
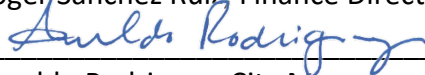


REPORT TO CITY COUNCIL

Approved by:



Roger Sanchez Ruiz, Finance Director


Arnoldo Rodriguez, City Manager

Council Meeting of: April 21, 2021

Agenda Number: E-1

SUBJECT:

Receive and File of the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2020

RECOMMENDATION:

It is recommended City Council receive and file the Audited Financial Statements for Fiscal Year ended June 30, 2020

DISCUSSION:

The City of Madera's (City) Financial Statements for the Fiscal Year ended on June 30, 2020 have been audited by an independent accounting firm and an Unmodified Opinion (a clean opinion) has been issued.

In accordance with the Single Audit Act of 1984 and the provisions of the U.S. Office of Management and Budget (OMB) Uniform Guidance, the City is required to have an independent firm audit of its financial statements and its federal programs whenever \$750,000 in Federal grants are expended 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 (2018 Revision). The audit completed for Fiscal Year ended June 30, 2020 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.

Audit Results

The City received an unmodified opinion from the independent auditor. Per the auditor (page 1 of their letter):

“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, 2020, 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”

Copies of the most recent Audited Financial Statements and Single Audit Reports will be posted on the City's website.

Kenneth Pun, Managing Partner of The Pun Group Accountants & Advisors will present the Financial Statements and discuss their results with the Council during this meeting. The Single Audit Report will also be presented.

FINANCIAL IMPACT:

Receive and file of these audited financial statements has no financial impact to the City.

ATTACHMENTS:

1. City of Madera Financial Statements for the Year Ended June 30, 2020

City of Madera

Madera, California

Comprehensive Annual Financial Report

For the Year Ended June 30, 2020

Prepared by
Finance Department

City of Madera
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
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Financial Services Department

March 31, 2021

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

It is with pleasure that I present to you the City of Madera Comprehensive Annual Financial Report (CAFR).

State law requires local governments prepare a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2020. This report was prepared by the City of Madera's (the City) Finance Department, which assumes responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures.

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

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

The City's financial statements have been audited by The Pun Group LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for the rendering of an unmodified opinion that the City of Madera's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Government Profile

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

Madera is located in the center of California, twenty miles north of Fresno, and is the county seat of Madera County. The City has approximate population of 66,000 and its boundaries encompass 16.0 square miles. Madera is also within close proximity to cherished world treasures such as Yosemite National Park, the Sierra Nevada Mountain Range and attractions that run along the Pacific coastline.

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

Local economy and local budget issues

Budget projections for the Fiscal Year 2020/21 were heavily influenced by experts and consultants' analysis from April to June 2020, during the pandemic shutdowns, and at the peak of widespread uncertainty. Moreover, unemployment claim rates at that time were the highest since the Great Depression. The pandemic has undoubtedly affected the City's finances, operational performance, and compliance burdens in all departments. Given the uncertainty during the budget preparation, a few key items worth highlighting:

- Typically, retail sales and property taxes account for approximately 80 percent of the General Fund revenues.
- Experts and municipal leaders projected that sales tax revenue would decrease between 15 to 55 percent for the 2nd quarter (April to June 2020) due to COVID-19 State guidelines and the related economic impacts. While this time period preceding the current fiscal year, the projected steep decline in revenues was taken into account when defining the City's starting financial position for the fiscal year.
- Further, the same experts predicted 3rd quarter revenue would decrease by 35 percent across the state. The 3rd quarter of 2020 coincides with the 1st quarter of the current fiscal year, further influencing the City's estimated starting position for the adopted budget.
- Despite most cities considering the significant loss of sales taxes, the City assumed that while a decrease in sales tax was anticipated, such decreases would not be as severe as projected by industry experts. These assumptions were based on previous revenue performance and the types of industry sectors that affect Madera's revenues. As a result, the City assumed an approximately 10 percent sales tax reduction when building the budget.

Despite the sudden and widespread changes, the financial outcomes have manifested in unexpected ways. Actual sales tax revenue came close to normal as of 06/30/2020. While some industry sectors were impacted, Madera was not as severely impacted in comparison to other communities. This may partially be attributed to the composition of the City's economy which is not heavily reliant on tourism or entertainment. While the City experienced decreases in some categories, this was partially offset by an increase in sales tax revenue generated by online shopping.

Agriculture has been the mainstay of the local economy. Government also represents a growing part of the economy. Major employers in the City include Madera Unified School District, County of Madera, City of Madera and Madera Community Hospital. Major retail employers include Walmart, Lowe's and Home Depot. The City of Madera's unemployment rate surpassed over 16% during the peak of the pandemic but significant improvements are now visible with 8% rate towards the end of December 2020.

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

The City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. For the 2020 fiscal year, activities for the general fund, special revenue funds, debt service, enterprise, and capital project funds are included in the annual appropriated budget.

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

Long-term financial planning

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

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

The City maintains a General Fund Contingency Reserve at a level of at least 30% of the general fund operating expenditures in order to protect essential service programs and funding requirements during periods of economic downturn or other unforeseen major costs not covered by the Contingency Reserve. A separate reserve has been established in the Measure K fund in the amount of \$130,000 each year for the Police Department and the Fire Department. Currently, each Measure K fund (Police and Fire) have a \$260,000 fund balance contingency reserve. Additionally, the Fire department has established a fire engine replacement reserve of \$200,000, with the intent to add \$200,000 each year to that reserve.

Also, to finance current growth, the City has in place a variety of user and develops fees to pay for streets, parks, water wells and lines, and sewer lines. The City reviews these fees on an annual basis to assure that the fee structure is in line the cost of construction. For the combined fiscal years 2018-19 and 2019-20, the City implemented a 6% increase in water rates.

Cash Management

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

Acknowledgements

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

Respectfully submitted,



Roger Sanchez Ruiz
Director of Financial Services

CITY COUNCIL MEMBERS

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

EXECUTIVE MANAGMENT

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

DEPARTMENT DIRECTORS

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



INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Madera, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

200 E. Sandpointe Ave., Suite 600, Santa Ana, California 92707

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www.pungroup.cpa

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of the City’s Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios, on pages 5 through 20 and 125 through 134 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

To the Honorable Mayor and Members
of the City Council of the City of Madera
Madera, California
Page 3

Other Reporting Required by *Government Auditing Standards*

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

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

Santa Ana, California
March 31, 2021

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City of Madera
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020

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, 2020. 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 \$298.1 million. Of this amount, \$15.8 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 \$56.8 million and is dedicated to specific purposes. Lastly, net position of \$225.4 million is the City's net investment in capital assets.
- The City's total net position increased by \$11.2 million or 3.9% during 2019-2020 to \$298.1 million from \$286.9 million.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$79.4 million, an increase of \$15.9 million or 24.1% in comparison with the prior year. Approximately \$6.5 million or 8.1% of this amount is available for spending at the City's discretion (unassigned fund balance).
- The City's General Fund, Measure K Sales Tax, Code Enforcement, Insurance Reserve, Payroll Clearing, Community Development and LEA Tire Grants, ended the year with a fund balance of \$25.1 million, which represents a net increase of approximately \$1.0 million from the previous year. The unassigned balance of \$7.4 million is available for carryover to fund future general fund expenditures.
- Net Pension Liability increased by \$3.3 million or 7.2% during 2019-2020 to \$49.2 million from \$45.9 million. Deferred outflows of resources related to pensions decreased by \$2.3 million or 18.8% and deferred inflows of resources related to pensions decreased by \$0.7 million or 26.0%. The Net Pension Liability is based on an Actuarial Valuation and there was no change in the discount rate of 7.15% from the prior year.

During the year, 10% rate increases were implemented for both water and sewer services. Incremental rate increases over the subsequent five years were approved by Council during the second quarter of calendar year 2015. Those rate increases took effect in fiscal year 2016 and were increased between 9-10% during each of the five years covered in the rate schedule, except for FY 2018-19 when Council considered a revised water rate analysis and adjusted the increase to 6%. In October 2020, the City issued an RFP for a Proposition 218 Rate Study for water, sewer, storm drainage and solid waste utility rates. It is anticipated that the new rate study will be considered by City Council in June 2021.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Overview of the Financial Statements

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

Reporting the City as a Whole

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

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

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

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

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

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

The government-wide financial statements can be found on pages 24-27 of this report.

Fund financial statements. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for a particular purpose or to show the City is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the City can be classified into three categories: governmental, proprietary and fiduciary funds.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 32-38 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 40-45 of this report.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

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

The fiduciary fund financial statements can be found on pages 49-50 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the basic financial statements can be found on pages 57-121 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees, and budgetary comparison schedules. Required supplementary information can be found on pages 125-134 of this report.

Individual Fund Statements. Individual fund statements in connection with non-major governmental and enterprise funds are presented immediately the required supplementary information, which can be found on pages 138-177 of this report.

Government-wide Financial Analysis

Below is a table showing the City's net position for the fiscal year ended June 30, 2020, with comparative data for the fiscal year ended June 30, 2019.

	City of Madera's Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 89,506,833	\$ 71,289,086	\$ 39,841,899	\$ 34,349,967	\$ 129,348,732	\$ 105,639,053
Capital Assets	185,695,023	178,073,835	106,911,614	106,144,171	292,606,637	284,218,006
Total assets	<u>275,201,856</u>	<u>249,362,921</u>	<u>146,753,513</u>	<u>140,494,138</u>	<u>421,955,369</u>	<u>389,857,059</u>
Deferred outflows of resources	<u>8,347,124</u>	<u>9,895,201</u>	<u>2,090,761</u>	<u>2,286,895</u>	<u>10,437,885</u>	<u>12,182,096</u>
Liabilities:						
Current and other liabilities	7,370,919	6,982,273	7,039,842	6,845,010	14,410,761	13,827,283
Noncurrent liabilities	68,578,034	46,689,186	48,890,485	51,291,378	117,468,519	97,980,564
Total liabilities	<u>75,948,953</u>	<u>53,671,459</u>	<u>55,930,327</u>	<u>58,136,388</u>	<u>131,879,280</u>	<u>111,807,847</u>
Deferred inflows of resources	<u>1,444,949</u>	<u>2,054,016</u>	<u>1,007,249</u>	<u>1,319,784</u>	<u>2,452,198</u>	<u>3,373,800</u>
Net position:						
Net investment in capital assets	160,970,918	172,189,172	64,433,636	61,048,060	225,404,554	233,237,232
Restricted	55,679,367	44,311,906	1,166,101	4,940,553	56,845,468	49,252,459
Unrestricted	(10,495,207)	(12,968,431)	26,306,961	17,336,248	15,811,754	4,367,817
Total net position	<u>\$ 206,155,078</u>	<u>\$ 203,532,647</u>	<u>\$ 91,906,698</u>	<u>\$ 83,324,861</u>	<u>\$ 298,061,776</u>	<u>\$ 286,857,508</u>

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

As of June 30, 2020, the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$298.1 million. Governmental activities finished the year with a positive net position balance of \$206.2 million, an increase of \$2.6 million, or 1.3% compared to 2019. Business-type activities finished the year with a positive balance of \$91.9 million, an increase of \$8.6 million or 10.3% compared to 2019. Net position, as noted earlier, may serve over time as a useful indicator of the City's financial position. Of the total net position, \$225.4 million or 75.6% 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 \$7.8 million, restricted net position decreased by \$6.6 million and unrestricted net position increased by \$25.6 million, accounting for the increase in total net position of \$11.2 million. The decrease in net investment in capital assets is due to additions to capital assets of \$19.8 million and an increase in liabilities of \$20.1 million, offset by depreciation expense of \$12.7 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 decreased by \$1.3 million, capital projects decreased by \$2.5 million and debt service decreased by \$3.8 million compared to prior year. The increase to unrestricted net position is due to a change in resources available to fund City programs for citizens and debt obligations to creditors.

Restricted net position represents \$56.8 million or 19.1% of the total. Restricted net position represents those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds are set forth by state or federal regulations.

