2	2	2	2	N/A	N/A	N/A	N/A	N/A
Softball Fields	9	9	9	9	9	N/A	N/A	N/A	N/A	N/A
Soccer Fields	7	7	7	7	7	N/A	N/A	N/A	N/A	N/A
Football Fields	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A
Tennis Courts	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A
Swimming Pools	3	3	3	3	3	N/A	N/A	N/A	N/A	N/A
Community Centers	3	3	3	3	3	N/A	N/A	N/A	N/A	N/A
Waste Water										
Sanitary Sewers (miles)	375.1	375	375	375	408	0	0	0	0	0
Storm Sewers (miles)	0	0	0	0	0	0	0	0	0	0
Treatment Capacity (millions of gallons/day)	7	0	0	0	0	0	0	0	0	0
Transit Services										
Minibuses										
Fixed Route	11	11	11	11	11	11	11	N/A	N/A	N/A
Dial A Ride	6	6	6	6	6	6	6	N/A	N/A	N/A
Bus Shelters	71	71	71	71	71	71	71	N/A	N/A	N/A

NOTES:

N/A - Information not available