Unrestricted net position represents those resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government-wide unrestricted net position represents \$15.8 million or 5.3% of the total net position, which is an increase of \$11.4 million or 262.0% from the previous year. Governmental activities account for a negative \$10.5 million of the total unrestricted net position and increased by \$2.4 million or 19.1% compared to last year. Business-type activities account for \$26.3 million of the total unrestricted net position and increased by \$9.0 million or 51.7% compared to last year.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

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

	Statement of Activities					
	For the Year Ended June 30, 2020					
	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 5,745,761	\$ 5,442,865	\$ 30,645,300	\$ 28,885,515	\$ 36,391,061	\$ 34,328,380
Operating grants and contributions	15,570,618	14,117,178	2,413,681	2,056,654	17,984,299	16,173,832
Capital grants and contributions	701,822	2,968,306	3,561,444	3,554,740	4,263,266	6,523,046
Total program revenues	22,018,201	22,528,349	36,620,425	34,496,909	58,638,626	57,025,258
General revenues:						
Property taxes	4,613,254	4,332,639	228,943	209,374	4,842,197	4,542,013
Sales and use taxes	15,227,811	13,399,196	-	-	15,227,811	13,399,196
Franchise taxes	688,563	649,666	-	-	688,563	649,666
Other taxes	2,019,087	1,964,472	-	-	2,019,087	1,964,472
Total taxes	22,548,715	20,345,973	228,943	209,374	22,777,658	20,555,347
Investment earnings	1,247,564	1,910,967	548,322	407,450	1,795,886	2,318,417
Gain (loss) on sale of capital assets	(42,920)	43,791	86,556	-	43,636	43,791
Miscellaneous	1,205,394	829,050	78,165	76,531	1,283,559	905,581
Total general revenues and transfers	24,958,753	23,129,781	941,986	693,355	25,900,739	23,823,136
Total revenues	46,976,954	45,658,130	37,562,411	35,190,264	84,539,365	80,848,394
Expenses:						
General government	9,574,371	9,703,723	-	-	9,574,371	9,703,723
Public safety	20,182,145	18,983,486	-	-	20,182,145	18,983,486
Social services	422,270	330,498	-	-	422,270	330,498
Public ways and facilities	7,369,948	5,478,070	-	-	7,369,948	5,478,070
Culture and recreation	4,056,088	4,525,133	-	-	4,056,088	4,525,133
Community development	4,654,520	4,492,799	-	-	4,654,520	4,492,799
Interest on long-term debt	509,977	210,504	-	-	509,977	210,504
Water	-	-	8,295,137	7,654,315	8,295,137	7,654,315
Sewer	-	-	10,038,430	9,924,665	10,038,430	9,924,665
Solid waste	-	-	5,875,225	6,056,309	5,875,225	6,056,309
Drainage operations	-	-	1,110,864	1,149,676	1,110,864	1,149,676
Local transit	-	-	2,403,789	2,321,063	2,403,789	2,321,063
Golf course	-	-	103,861	120,763	103,861	120,763
Airport	-	-	801,043	842,652	801,043	842,652
Total expenses	46,769,319	43,724,213	28,628,349	28,069,443	75,397,668	71,793,656
Change in net position	207,635	1,933,917	8,934,062	7,120,821	9,141,697	9,054,738
Transfers	352,225	275,116	(352,225)	(275,116)	-	-
Change in net position after transfers	559,860	2,209,033	8,581,837	6,845,705	9,141,697	9,054,738
Special items:						
Transfers of assets from Successor Agency	2,062,571	-	-	-	2,062,571	-
Total special items	2,062,571	-	-	-	2,062,571	-
Increase (decrease) in net position	2,622,431	2,209,033	8,581,837	6,845,705	11,204,268	9,054,738
Net position, beginning of year	203,532,647	203,019,608	83,324,861	75,508,769	286,857,508	278,528,377
Prior period adjustments	-	(1,695,994)	-	970,387	-	(725,607)
Net position, beginning of year, as restated	203,532,647	201,323,614	83,324,861	76,479,156	286,857,508	277,802,770
Net position, end of year	\$ 206,155,078	\$ 203,532,647	\$ 91,906,698	\$ 83,324,861	\$ 298,061,776	\$ 286,857,508

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Governmental activities. Governmental activities account for \$206 million or 69.2% of the total government-wide net position. This is an increase of \$2.6 million or 1.3% compared to June 30, 2019.

Total governmental revenues for the year were \$46.9 million, which is \$1.3 million or 2.9% more than in 2019.

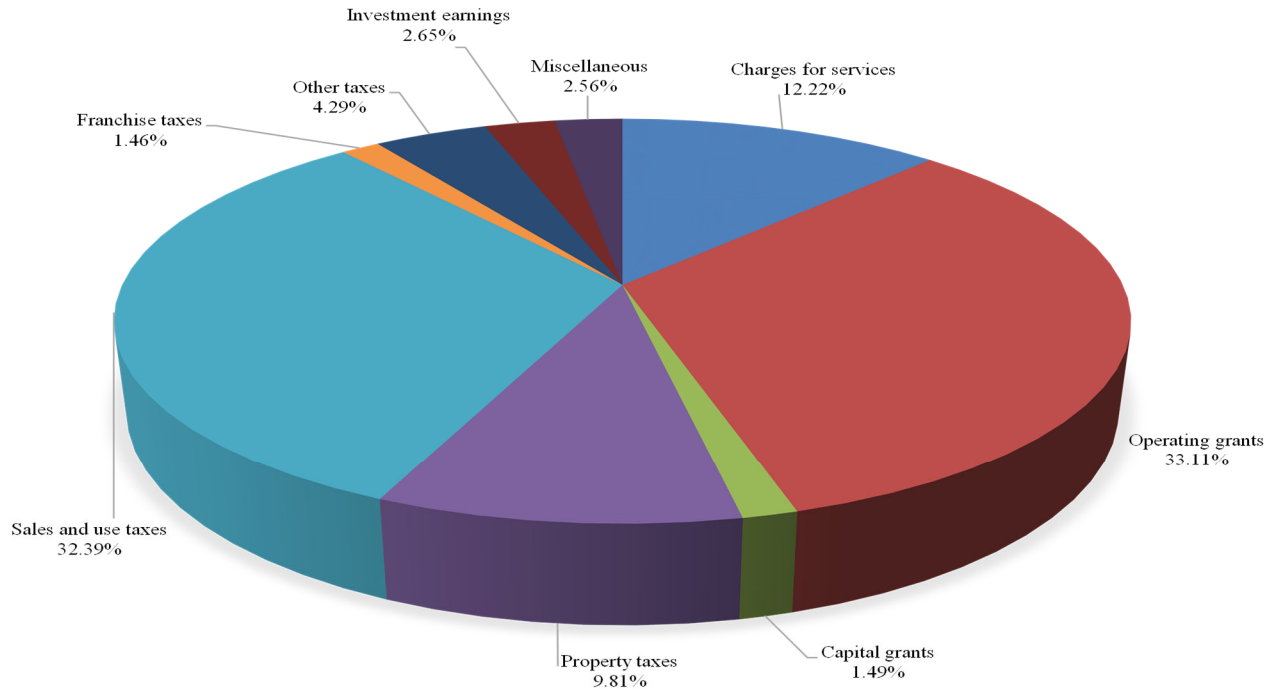
- Operating grants and contributions increased by \$1.5 million or 10.3% from the previous year primarily due to decreases in HRPP Grant by \$130,000, decrease in Cal Home Grants by \$180,000 and a decrease in Measure T revenue.
- Capital grants and contributions decreased by \$2.3 million or 76.4% from the previous year due to decrease of \$1.9 million in RSTP grant funding which was received in 2019 for construction of right-of-way on Olive Avenue and a reduction in the CMAQ grant.
- Taxes, including property, sales, franchise, and other taxes account for approximately \$22.5 million or 48.5% of the City's governmental activities revenue. Total tax revenue increased \$2.2 million or 4.8% from the previous year primarily due to increases in property taxes and sales and use taxes, including Measure K.
- Investment earnings decreased by \$0.6 million or 34.7% from the previous year due primarily to lower interest rates of return on investments.

Total governmental expenses for the year were \$46.7 million, which is \$3.0 million or 7.0% more than in 2019.

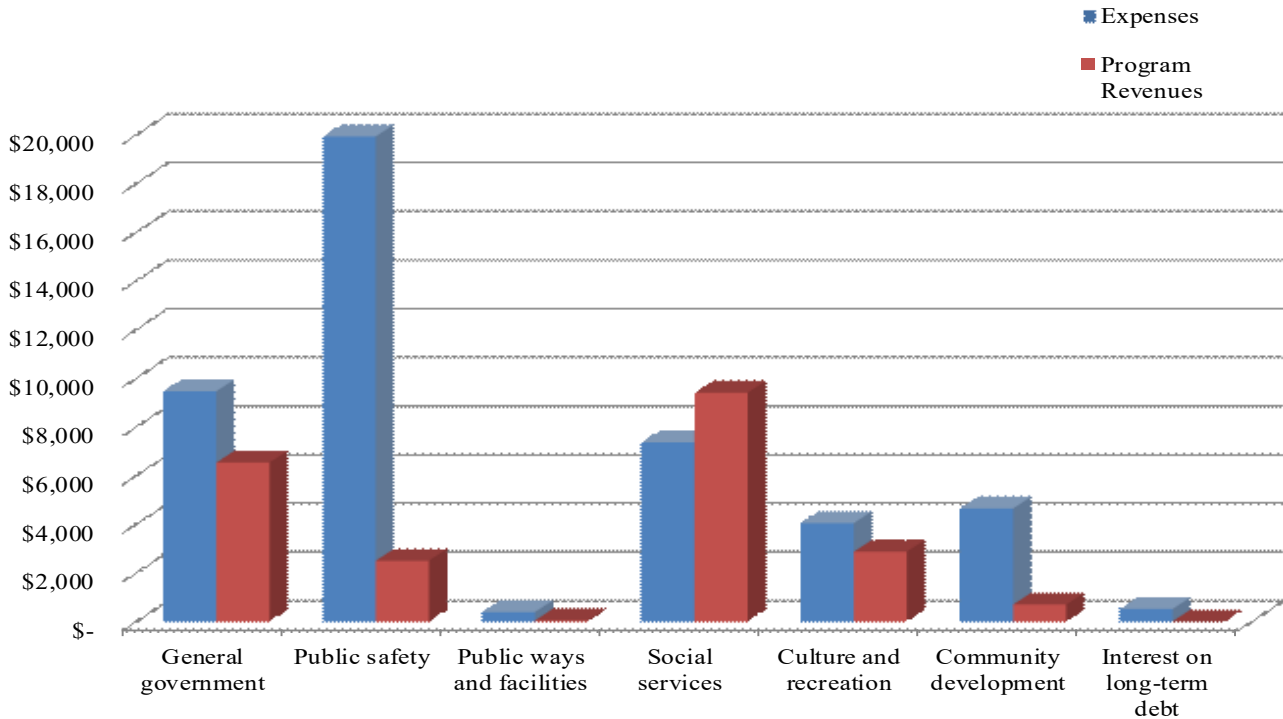
- General governmental expenses decreased by \$0.13 million or 1.3% from the previous year.
- Public safety expenses increased by \$1.2 million or 6.3% from the previous year.
- Public ways and facilities expenses increased by \$1.9 million or 34.5% from the previous year.
- Culture and recreation expenses decreased by \$0.5 million or 10.7% from the previous year.
- Community development expenses increased by \$0.16 million or 3.6% from the previous year.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Revenues by Source - Governmental Activities



Expenditures and Program Revenues - Governmental Activities



Governmental program revenues that include charges for services and grants specific to certain programs account for \$22.0 million or 47.3% of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up of "general" revenues such as taxes, interest, and grants and contributions.

City of Madera
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

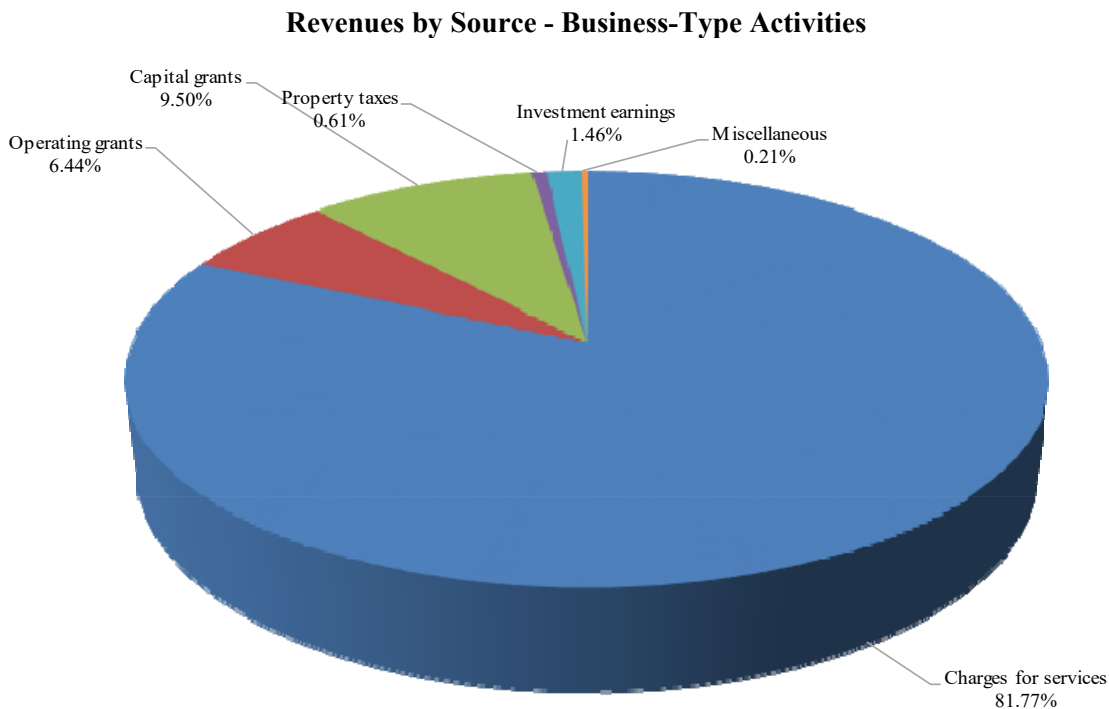
Business-type Activities. Business-type activities account for \$91.9 million or 31.0% of the total government-wide net position. This is an increase of \$9.1 million from the prior year. Net investment in capital assets accounts for \$64.4 million or 70.1% of the total net position and is an increase of \$3.4 million from 2019. Restricted net position accounts for \$1.2 million, or 1.3% of total net position, represents a decrease of \$3.8 million from 2019. Unrestricted net position of \$26.3 million, or 28.6% of total net position, represents an increase of \$9.0 million from 2019.

Total business-type revenue for the year was \$37.6 million, which is \$2.4 million or 6.7% more than in 2019.

Charges for services increased by \$1.8 million or 6.1% from the prior year primarily due to a 10% increase in water rates that took effect July 1, 2019. Additional water meters were installed where there were previously no meters. This change resulted in moving some customers from flat rates to metered rates, which typically increases charges for services.

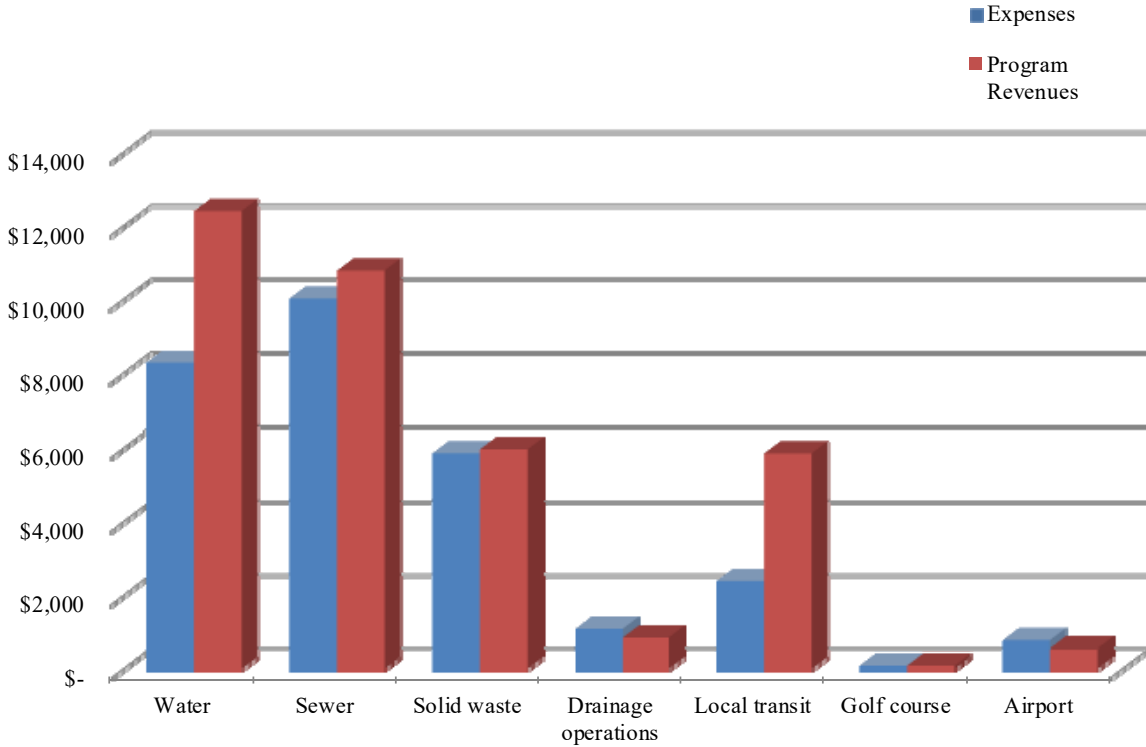
Operating grants and contributions increased by \$0.4 million or 17.4% from the prior year in local transit primarily due to a \$0.4 million Caltrans grant received for the purpose of transit rehabilitation, purchase buses and building new transit center. The new transit center was completed in 2021.

Capital grants and contributions increased by \$6 thousand or 0.3% from the prior year. The sewer fund recognized \$0.2 million in capital contributions from developers who developed new communities and installed water and sewer infrastructure.



City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Expenses and Program Revenues-Business-Type Activities



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

Total business-type expenses for the year were \$28.6 million, which is \$0.6 million or 2.0% more than in 2019.

Water expenses increased by \$0.5 million or 7.1% compared to the prior year, primarily due to salary increases and operational cost increases. A multi-year water system construction and maintenance project was completed in the prior year. Maintenance and infrastructure improvements were made over a four-year period and the final costs associated with that project occurred in 2019.

Sewer expenses increased by \$150 thousand or 1.7% compared to the prior year.

Solid Waste expenses decreased by \$180 thousand or 3.0% compared to the prior year.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Financial Analysis of the City's Funds

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

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

All of the City's Governmental Funds ended the year with positive fund balances. The ending fund balance for all funds amounted to \$79.4 million, \$15.8 million or 24.9% more than the previous year. The increase is primarily due to the issuance of 2020 Solar Energy Capital Lease. There was an increase in unassigned fund balances of \$3.4 million.

Of the total fund balance, \$6.5 million or 8.1% is unassigned which, within the limitations of the fund's purpose, is available for spending at the City's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is not in spendable form, legally required to be maintained intact, restricted for a particular purpose, committed for a particular purpose, or assigned for a particular purpose. The details of the remainder are as follows:

Nonspendable	
Prepaid items	\$ 116,440
Inventories	51,331
Advances to other funds	61,201
Restricted	
Community development	12,113,604
Park development	104,975
Parking improvements	116,033
Public works and transportation	12,478,885
Special assessment project	418,181
Public protection	216,069
Capital projects and improvements	29,829,920
Debt service	401,700
Committed	
General Fund stabilization reserve	9,372,405
Measure K - Police/Fire Protection	920,000
Assigned	
Golf course capital	20,000
OPEB liability	97,339
Insurance reserve	2,583,761
Measure K - Police/Fire Protection	4,062,604
Unassigned	6,463,639

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

General Fund

The General Fund is the chief operating fund of the City. As of June 30, 2020, the total fund balance (including all categories) of the general fund was \$25.1 million, up \$1.0 million from June 30, 2019. The total fund balance of \$25.1 million includes non-spendable balances of \$0.2million, restricted balances of \$0.4 million, committed balances of \$10.3 million, assigned balances of \$6.8 million, and an unassigned balance of \$7.4 million.

The *assigned* fund balance increased \$1.2 million when compared to June 30, 2019, primarily due to the \$1.0 million increase in Measure K fund balance.

The *unassigned* fund balance increased \$4.2 million when compared to June 30, 2019, primarily due to the release of fund balance committed for the construction of the Fire Station 58, which was funded by \$4.5 million in bond funds. The fire station was completed in June 2020 and the committed funds were reclassified as unassigned. The bonds will be repaid with Measure K funds. The Measure K sales tax, passed by the public in 2016, is an additional ½ cent sales tax on taxable sales in the City. The Council has dedicated and budgeted Measure K sales tax for police and fire protection. The \$7.4 million unassigned portion represents the amount carried over to offset the impact of any revenue shortfall that may occur in the next year due to economic uncertainty. As a measurement of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 20.4% of total General Fund expenditures, while total fund balance represents approximately 70.0% of total General Fund expenditures.

Other Major Funds

The General Development Impact Fee Special Revenue Fund, a major fund, had a \$2.0 million increase in fund balance during Fiscal Year 2020. The ending fund balance of \$15.2 million is restricted for capital projects and improvements.

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

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

Water Fund	\$ 32,443,231
Sewer Fund	18,951,086
Solid waste Fund	895,096
Drainage Operations Fund	18,460,760
Local Transit Fund	8,084,356
Golf Course Fund	412,537
Airport Fund	12,659,632
Fleet Maintenance Fund	4,202,230
Facilities Maintenance Fund	(1,052,916)
Technology Fund	(390,456)

As noted earlier in the discussion of business-type activities, revenues for sewer services increased by 8.4% in the current year. Incremental rate increases over five years were approved by the City Council in the calendar year 2015. Sewer fees were increased 10% in fiscal year 2020.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

General Fund Budgetary Highlights

The general fund ended fiscal year 2020 with \$4.5 million under budget. This variance was primarily the result of \$3.0 million more revenues than anticipated, and \$1.7 million expenditures under budget.

- Actual expenditures for General Government came in \$0.3 million under budget due to savings in personnel costs, property/liability/fidelity insurance, contracted services, and intergovernmental charges.
- Actual expenditures for Public Protection came in at 1.1 million under budget due to savings in contracted services and personnel costs.
- Public Ways and Facilities were \$0.5 million under budget due to savings in supplies and materials, contracted services, and personnel costs.
- Actual expenditures for Community Development came in at \$0.3 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 related to COVID-19 reduction in recreational programs, contracted services and conference/training.
- Actual expenditures for Capital Outlay were \$0.8 million over budget due to the carrying-forward of capital project budgets that were not completed during the prior 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, 2020, amount to \$292.6 million (net of depreciation), an increase of \$8.4 million compared to 2019. This increase is primarily due to the additions to capital assets of \$19.8 million offset by depreciation expense of \$12.7 million.

Major capital asset additions this year include the following:

- Road network improvements - \$2.3 million
 - Developer donations (sidewalk, pavement, pipelines, and others) - \$243 thousand
 - Various other street improvement projects - \$1.4 million
 - Various parks improvement projections - \$592 thousand
 - Various traffic signal improvement projects - \$35 thousand
- Transit and Public Works Facility - \$2.6 million
- Fire station - \$5.5 million
- Equipment, property, and software purchases - \$5.4 million
- Wastewater Treatment Plant improvement - \$583 thousand
- Sewer main improvement – \$572 thousand

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

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

- Sewer mains replacement: various locations
- Street improvements: Raymond Rd & Cleveland Ave, Olive Ave & Gateway Dr, Gateway Dr and Central Ave, Sunset Ave between Granada Dr and Foster Ave, Lincoln Ave and South St.
- Trail construction: Gateway Drive
- Water storage tank installation: Avenue 17 and Lake Street

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

- Lomar Construction – 1011, 1015, 1019, 1023 S D St
- Successor Housing Agency – 1106 & 1117 Riverside Dr
- Gateway Plaza – 424 Gateway Drive
- Boston Motors – 717 Yosemite Ave
- Varbella Estates I Subdivision

	Capital Assets					
	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 12,399,951	\$ 12,542,062	\$ 9,347,017	\$ 9,347,017	\$ 21,746,968	\$ 21,889,079
Construction in progress	16,590,872	5,476,620	1,426,412	9,081,266	18,017,284	14,557,886
Buildings and improvements	24,965,790	23,254,045	67,924,082	57,513,812	92,889,872	80,767,857
Equipment	17,135,262	14,925,005	5,998,392	25,001,965	23,133,654	39,926,970
Infrastructure	300,782,173	298,557,773	100,160,267	79,326,020	400,942,440	377,883,793
Less: accumulated depreciation	(186,179,025)	(176,681,670)	(77,944,556)	(74,125,909)	(264,123,581)	(250,807,579)
Total	\$ 185,695,023	\$ 178,073,835	\$ 106,911,614	\$ 106,144,171	\$ 292,606,637	\$ 284,218,006

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

Long-term Debt. The City's long-term debt as of June 30, 2020 was \$66.9 million with governmental activities accounting for \$24.7 million or 37.0%, and business-type activities accounting for \$42.2 million or 63.0%. The total debt increased by \$16.3 million or 32.1% during the current fiscal year. The reason for the increase was due to the issuance of the 2019 Solar Energy Capital Lease in the amount of \$19,595,500.

	Long-Term Debt					
	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Capital leases	\$ 19,595,500	\$ 492,603	\$ -	\$ -	\$ 19,595,500	\$ 492,603
Loans payable	633,600	738,900	7,831,103	8,489,178	8,464,703	9,228,078
Bonds payable	4,495,005	4,653,160	34,322,823	36,261,974	38,817,828	40,915,134
Total	\$ 24,724,105	\$ 5,884,663	\$ 42,153,926	\$ 44,751,152	\$ 66,878,031	\$ 50,635,815

General obligation debts are direct obligations of the City and are backed by the full faith and credit of the City requiring voter approval and may have a tax rate set to cover repayment. State statutes limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Madera's debt limit is \$535.8 million. Detailed information on the City's long-term debt activity can be found in Note 7 on pages 83-92.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Economic Factors and Next Year's Budgets and Rates

The 2020 economy experienced significant challenges associated with the COVID-19 pandemic. In March 2020, the State of California issued a “stay at home” order, which essentially shut down many businesses and ordered “non—essential” workers to stay at home. This resulted in a reduction in travel, entertainment related sales such as dine in restaurants, theaters and hotels. The fuel sales also declined because of the reduction in driving for work and travel. Prior to the pandemic, the national economy, as well as local economies, were experiencing significant economic growth and a continued decline in unemployment. However, following the stay-at-home order, unemployment rose to 12.1% by June 2020, up from 2.1% in the previous year. In early 2021 the economy began to open, some businesses opened to limited service and many employees returned to work. Unemployment figures are expected to improve, sales will experience some recovery as businesses continue to open up. In California, new home starts are expected to rise modestly over the next two years, as well as the value of existing homes.

The city experienced a decrease in its investment earnings from its previous year primarily due to a lower rate of return on investments compared to prior fiscal year. Measure K sales tax contributed to the increase in cash and investments bringing in \$5,391,512 in additional sales tax revenue. This allowed the City to expand its public safety sector and afford its citizens more police protection and the addition of a new fire station. The new fire station was financed by bonds and will be repaid with Measure K funds. The fire station was completed in June 2020.

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

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

The national GDP grew only 2.1% over the final quarter of 2020. Economic growth remained consistent with the prior year over the first few months of 2021. At the state level, California GDP had previously surpassed that of the entire United Kingdom, becoming the world's fifth largest economy, according to a May 2020 report by the LA Times. However, much of the economic growth in the state is focused in coastal areas such as Los Angeles, San Diego, San Francisco, and San Jose, which have a vast array of industry including technology, entertainment, and thus enjoy the benefits of international ports, airports, and international headquarter locations. Because the Central Valley relies heavily on an agriculture-based economy, profits are not as lucrative and challenges such as weather (drought), labor availability, and government subsidies all play into the bottom line.

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

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

In the last year, county-wide, Madera had added approximately 1,500 jobs. In January 2021, the unemployment rate in Madera County was 12.1%, up from 3.2% in February 2020 according to the State of California's Employment Development Department. At the state level, unemployment is averaging 14.9%.

City of Madera
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

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

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

The number of residential homes permitted over the previous fiscal year remains continues to grow, with 153 homes permitted in fiscal year 2019 and increasing to 211 in fiscal year 2020. It is anticipated that the growth in homes permitted will continue with several subdivisions in northwest quadrant currently being built. The projects cover approximately 3 square miles, over 5,000 new homes, retail and commercial use, elementary schools and expanses of open space and park amenities.

Water is and will remain a key element in the regional economy. The City is taking an active role in regional groundwater management efforts and is planning the next stages of improvements to address long-term water service for current residents and future development. Engineering costs for capital improvements are anticipated to be funded on a pay-as-you-go basis. Potential projects include the replacement of manual water meters, installation of new water meters, recoating of the water tower and the design of water main upgrades throughout the City. These projects have planned funding from revenue in the Water Utility Fund. A new water storage tank, pump station and associated transmission mains are included in the Capital Improvement Program with the initial engineering efforts taking place in 2020/21. The tank represents a critical component of infrastructure necessary to counter continual drought conditions in the valley. Construction funding for the tank project will require special financing either through grants, municipal bonds or low interest loans.

Although 2021 began with a stable economy and an optimistic outlook for the year ahead, the COVID-19 pandemic has disrupted the world's economy. Interest rates have declined and are expected to remain at low levels over the next year. The federal government has issued three economic stimulus packages to ease the effects of the COVID-19 outbreak. While the pandemic has impaired economic growth in some industries such as entertainment and travel, other industries have experienced continued growth including building and construction and sales tax related to on-line sales remain constant. Containment efforts have been prolonged (over a year) and are ongoing. Once containment is achieved, economic production is expected to be restored. Given these local and national projections, the City will continue with a prudent, conservative financial planning model as it makes budget decisions for the future.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Madera
Statement of Net Position
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Authority of the City of Madera
ASSETS				
Current assets:				
Cash and investments	\$ 54,213,568	\$ 36,978,194	\$ 91,191,762	\$ 7,486,675
Accounts receivable, net	8,333,417	3,639,065	11,972,482	438,546
Interest receivable	-	-	-	389,758
Prepaid items	159,778	35,582	195,360	2,013
Inventories	51,331	-	51,331	53,489
Due from Fiduciary Funds	510,320	-	510,320	-
Internal balances	1,977,043	(1,977,043)	-	-
Total current assets	65,245,457	38,675,798	103,921,255	8,370,481
Noncurrent assets:				
Restricted cash and investments	15,587,799	1,166,101	16,753,900	1,982,110
Notes receivable	8,003,577	-	8,003,577	3,402,347
Land held for resale	670,000	-	670,000	-
Capital assets:				
Non-depreciable	28,990,823	10,773,429	39,764,252	785,827
Depreciable, net	156,704,200	96,138,185	252,842,385	5,916,581
Total capital assets	185,695,023	106,911,614	292,606,637	6,702,408
Total noncurrent assets	209,956,399	108,077,715	318,034,114	12,086,865
Total assets	275,201,856	146,753,513	421,955,369	20,457,346
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	577,005	41,396	618,401	-
Related to pensions	7,770,119	2,049,365	9,819,484	735,316
Total deferred outflows of resources	8,347,124	2,090,761	10,437,885	735,316

City of Madera
Statement of Net Position (Continued)
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Authority of the City of Madera
LIABILITIES				
Current liabilities:				
Accounts payable	4,460,248	2,215,483	6,675,731	197,602
Accrued payroll	437,366	86,491	523,857	45,667
Deposits	627,873	482,518	1,110,391	200,182
Interest payable	121,568	1,572,031	1,693,599	-
Unearned revenue	140,173	155,927	296,100	173,763
Compensated absences - due within one year	1,181,991	289,015	1,471,006	38,216
Long-term debt - due within one year	401,700	2,238,377	2,640,077	124,017
Total current liabilities	7,370,919	7,039,842	14,410,761	779,447
Noncurrent liabilities:				
Other non-current liabilities	-	-	-	124,731
Aggregate net pension liability	40,726,579	8,500,904	49,227,483	3,389,295
Total OPEB liability	2,898,538	385,890	3,284,428	-
Compensated absences - due in more than one year	630,512	88,142	718,654	49,734
Long-term debt - due in more than one year	24,322,405	39,915,549	64,237,954	2,943,739
Total noncurrent liabilities	68,578,034	48,890,485	117,468,519	6,507,499
Total liabilities	75,948,953	55,930,327	131,879,280	7,286,946
DEFERRED INFLOWS OF RESOURCES				
Related to service concession arrangement	-	16,670	16,670	-
Gain on refunding of debt	-	324,052	324,052	-
Related to OPEB	164,911	26,668	191,579	-
Related to pensions	1,280,038	639,859	1,919,897	222,950
Total deferred inflows of resources	1,444,949	1,007,249	2,452,198	222,950
NET POSITION				
Net investment in capital assets	160,970,918	64,433,636	225,404,554	3,634,652
Restricted:				
Community development	12,113,604	-	12,113,604	-
Park development	104,975	-	104,975	-
Parking improvements	116,033	-	116,033	-
Public works and transportation	12,478,885	-	12,478,885	-
Special assessment project	418,181	-	418,181	-
Law enforcement	216,069	-	216,069	-
Capital projects and improvements	29,829,920	-	29,829,920	-
Housing services	-	-	-	1,651,091
Debt service	401,700	1,166,101	1,567,801	-
Total restricted	55,679,367	1,166,101	56,845,468	1,651,091
Unrestricted (deficit)	(10,495,207)	26,306,961	15,811,754	8,397,023
Total net position	\$ 206,155,078	\$ 91,906,698	\$ 298,061,776	\$ 13,682,766

City of Madera
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 9,574,371	\$ 132,620	\$ 6,393,348	\$ -	\$ 6,525,968
Public protection	20,182,145	891,061	1,601,619	-	2,492,680
Social services	422,270	-	42,549	-	42,549
Public ways and facilities	7,369,948	2,022,655	6,670,233	701,822	9,394,710
Community development	4,056,088	2,101,368	764,729	-	2,866,097
Culture and recreation	4,654,520	598,057	98,140	-	696,197
Interest on long-term debt	509,977	-	-	-	-
Total governmental activities	<u>46,769,319</u>	<u>5,745,761</u>	<u>15,570,618</u>	<u>701,822</u>	<u>22,018,201</u>
Business-type activities:					
Water	8,295,137	12,414,215	-	-	12,414,215
Sewer	10,038,430	10,592,505	-	205,060	10,797,565
Solid waste	5,875,225	5,965,467	-	16,543	5,982,010
Drainage operations	1,110,864	869,502	-	-	869,502
Local transit	2,403,789	120,138	2,413,681	3,339,841	5,873,660
Golf course	103,861	101,734	-	-	101,734
Airport	801,043	581,739	-	-	581,739
Total business-type activities	<u>28,628,349</u>	<u>30,645,300</u>	<u>2,413,681</u>	<u>3,561,444</u>	<u>36,620,425</u>
Total primary government	<u><u>\$ 75,397,668</u></u>	<u><u>\$ 36,391,061</u></u>	<u><u>\$ 17,984,299</u></u>	<u><u>\$ 4,263,266</u></u>	<u><u>\$ 58,638,626</u></u>
Component unit:					
Housing Authority of the City of Madera	\$ 9,795,659	\$ 1,941,475	\$ 6,278,868	\$ 569,971	\$ 8,790,314
Total component unit	<u><u>\$ 9,795,659</u></u>	<u><u>\$ 1,941,475</u></u>	<u><u>\$ 6,278,868</u></u>	<u><u>\$ 569,971</u></u>	<u><u>\$ 8,790,314</u></u>

City of Madera
Statement of Activities and Changes in Net Position (Continued)
For the Year Ended June 30, 2020

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
Primary government:				
Governmental activities:				
General government	\$ (3,048,403)	\$ -	\$ (3,048,403)	\$ -
Public protection	(17,689,465)	-	(17,689,465)	-
Social services	(379,721)	-	(379,721)	-
Public ways and facilities	2,024,762	-	2,024,762	-
Community development	(1,189,991)	-	(1,189,991)	-
Culture and recreation	(3,958,323)	-	(3,958,323)	-
Interest on long-term debt	(509,977)	-	(509,977)	-
Total governmental activities	(24,751,118)	-	(24,751,118)	-
Business-type activities:				
Water	-	4,119,078	4,119,078	-
Sewer	-	759,135	759,135	-
Solid waste	-	106,785	106,785	-
Drainage operations	-	(241,362)	(241,362)	-
Local transit	-	3,469,871	3,469,871	-
Golf course	-	(2,127)	(2,127)	-
Airport	-	(219,304)	(219,304)	-
Total business-type activities	-	7,992,076	7,992,076	-
Total primary government	(24,751,118)	7,992,076	(16,759,042)	-
Component unit:				
Housing Authority of the City of Madera	-	-	-	(1,005,345)
Total component unit	-	-	-	(1,005,345)
General Revenues and Transfers:				
General revenues:				
Taxes:				
Property taxes	4,613,254	228,943	4,842,197	-
Sales and use taxes	15,227,811	-	15,227,811	-
Franchise taxes	688,563	-	688,563	-
Other taxes	2,019,087	-	2,019,087	-
Total taxes	22,548,715	228,943	22,777,658	-
Investment earnings	1,247,564	548,322	1,795,886	135,783
Gain (loss) on sale of capital assets	(42,920)	86,556	43,636	-
Miscellaneous revenue	1,205,394	78,165	1,283,559	1,026,644
Transfers	352,225	(352,225)	-	-
Total general revenues and transfers	25,310,978	589,761	25,900,739	1,162,427
Special items:				
Transfers of assets from Successor Agency (Note 14)	2,062,571	-	2,062,571	-
Total special items	2,062,571	-	2,062,571	-
Change in net position	2,622,431	8,581,837	11,204,268	157,082
Net Position:				
Beginning of year	203,532,647	83,324,861	286,857,508	13,525,684
End of year	\$ 206,155,078	\$ 91,906,698	\$ 298,061,776	\$ 13,682,766

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.

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

City of Madera
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds		
	General Fund	General Development Impact Fee Fund	Solar Energy Lease Capital Projects Fund
ASSETS			
Cash and investments	\$ 19,810,607	\$ 15,813,868	\$ -
Restricted cash and investments	10,324	-	15,577,475
Accounts receivable, net	4,407,516	6,754	-
Notes receivable	-	-	-
Prepaid items	112,625	-	-
Inventories	51,331	-	-
Due from other funds	3,507,119	-	-
Due from Fiduciary Funds	510,320	-	-
Advances to other funds	85,681	-	-
Land held for resale	-	-	-
Total assets	\$ 28,495,523	\$ 15,820,622	\$ 15,577,475
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,730,356	\$ -	\$ 1,434,287
Accrued payroll	401,783	-	-
Due to other funds	-	-	-
Deposits payable	-	627,799	-
Unearned revenues	25,000	-	-
Total liabilities	3,157,139	627,799	1,434,287
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	232,224	-	-
Total deferred inflows of resources	232,224	-	-
Fund Balances:			
Nonspendable	225,157	-	-
Restricted	401,700	15,192,823	14,143,188
Committed	10,292,405	-	-
Assigned	6,763,704	-	-
Unassigned (deficit)	7,423,194	-	-
Total fund balances	25,106,160	15,192,823	14,143,188
Total liabilities, deferred inflows of resources, and fund balances	\$ 28,495,523	\$ 15,820,622	\$ 15,577,475

City of Madera
Balance Sheet (Continued)
Governmental Funds
June 30, 2020

	Non-major Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 16,524,710	\$ 52,149,185
Restricted cash and investments	-	15,587,799
Accounts receivable, net	3,915,432	8,329,702
Notes receivable	8,003,577	8,003,577
Prepaid items	3,815	116,440
Inventories	-	51,331
Due from other funds	-	3,507,119
Due from Fiduciary Funds	-	510,320
Advances to other funds	-	85,681
Land held for resale	670,000	670,000
Total assets	\$ 29,117,534	\$ 89,011,154
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 154,147	\$ 4,318,790
Accrued payroll	910	402,693
Due to other funds	1,615,757	1,615,757
Deposits payable	74	627,873
Unearned revenues	115,173	140,173
Total liabilities	1,886,061	7,105,286
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	2,245,557	2,477,781
Total deferred inflows of resources	2,245,557	2,477,781
Fund Balances:		
Nonspendable	3,815	228,972
Restricted	25,941,656	55,679,367
Committed	-	10,292,405
Assigned	-	6,763,704
Unassigned (deficit)	(959,555)	6,463,639
Total fund balances	24,985,916	79,428,087
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,117,534	\$ 89,011,154

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City of Madera
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balances - Total Governmental Funds	<u>\$ 79,428,087</u>
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Revenue earned but not received within 60 days is categorized as a deferred inflows of resources in the fund financial statements but recognized as grant revenue in the government-wide statement of activities.	<u>2,477,781</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	185,695,023
Less: capital assets reported in Internal Service Funds	<u>(3,420,140)</u>
Total capital assets	<u>182,274,883</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	(1,181,991)
Compensated absences - due in more than one year	(630,512)
Long-term debt - due within one year	(401,700)
Long-term debt - due in more than one year	(24,322,405)
Less: amount reported in Internal Service Funds:	
Compensated absences - due within one year	106,321
Compensated absences - due in more than one year	<u>52,091</u>
Total long-term liabilities	<u>(26,378,196)</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>(121,568)</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	(40,726,579)
Total OPEB liability	(2,898,538)
Less: amount reported in Internal Service Funds:	
Net pension liability	<u>2,878,491</u>
	<u>(40,746,626)</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	577,005
Deferred outflows of resources related to pensions	7,770,119
Less: amount reported in Internal Service Funds:	
Deferred outflows of resources related to pensions	<u>(677,252)</u>
Total deferred outflows of resources	<u>7,669,872</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	(164,911)
Deferred inflows of resources related to pensions	(1,280,038)
Less: amount reported in Internal Service Funds:	
Deferred inflows of resources related to pensions	<u>236,936</u>
Total deferred inflows of resources	<u>(1,208,013)</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>2,758,858</u>
Net Position of Governmental Activities	<u>\$ 206,155,078</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, 2020

	Major Funds		
	General Fund	General Development Impact Fee Fund	Solar Energy Lease Capital Projects Fund
REVENUES:			
Property taxes	\$ 4,174,968	\$ -	\$ -
Sales and use taxes	15,227,811	-	-
Other taxes	1,690,706	-	-
Use of money and property	849,704	214,771	-
Franchise fees	688,563	-	-
Licenses and permits	1,106,424	-	-
Fines and forfeitures	481,822	-	-
Intergovernmental	7,399,895	-	-
Charges for services	1,427,158	2,585,932	-
Miscellaneous	1,225,957	-	-
Total revenues	34,273,008	2,800,703	-
EXPENDITURES:			
Current:			
General government	2,608,477	-	-
Public protection	18,312,418	-	-
Social services	198,360	-	-
Public ways and facilities	1,706,979	360,308	-
Community development	3,041,286	-	-
Culture and recreation	3,300,189	-	-
Capital outlay	6,560,397	6,837	5,204,060
Debt service:			
Principal	550,690	-	-
Interest and fiscal charges	126,047	-	225,773
Total expenditures	36,404,843	367,145	5,429,833
REVENUES OVER (UNDER) EXPENDITURES	(2,131,835)	2,433,558	(5,429,833)
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of property	22,923	-	-
Proceeds from issuance of long-term debt	-	-	19,432,000
Cost of issuance	-	-	(84,752)
Transfers in	3,650,562	-	225,773
Transfers out	(634,136)	(394,020)	-
Total other financing sources (uses)	3,039,349	(394,020)	19,573,021
NET CHANGE IN FUND BALANCES	907,514	2,039,538	14,143,188
FUND BALANCES:			
Beginning of year	24,198,646	13,153,285	-
End of year	<u>\$ 25,106,160</u>	<u>\$ 15,192,823</u>	<u>\$ 14,143,188</u>

City of Madera
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2020

	Non-major Governmental Funds	Total Governmental Funds
REVENUES:		
Property taxes	\$ 438,286	\$ 4,613,254
Sales and use taxes	-	15,227,811
Other taxes	423,484	2,114,190
Use of money and property	314,019	1,378,494
Franchise fees	-	688,563
Licenses and permits	-	1,106,424
Fines and forfeitures	13,001	494,823
Intergovernmental	6,220,163	13,620,058
Charges for services	78,819	4,091,909
Miscellaneous	9,420	1,235,377
Total revenues	7,497,192	44,570,903
EXPENDITURES:		
Current:		
General government	83,252	2,691,729
Public protection	80,609	18,393,027
Social services	-	198,360
Public ways and facilities	3,889,750	5,957,037
Community development	89,062	3,130,348
Culture and recreation	-	3,300,189
Capital outlay	2,062,979	13,834,273
Debt service:		
Principal	8,713	559,403
Interest and fiscal charges	-	351,820
Total expenditures	6,214,365	48,416,186
REVENUES OVER (UNDER) EXPENDITURES	1,282,827	(3,845,283)
OTHER FINANCING SOURCES (USES):		
Proceeds from sale of property	656,657	679,580
Proceeds from issuance of long-term debt	-	19,432,000
Cost of issuance	-	(84,752)
Transfers in	11,567,097	15,443,432
Transfers out	(14,744,910)	(15,773,066)
Total other financing sources (uses)	(2,521,156)	19,697,194
NET CHANGE IN FUND BALANCES	(1,238,329)	15,851,911
FUND BALANCES:		
Beginning of year	26,224,245	63,576,176
End of year	\$ 24,985,916	\$ 79,428,087

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, 2020

Total Fund Balances - Total Governmental Funds \$ 15,851,911

Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period (net of \$582,543 added in internal service funds).	13,834,273
In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution (net of \$4,925 added in internal service funds).	555,173
Transfer of capital assets from the Fiduciary Funds did not provide current financial resources to the governmental funds but was recorded as a special item on the Government-Wide Statement of Activities.	2,062,571
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense, net of internal service funds of \$602,923, was not reported as expenditures in the Governmental Funds.	(8,087,949)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(722,500)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Lease revenue bonds	(19,432,000)
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	559,403
Amortization of bond premium	33,155
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	(106,560)
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.	(110,948)
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.	1,893,798
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension related deferred outflows of resources	(1,955,436)
Changes in net pension liabilities	(3,005,818)
Changes in pension related deferred inflows of resources	545,104
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	494,424
Changes in total OPEB liabilities	(280,751)
Changes in OPEB related deferred inflows of resources	28,423
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.	466,158

Change in Net Position of Governmental Activities \$ 2,622,431

Proprietary Funds Financial Statements

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

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

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

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

Local Transit Fund - This fund is used to account for the activities of the government's public transit 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, 2020

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
ASSETS				
Current assets:				
Cash and investments	\$ 24,654,076	\$ 7,526,796	\$ 2,538,528	\$ 700,717
Accounts receivable, net	1,018,847	415,541	314,329	26,359
Prepaid items	30,351	3,505	38	-
Total current assets	<u>25,703,274</u>	<u>7,945,842</u>	<u>2,852,895</u>	<u>727,076</u>
Noncurrent assets:				
Restricted cash and investments	485,383	680,718	-	-
Capital assets:				
Non-depreciable	452,935	2,988,398	-	3,660,651
Depreciable, net	21,466,022	41,897,860	-	14,622,928
Total capital assets	<u>21,918,957</u>	<u>44,886,258</u>	<u>-</u>	<u>18,283,579</u>
Total noncurrent assets	<u>22,404,340</u>	<u>45,566,976</u>	<u>-</u>	<u>18,283,579</u>
Total assets	<u>48,107,614</u>	<u>53,512,818</u>	<u>2,852,895</u>	<u>19,010,655</u>
DEFERRED OUTFLOW OF RESOURCES				
Related to OPEB	20,698	20,698	-	-
Related to pensions	783,725	614,058	339,156	147,923
Total deferred outflow of resources	<u>804,423</u>	<u>634,756</u>	<u>339,156</u>	<u>147,923</u>
LIABILITIES				
Current liabilities:				
Accounts payable	510,659	621,061	734,576	7,510
Accrued payroll	31,021	33,563	9,784	4,438
Due to other funds	-	-	-	-
Interest payable	97,394	379,378	-	-
Deposits payable	1,558,531	-	-	-
Unearned revenue	66,094	-	89,633	200
Compensated absences - due within one year	118,389	93,547	40,083	15,237
Long-term debt - due within one year	409,781	1,531,996	-	-
Total current liabilities	<u>2,791,869</u>	<u>2,659,545</u>	<u>874,076</u>	<u>27,385</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Aggregate net pension liability	3,223,748	2,653,639	1,332,417	615,899
Total OPEB liability	192,945	192,945	-	-
Compensated absences - due in more than one year	36,106	28,529	12,224	4,647
Long term debt - due in more than one year	9,963,042	29,115,287	-	-
Total noncurrent liabilities	<u>13,415,841</u>	<u>31,990,400</u>	<u>1,344,641</u>	<u>620,546</u>
Total liabilities	<u>16,207,710</u>	<u>34,649,945</u>	<u>2,218,717</u>	<u>647,931</u>
DEFERRED INFLOWS OF RESOURCES				
Related to service concession arrangement	-	-	-	-
Gain on refunding of debt	21,737	302,315	-	-
Related to OPEB	13,334	13,334	-	-
Related to pensions	226,025	230,894	78,238	49,887
Total deferred inflows of resources	<u>261,096</u>	<u>546,543</u>	<u>78,238</u>	<u>49,887</u>
NET POSITION				
Net investment in capital assets	11,524,397	13,936,660	-	18,283,579
Restricted	485,383	680,718	-	-
Unrestricted (deficit)	20,433,451	4,333,708	895,096	177,181
Total net position	<u>\$ 32,443,231</u>	<u>\$ 18,951,086</u>	<u>\$ 895,096</u>	<u>\$ 18,460,760</u>

City of Madera
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2020

	Major Funds			Governmental
	Local Transit Fund	Non-major Funds	Total	Activities Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ -	\$ 1,558,077	\$ 36,978,194	\$ 2,064,383
Accounts receivable, net	1,754,706	109,283	3,639,065	3,715
Prepaid items	26	1,662	35,582	43,338
Total current assets	<u>1,754,732</u>	<u>1,669,022</u>	<u>40,652,841</u>	<u>2,111,436</u>
Noncurrent assets:				
Restricted cash and investments	-	-	1,166,101	-
Capital assets:				
Non-depreciable	320,500	3,350,945	10,773,429	227,449
Depreciable, net	8,166,454	9,984,921	96,138,185	3,192,691
Total capital assets	<u>8,486,954</u>	<u>13,335,866</u>	<u>106,911,614</u>	<u>3,420,140</u>
Total noncurrent assets	<u>8,486,954</u>	<u>13,335,866</u>	<u>108,077,715</u>	<u>3,420,140</u>
Total assets	<u>10,241,686</u>	<u>15,004,888</u>	<u>148,730,556</u>	<u>5,531,576</u>
DEFERRED OUTFLOW OF RESOURCES				
Related to OPEB	-	-	41,396	-
Related to pensions	113,508	50,995	2,049,365	677,252
Total deferred outflow of resources	<u>113,508</u>	<u>50,995</u>	<u>2,090,761</u>	<u>677,252</u>
LIABILITIES				
Current liabilities:				
Accounts payable	304,680	36,997	2,215,483	141,458
Accrued payroll	5,087	2,598	86,491	34,673
Due to other funds	1,439,092	452,270	1,891,362	-
Interest payable	-	5,746	482,518	-
Deposits payable	-	13,500	1,572,031	-
Unearned revenue	-	-	155,927	-
Compensated absences - due within one year	16,065	5,694	289,015	106,321
Long-term debt - due within one year	-	296,600	2,238,377	-
Total current liabilities	<u>1,764,924</u>	<u>813,405</u>	<u>8,931,204</u>	<u>282,452</u>
Noncurrent liabilities:				
Advances from other funds	-	85,681	85,681	-
Aggregate net pension liability	465,236	209,965	8,500,904	2,878,491
Total OPEB liability	-	-	385,890	-
Compensated absences - due in more than one year	4,899	1,737	88,142	52,091
Long term debt - due in more than one year	-	837,220	39,915,549	-
Total noncurrent liabilities	<u>470,135</u>	<u>1,134,603</u>	<u>48,976,166</u>	<u>2,930,582</u>
Total liabilities	<u>2,235,059</u>	<u>1,948,008</u>	<u>57,907,370</u>	<u>3,213,034</u>
DEFERRED INFLOWS OF RESOURCES				
Related to service concession arrangement	-	16,670	16,670	-
Gain on refunding of debt	-	-	324,052	-
Related to OPEB	-	-	26,668	-
Related to pensions	35,779	19,036	639,859	236,936
Total deferred inflows of resources	<u>35,779</u>	<u>35,706</u>	<u>1,007,249</u>	<u>236,936</u>
NET POSITION				
Net investment in capital assets	8,486,954	12,202,046	64,433,636	3,420,140
Restricted	-	-	1,166,101	-
Unrestricted (deficit)	(402,598)	870,123	26,306,961	(661,282)
Total net position	<u>\$ 8,084,356</u>	<u>\$ 13,072,169</u>	<u>\$ 91,906,698</u>	<u>\$ 2,758,858</u>

City of Madera
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
OPERATING REVENUES:				
Charges for services	\$ 12,414,215	\$ 10,592,505	\$ 5,965,467	\$ 869,502
Other	6,540	1,711	65,968	113
Total operating revenues	<u>12,420,755</u>	<u>10,594,216</u>	<u>6,031,435</u>	<u>869,615</u>
OPERATING EXPENSES:				
Salaries and benefits	2,189,197	2,374,404	636,197	438,348
General and administrative	2,364,387	2,153,416	5,176,578	200,137
Supplies and miscellaneous	257,640	383,561	41,725	35,859
Parts and supplies	50,066	200,036	-	45,231
Utilities	1,895,305	1,447,833	17,681	50,378
Depreciation	840,803	2,383,497	3,044	340,911
Total operating expenses	<u>7,597,398</u>	<u>8,942,747</u>	<u>5,875,225</u>	<u>1,110,864</u>
OPERATING INCOME (LOSS)	<u>4,823,357</u>	<u>1,651,469</u>	<u>156,210</u>	<u>(241,249)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	387,467	90,221	38,479	9,194
Property taxes	-	92,041	-	-
Operating grants	-	-	-	-
Capital grants	-	-	16,543	-
Gain (loss) on sale of capital assets	14,449	43,407	2,720	25,980
Interest expense	(697,739)	(1,095,683)	-	-
Total nonoperating revenues (expenses)	<u>(295,823)</u>	<u>(870,014)</u>	<u>57,742</u>	<u>35,174</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>4,527,534</u>	<u>781,455</u>	<u>213,952</u>	<u>(206,075)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	205,060	-	-
Transfers in	-	254,000	-	-
Transfers out	(148,153)	(47,932)	(595,069)	(49,909)
Total capital contributions and transfers	<u>(148,153)</u>	<u>411,128</u>	<u>(595,069)</u>	<u>(49,909)</u>
Changes in net position	4,379,381	1,192,583	(381,117)	(255,984)
NET POSITION:				
Beginning of year	<u>28,063,850</u>	<u>17,758,503</u>	<u>1,276,213</u>	<u>18,716,744</u>
End of year	<u>\$ 32,443,231</u>	<u>\$ 18,951,086</u>	<u>\$ 895,096</u>	<u>\$ 18,460,760</u>

City of Madera
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2020

	Major Funds			Governmental
	Local Transit Fund	Non-major Funds	Total	Activities Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 120,138	\$ 683,473	\$ 30,645,300	\$ 4,046,423
Other	-	3,833	78,165	133,385
Total operating revenues	120,138	687,306	30,723,465	4,179,808
OPERATING EXPENSES:				
Salaries and benefits	251,853	162,890	6,052,889	2,221,084
General and administrative	1,811,275	343,449	12,049,242	793,469
Supplies and miscellaneous	165,918	13,033	897,736	150,967
Parts and supplies	-	-	295,333	256,144
Utilities	-	36,883	3,448,080	375,847
Depreciation	174,743	308,871	4,051,869	602,923
Total operating expenses	2,403,789	865,126	26,795,149	4,400,434
OPERATING INCOME (LOSS)	(2,283,651)	(177,820)	3,928,316	(220,626)
NONOPERATING REVENUES (EXPENSES):				
Investment income	2,779	20,182	548,322	-
Property taxes	-	136,902	228,943	-
Operating grants	2,413,681	-	2,413,681	-
Capital grants	3,041,110	-	3,057,653	-
Gain (loss) on sale of capital assets	-	-	86,556	-
Interest expense	-	(39,778)	(1,833,200)	-
Total nonoperating revenues (expenses)	5,457,570	117,306	4,501,955	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,173,919	(60,514)	8,430,271	(220,626)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	298,731	-	503,791	4,925
Transfers in	-	298,151	552,151	717,182
Transfers out	(57,000)	(6,313)	(904,376)	(35,323)
Total capital contributions and transfers	241,731	291,838	151,566	686,784
Changes in net position	3,415,650	231,324	8,581,837	466,158
NET POSITION:				
Beginning of year	4,668,706	12,840,845	83,324,861	2,292,700
End of year	<u>\$ 8,084,356</u>	<u>\$ 13,072,169</u>	<u>\$ 91,906,698</u>	<u>\$ 2,758,858</u>

City of Madera
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Major Funds			
	Water Fund	Sewer Fund	Solid Waste Fund	Drainage Operations Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 12,199,048	\$ 10,426,495	\$ 5,786,300	\$ 860,583
Cash payments to suppliers for goods and services	(4,174,410)	(4,072,588)	(5,221,056)	(335,889)
Cash payments to employees for services	(2,058,724)	(2,228,530)	(589,917)	(423,138)
Other operating revenues and expenses	6,540	1,711	65,968	113
Net cash provided by (used in) operating activities	5,972,454	4,127,088	41,295	101,669
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating grants	-	-	-	-
Property taxes	-	92,041	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Transfers from other funds	-	254,000	-	-
Transfers to other funds	(148,153)	(47,932)	(595,069)	(49,909)
Net cash provided by (used in) noncapital financing activities	(148,153)	298,109	(595,069)	(49,909)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	-	-	16,543	-
Acquisition of capital assets	(7,571)	(913,001)	-	25,980
Proceeds from the sale of assets	-	-	2,720	-
Proceeds from issuance of debt	9,016,903	-	-	-
Principal payment of long-term debt	(9,876,054)	(1,402,295)	-	-
Interest paid on debt	(773,496)	(1,132,551)	-	-
Net cash provided by (used in) capital and related financing activities	(1,640,218)	(3,447,847)	19,263	25,980
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest from investments	387,467	90,221	38,479	9,194
Net cash provided by investing activities	387,467	90,221	38,479	9,194
Net change in cash and cash equivalents	4,571,550	1,067,571	(496,032)	86,934
CASH AND CASH EQUIVALENTS:				
Beginning of year	20,567,909	7,139,943	3,034,560	613,783
End of year	<u>\$ 25,139,459</u>	<u>\$ 8,207,514</u>	<u>\$ 2,538,528</u>	<u>\$ 700,717</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 4,823,357	\$ 1,651,469	\$ 156,210	\$ (241,249)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities				
Depreciation	840,803	2,383,497	3,044	340,911
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(220,414)	(166,010)	(179,167)	(8,919)
Prepaid items	(3,693)	13,259	34	-
Deferred outflows - OPEB related	(14,600)	(14,600)	-	-
Deferred outflows - pension related	81,871	87,060	23,336	16,737
Accounts payable	396,681	98,999	14,894	(4,284)
Accrued payroll	(17,579)	(19,062)	(4,528)	(5,365)
Deposits payable	(7,782)	-	-	-
Unearned revenue	13,029	-	-	-
Compensated absences	18,773	27,377	13,572	(6,131)
Aggregate net pension liability	82,184	87,393	23,426	16,801
Total OPEB liability	14,735	14,735	-	-
Deferred inflows - related to service concession arrangements	-	-	-	-
Deferred inflows - pension related	(33,419)	(35,537)	(9,526)	(6,832)
Deferred inflows - OPEB related	(1,492)	(1,492)	-	-
Total adjustments	1,149,097	2,475,619	(114,915)	342,918
Net cash provided by (used in) operating activities	\$ 5,972,454	\$ 4,127,088	\$ 41,295	\$ 101,669
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed property, plant and equipment	\$ -	\$ 205,060	\$ -	\$ -
Total noncash capital and related financing activities	\$ -	\$ 205,060	\$ -	\$ -

See accompanying Notes to the Basic Financial Statements.

City of Madera
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2020

	<u>Major Funds</u>			Governmental
	Local			Activities
	Transit	Non-major		Internal
	Fund	Funds	Total	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 524,612	\$ 626,985	\$ 30,424,023	\$ 4,267,177
Cash payments to suppliers for goods and services	(2,286,261)	(365,517)	(16,455,721)	(1,541,726)
Cash payments to employees for services	(239,364)	(155,105)	(5,694,778)	(2,067,202)
Other operating revenues and expenses	-	3,833	78,165	133,385
Net cash provided by (used in) operating activities	(2,001,013)	110,196	8,351,689	791,634
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating grants	2,413,681	-	2,413,681	-
Property taxes	-	136,902	228,943	-
Due to other funds	(62,464)	15,721	(46,743)	-
Advances from other funds	-	(24,480)	(24,480)	-
Transfers from other funds	-	298,151	552,151	717,182
Transfers to other funds	(57,000)	(6,313)	(904,376)	(35,323)
Net cash provided by (used in) noncapital financing activities	2,294,217	419,981	2,219,176	681,859
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants	3,041,110	-	3,057,653	-
Acquisition of capital assets	(3,337,093)	-	(4,231,685)	(577,618)
Proceeds from the sale of assets	-	-	2,720	-
Proceeds from issuance of debt	-	-	9,016,903	-
Principal payment of long-term debt	-	(335,780)	(11,614,129)	-
Interest paid on debt	-	(45,352)	(1,951,399)	-
Net cash provided by (used in) capital and related financing activities	(295,983)	(381,132)	(5,719,937)	(577,618)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest from investments	2,779	20,182	548,322	-
Net cash provided by investing activities	2,779	20,182	548,322	-
Net change in cash and cash equivalents	-	169,227	5,399,250	895,875
CASH AND CASH EQUIVALENTS:				
Beginning of year	-	1,388,850	32,745,045	1,168,508
End of year	\$ -	\$ 1,558,077	\$ 38,144,295	\$ 2,064,383
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (2,283,651)	\$ (177,820)	\$ 3,928,316	\$ (220,626)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities				
Depreciation	174,743	308,871	4,051,869	602,923
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	404,474	140,665	(29,371)	220,754
Prepaid items	(26)	(1,662)	7,912	5,719
Deferred outflows - OPEB related	-	-	(29,200)	-
Deferred outflows - pension related	11,106	5,224	225,334	87,065
Accounts payable	(309,042)	29,510	226,758	28,982
Accrued payroll	(4,439)	(1,397)	(52,370)	(25,458)
Deposits payable	-	(490)	(8,272)	-
Unearned revenue	-	-	13,029	-
Compensated absences	(792)	847	53,646	40,417
Aggregate net pension liability	11,148	5,244	226,196	87,398
Total OPEB liability	-	-	29,470	-
Deferred inflows - related to service concession arrangements	-	(196,663)	(196,663)	-
Deferred inflows - pension related	(4,534)	(2,133)	(91,981)	(35,540)
Deferred inflows - OPEB related	-	-	(2,984)	-
Total adjustments	282,638	288,016	4,423,373	1,012,260
Net cash provided by (used in) operating activities	\$ (2,001,013)	\$ 110,196	\$ 8,351,689	\$ 791,634
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed property, plant and equipment	\$ 298,731	\$ -	\$ 503,791	\$ 4,925
Total noncash capital and related financing activities	\$ 298,731	\$ -	\$ 503,791	\$ 4,925

See accompanying Notes to the Basic Financial Statements.

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Fiduciary Funds Financial Statements

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

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

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City of Madera
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency Funds	RDA Successor Agency Private Purpose Trust Fund
ASSETS		
Cash and investments	\$ 1,894,707	\$ 5,654,366
Accounts receivable, net	4,247	20,688
Prepaid items	220,272	355
Restricted cash and investments with fiscal agent	48,841	1,294
Land held for resale	-	390,707
Capital asset, not being depreciated	-	14,786
Capital asset, being depreciated, net	-	1,629,073
Total assets	\$ 2,168,067	7,711,269
LIABILITIES		
Accounts payable	\$ 134,113	29,060
Accrued liabilities	215,029	465
Interest payable	-	514,273
Due to City	102,712	407,608
Deposits payable	1,335,679	-
Due to bondholders	380,534	-
Long-term debt - due within one year	-	1,325,000
Long-term debt - due in more than one year	-	37,095,753
Total liabilities	\$ 2,168,067	39,372,159
NET POSITION (DEFICIT)		
Net position held in trust for redevelopment (deficit) and other purposes		(31,660,890)
Total net position (deficit)		\$ (31,660,890)

City of Madera
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	RDA Successor Agency Private Purpose Trust Fund
ADDITIONS:	
Property Taxes	\$ 2,790,658
Interest Income	87,067
Other payments received	19,949
Total additions	2,897,674
DEDUCTIONS:	
General and administration	250,000
Project expenses	89,143
Depreciation	89,032
Interest expense	1,065,418
Total deductions	1,493,593
SPECIAL ITEMS:	
LRPMP transfers to the City	(2,062,571)
Total special items	(2,062,571)
Change in net position	(658,490)
NET POSITION (DEFICIT):	
Beginning of year	(31,002,400)
End of period	\$ (31,660,890)

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Madera
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City of Madera
Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

Blended Component Units

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

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

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

Madera Public Financing Authority (Financing Authority)

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Discretely Presented Component Units

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

Housing Authority of the City of Madera (Housing Authority)

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

B. Basis of Presentation, Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

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

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

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Government-Wide Financial Statements (Continued)

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

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

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

Governmental Fund Financial Statements

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

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

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

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Governmental Fund Financial Statements (Continued)

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

The City reports the following major governmental funds:

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

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

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.

Proprietary Fund Financial Statements

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

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

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

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

The City reports the following major proprietary funds:

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Financial Statements (Continued)

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

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

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

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

Fiduciary Fund Financial Statements

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

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

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

Successor Agency of the Redevelopment Agency for the City of Madera

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Deferred Outflows and Inflows of Resources

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

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

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

D. Cash, Cash Equivalents and Investments

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

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

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

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

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

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

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

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash, Cash Equivalents and Investments (Continued)

Levels of inputs are as follows:

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

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

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

E. Restricted Assets

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

F. Receivables

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

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

G. Interfund Transactions

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

H. Inventory

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

I. Prepaid Items

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Land Held for Resale

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

K. Capital Assets

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

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

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

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

L. Long-Term Debt

Government-Wide Financial Statements and Proprietary Fund Financial Statements

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Long-Term Debt (Continued)

Governmental Fund Financial Statements

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

M. Compensated Absences

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

N. Pension Plans

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

The following timeframes are used for pension reporting:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Measurement period	July 1, 2018 to June 30, 2019

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Pension Plans (Continued)

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

O. Other Postemployment Benefits (OPEB)

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

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

Valuation date	June 30, 2019
Measurement date	June 30, 2019
Measurement period	July 1, 2018 to June 30, 2019

P. Fund Balances

As prescribed by U.S. GAAP, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balances for governmental funds are made up of the following:

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Fund Balances (Continued)

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

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

Q. Net Position

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

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

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

R. Property Taxes

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Property Taxes (Continued)

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

S. Use of Accounting Estimates

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

T. Implementation of New GASB Pronouncements for the Year Ended June 30, 2020

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, 2020. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 95

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2020.

U. Upcoming Government Accounting Standards Implementations

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

GASB Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Upcoming Government Accounting Standards Implementations (Continued)

GASB Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

GASB Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

GASB Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests— An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

GASB Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Upcoming Government Accounting Standards Implementations (Continued)

GASB Statement No. 92

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

GASB Statement No. 93

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

GASB Statement No. 94

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

GASB Statement No. 96

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Upcoming Government Accounting Standards Implementations (Continued)

GASB Statement No. 97

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

Note 2 – Cash and Investments

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

	Government-Wide Statement of Net Position			Component Unit	Fiduciary Funds Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total		Net Position	Total
Cash and investments	\$ 54,213,568	\$ 36,978,194	\$ 91,191,762	\$ 7,486,675	\$ 7,549,073	\$ 106,227,510
Cash and investments with fiscal agent	15,587,799	1,166,101	16,753,900	1,982,110	50,135	18,786,145
Total cash and investments	\$ 69,801,367	\$ 38,144,295	\$ 107,945,662	\$ 9,468,785	\$ 7,599,208	\$ 125,013,655

Cash and investments at June 30, 2020, consisted of the following:

Cash:	
Cash on hand	\$ 6,530
Deposits with financial institution	25,382,276
Total cash	25,388,806
Investments:	
Investments	80,838,704
Investments held by bond trustee	18,786,145
Total investments	99,624,849
Total cash and investments	125,013,655

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$25,382,276 at June 30, 2020. Bank balances were \$26,673,643 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

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

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

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

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

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

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

C. Investments Authorized by Debt Agreements

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

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

D. Fair Value Measurement

As of June 30, 2020, the City’s investments had the following recurring fair value measurements:

Investment Type	Level 2	Uncategorized	Total
Local Agency Investment Fund	\$ -	\$ 32,120,299	\$ 32,120,299
Money market mutual funds	-	44,350,046	44,350,046
Certificates of deposit	-	6,720,000	6,720,000
Negotiable Certificates of Deposit	14,395,444	-	14,395,444
U.S. Corporate Bonds	2,039,060	-	2,039,060
Total	\$ 16,434,504	\$ 83,190,345	\$ 99,624,849

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

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

E. Risk Disclosure

Disclosures Relating to Interest Rate Risk

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

E. Risk Disclosure (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

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 fewer	1 - 2 Years	3 - 4 Years
Local Agency Investment Fund	\$ 32,120,299	\$ 32,120,299	\$ -	\$ -
Money market mutual funds	25,563,901	25,563,901	-	-
Certificates of deposit	6,720,000	1,742,000	1,741,000	2,241,000
Negotiable Certificates of Deposit	14,395,444	7,200,594	4,214,200	2,233,650
U.S. Corporate Bonds	2,039,060	2,039,060	-	-
Held by bond trustee:				
Money market mutual funds	18,786,145	18,786,145	-	-
Total investments	\$ 99,624,849	\$ 87,451,999	\$ 5,955,200	\$ 4,474,650

Disclosures Relating to Credit Risk

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

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

Investment Type	Total	Minimum Legal Rating	Ratings at Year-End	
			AA or AAA	Not Rated
Local Agency Investment Fund	\$ 32,120,299	N/A	\$ -	\$ 32,120,299
Money market mutual funds	25,563,901	A-1	-	25,563,901
Certificates of deposit	6,720,000	AA+	-	6,720,000
Negotiable Certificates of Deposit	14,395,444	AA+	-	14,395,444
U.S. Corporate Bonds	2,039,060	AA	2,039,060	-
Held by bond trustee:				
Money market mutual funds	18,786,145	AA+	-	18,786,145
Total investments	\$ 99,624,849		\$ 2,039,060	\$ 97,585,789

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

E. Risk Disclosure (Continued)

Disclosure Relating to Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated in the Government Code. GASB Statement No. 40 requires disclosure by amount and issuer, of investments in any one issuer that represent 5% or more of total investments. At June 30, 2020, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of the City's total investments.

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2020, the City's deposits (bank balances) were collateralized under California Law.

F. Investment in State Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2020 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, 2020, the City had \$32,120,299 invested in LAIF, which had invested 3.37% 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, 2020, 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, 2020.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Notes Receivables

A. Summary

At June 30, 2020, notes receivable consisted of the following:

	Notes Receivable Balance June 30, 2020	Allowance for Doubtful Accounts Balance June 30, 2020	Financial Statement Balance June 30, 2020	Interest Receivable, net Balance June 30, 2020
City:				
Residential Rehab Special Revenue Fund:				
Madera Pacific Associates Loan	\$ 2,962,234	\$ -	\$ 2,962,234	\$ -
100 Stadium Rd., LP Loan	5,034,343	-	5,034,343	-
Forgivable Loans	7,490,072	(7,490,072)	-	-
Total Residential Rehab Special Revenue Fund	15,486,649	(7,490,072)	7,996,577	-
Low and Moderate Income Housing Fund	7,000	-	7,000	-
Total City	\$ 15,493,649	\$ (7,490,072)	\$ 8,003,577	\$ -
Component Unit:				
Housing Authority for the City of Madera:				
MORES Yosemite Manor, LP Loan	\$ 2,506,201	\$ -	\$ 2,506,201	\$ 372,940
MORES Corporation Loans	896,146	-	896,146	16,818
Total Component Unit	\$ 3,402,347	\$ -	\$ 3,402,347	\$ 389,758

B. Governmental Activities

Residential Rehab Special Revenue Fund

The City was awarded a \$3 million-dollar federal grant from the HOME Investment Program (HOME) administered through the State of California. The proceeds of this grant were used to provide a \$3 million loan to Madera Pacific Associates (MPA) for multi-family rental housing projects serving low and very low-income individuals through subordinate loans with terms up to 55 years. MPA is required to repay the loan through the net cash flow payments it receives from project operations. The loan balance at June 30, 2020 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, 2020 is \$5,034,343, which is recorded as a note receivable in the Residential Rehab special revenue fund.

Forgivable Loans

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Notes Receivables (Continued)

B. Governmental Activities (Continued)

Forgivable Loans (Continued)

Loans and related items as of June 30, 2020 are summarized as follows:

Loan Type	Outstanding Loan Balance June 30, 2020	Due
First-time homebuyer	\$ 5,431,572	30 years
Housing rehabilitation	1,506,296	30 years
Small business	552,204	10 years
Total	\$ 7,490,072	

Low and Moderate Income Housing Asset Special Revenue Fund

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

C. Component Unit

The Housing Authority has a note receivable of \$2,506,201, due from MORES Yosemite Manor, L.P., secured by first deed on land and building subject to note. Interest accrues on the outstanding principal balance at the rate of 4.21%, compounded annually. The term of the note commenced May 14, 2008 and expires on December 31, 2063. The note is due and payable from residual receipts per the loan agreement. As of June 30, 2020, the accrued interest receivable was \$1,255,665. Management has recorded an allowance on interest receivable of \$882,725, due to the uncertainty of collectability.

The Housing Authority has five promissory notes made from March 2010 to May 2014 amounting to \$896,146, due from Madera Opportunities for Resident Enrichment Services, Inc. (MORES), a California non-profit corporation. The promissory notes are subject to various interest rates, payment start dates, and due dates. The notes are secured by first and second deeds of trusts on buildings subject to the notes. The notes are due and payable from rental receipts per the loan agreements. As of June 30, 2020, the outstanding interest receivable amounted to \$16,818.

Note 4 – Interfund Receivables, Payables, and Transfers

A. Due To / From Other Funds

Amounts due to and due from other funds at June 30, 2020, were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Federal Aid Urban Fund	\$ 1,007,657	Overdrawn Cash
General Fund	Street Construction Fund	583,638	Overdrawn Cash
General Fund	Intermodal Building Fund	24,462	Overdrawn Cash
General Fund	Local Transit Fund	1,439,092	Overdrawn Cash
General Fund	Golf Course Fund	452,270	Overdrawn Cash
	Total	\$ 3,507,119	

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

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

B. Transfers

Interfund transfers during the year ended June 30, 2020, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Special Gas Tax Fund	\$ 1,152,825	Capital projects
General Fund	Measure "T" Sales Tax Fund	829,260	Capital projects
General Fund	Street Construction Fund	512,000	Capital projects
General Fund	Community Facilities District Fund	317,600	Administrative cost
General Fund	Water Fund	60,000	Engineering costs
General Fund	Solid Waste Fund	593,857	Engineering costs
General Fund	Drainage Operations Fund	45,000	Engineering costs
General Fund	General Development Impact Fee Fund	15,000	Administrative cost
General Fund	General Development Impact Fee Fund	125,020	Debt service
	Subtotal	<u>3,650,562</u>	
Solar Energy Lease Capital Projects Fund	General Fund	38,575	Cost recovery
Solar Energy Lease Capital Projects Fund	Intermodal Facility Fund	2,087	Cost recovery
Solar Energy Lease Capital Projects Fund	Parking District Operations Fund	592	Cost recovery
Solar Energy Lease Capital Projects Fund	Landscape Assessment	677	Cost recovery
Solar Energy Lease Capital Projects Fund	Water Fund	88,153	Cost recovery
Solar Energy Lease Capital Projects Fund	Sewer Fund	47,932	Cost recovery
Solar Energy Lease Capital Projects Fund	Solid Waste Disposal Fund	1,212	Cost recovery
Solar Energy Lease Capital Projects Fund	Drainage Operations Fund	4,909	Cost recovery
Solar Energy Lease Capital Projects Fund	Airport Fund	6,313	Cost recovery
	Subtotal	<u>225,773</u>	
Measure "T" Sales Tax Fund	Special Gas Tax Fund	10,191,972	Fund split
Golf Course Fund	General Fund	298,151	Debt service
Economic Development Fund	General Fund	297,410	Park donation
	Subtotal	<u>595,561</u>	
Sewer Fund	General Development Impact Fee Fund	254,000	Debt service
Streets and Roads Fund	Special Gas Tax Fund	1,077,715	Capital projects
Fleet Maintenance	Local Transit Fund	57,000	Capital projects
Facilities Maintenance	Special Gas Tax Fund	660,182	Capital projects
	Total	<u>\$ 16,712,765</u>	

C. Long-Term Advances

At June 30, 2020, the balances of long-term advances were as follows:

Advances To	Advances From	Amount
General Fund	Golf Course Fund	\$ 85,681
	Total	<u>\$ 85,681</u>

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

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

C. Long-Term Advances (Continued)

General Fund Advance to the Golf Course Fund

On January 1, 2014, the General Fund entered into loan agreement with Golf Course Fund in the amount of \$1,710,000. The loan is to be repaid over 20 years at 0.0% interest rate per year. This loan is for funding facility construction. At June 30, 2020, the outstanding balance of the agreement was \$85,681.

The annual requirements to amortize the loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 24,480	\$ -	\$ 24,480
2022	24,480	-	24,480
2023	24,480	-	24,480
2024	12,241	-	12,241
Total	\$ 85,681	\$ -	\$ 85,681

Note 5 – Due from Fiduciary Funds

Due from fiduciary funds as of June 30, 2020, was as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Payroll Tax/Withholding Fund	\$ 102,712	Overdrawn Cash
General Fund	RDA Successor Agency Private Purpose Trust Fund	407,608	Reimbursement
	Total	\$ 510,320	

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Capital Assets

A. Governmental Activities

The summary of changes in governmental activities capital assets for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	LRPMP Transfers	Additions	Deletions	Transfers	Balance June 30, 2020
Capital assets, not being depreciated						
Land	\$ 12,370,292	\$ 374,780	\$ 377,379	\$ (722,500)	-	\$ 12,399,951
Construction in progress	5,648,390	-	13,114,406	-	(2,171,924)	16,590,872
Total capital assets, not being depreciated	<u>18,018,682</u>	<u>374,780</u>	<u>13,491,785</u>	<u>(722,500)</u>	<u>(2,171,924)</u>	<u>28,990,823</u>
Capital assets, being depreciated						
Building and improvements	22,328,617	2,637,173	-	-	-	24,965,790
Infrastructure	299,987,317	-	243,673	-	551,183	300,782,173
Equipment	14,277,990	-	1,236,531	-	1,620,741	17,135,262
Total capital assets, being depreciated	<u>336,593,924</u>	<u>2,637,173</u>	<u>1,480,204</u>	<u>-</u>	<u>2,171,924</u>	<u>342,883,225</u>
Accumulated depreciation:						
Building and improvements	(7,435,275)	(949,382)	(563,800)	-	-	(8,948,457)
Infrastructure	(160,529,471)	-	(7,173,909)	-	-	(167,703,380)
Equipment	(8,574,025)	-	(953,163)	-	-	(9,527,188)
Total accumulated depreciation	<u>(176,538,771)</u>	<u>(949,382)</u>	<u>(8,690,872)</u>	<u>-</u>	<u>-</u>	<u>(186,179,025)</u>
Total capital assets, being depreciated, net	<u>160,055,153</u>	<u>1,687,791</u>	<u>(7,210,668)</u>	<u>-</u>	<u>2,171,924</u>	<u>156,704,200</u>
Total capital assets, net	<u>\$ 178,073,835</u>	<u>\$ 2,062,571</u>	<u>\$ 6,281,117</u>	<u>\$ (722,500)</u>	<u>\$ -</u>	<u>\$ 185,695,023</u>

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

General government	\$ 6,241,233
Public protection	257,298
Social services	11,981
Public ways and facilities	860,655
Community development	15,452
Culture and recreation	701,330
Internal service funds	602,923
Total depreciation expenses	<u>\$ 8,690,872</u>

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Capital Assets (Continued)

B. Business-Type Activities

The summary of changes in business-type activities capital assets for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital assets, not being depreciated					
Land	\$ 9,347,017	\$ -	\$ -	\$ -	\$ 9,347,017
Construction in progress	9,081,266	3,792,325	-	(11,447,179)	1,426,412
Total capital assets, not being depreciated	<u>18,428,283</u>	<u>3,792,325</u>	<u>-</u>	<u>(11,447,179)</u>	<u>10,773,429</u>
Capital assets, being depreciated					
Building and improvements	57,513,811	-	-	10,410,271	67,924,082
Infrastructure	99,321,063	5,653	-	833,551	100,160,267
Equipment	5,006,924	1,021,334	(233,223)	203,357	5,998,392
Total capital assets, being depreciated	<u>161,841,798</u>	<u>1,026,987</u>	<u>(233,223)</u>	<u>11,447,179</u>	<u>174,082,741</u>
Accumulated depreciation:					
Building and improvements	(32,972,383)	(1,258,905)	-	-	(34,231,288)
Infrastructure	(37,520,031)	(2,603,275)	-	-	(40,123,306)
Equipment	(3,633,496)	(189,689)	233,223	-	(3,589,962)
Total accumulated depreciation	<u>(74,125,910)</u>	<u>(4,051,869)</u>	<u>233,223</u>	<u>-</u>	<u>(77,944,556)</u>
Total capital assets, being depreciated, net	<u>87,715,888</u>	<u>(3,024,882)</u>	<u>-</u>	<u>11,447,179</u>	<u>96,138,185</u>
Total capital assets, net	<u>\$ 106,144,171</u>	<u>\$ 767,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,911,614</u>

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

Water	\$ 840,803
Sewer	2,383,497
Solid waste	3,044
Drainage operations	340,911
Local transit	174,743
Airport	308,871
Total depreciation expenses	<u>\$ 4,051,869</u>

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Capital Assets (Continued)

C. Fiduciary Fund Financial Statements

The summary of changes in capital assets for fiduciary funds for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	LRPMP Transfers	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated					
Land	\$ 389,566	\$ (374,780)	\$ -	\$ -	\$ 14,786
Total capital assets, not being depreciated	389,566	(374,780)	-	-	14,786
Capital assets, being depreciated					
Building and improvements	4,996,298	(2,637,173)	-	-	2,359,125
Equipment	376,359	-	-	(376,359)	-
Total capital assets, being depreciated	5,372,657	(2,637,173)	-	(376,359)	2,359,125
Accumulated depreciation:					
Building and improvements	(1,613,585)	949,382	(65,849)	-	(730,052)
Equipment	(353,176)	-	(23,183)	376,359	-
Total accumulated depreciation	(1,966,761)	949,382	(89,032)	376,359	(730,052)
Total capital assets, being depreciated, net	3,405,896	(1,687,791)	(89,032)	-	1,629,073
Total capital assets, net	\$ 3,795,462	\$ (2,062,571)	\$ (89,032)	\$ -	\$ 1,643,859

Depreciation expense for fiduciary fund financial statements for the year ended June 30, 2020 was \$89,032.

D. Component Unit

The summary of changes in capital assets for the component unit for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated				
Land	\$ 785,827	\$ -	\$ -	785,827
Total capital assets, not being depreciated	785,827	-	-	785,827
Capital assets, being depreciated				
Building and improvements	29,760,700	369,075	-	30,129,775
Equipment	725,180	9,694	-	734,874
Total capital assets, being depreciated	30,485,880	378,769	-	30,864,649
Accumulated depreciation:				
Building and improvements	(23,391,595)	(831,293)	-	(24,222,888)
Equipment	(725,180)	-	-	(725,180)
Total accumulated depreciation	(24,116,775)	(831,293)	-	(24,948,068)
Total capital assets, being depreciated, net	6,369,105	(452,524)	-	5,916,581
Total capital assets, net	\$ 7,154,932	\$ (452,524)	\$ -	\$ 6,702,408

Depreciation expense for the component unit for the year ended June 30, 2020 was \$831,293.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities

A. Governmental Activities

A summary of changes in the long-term liabilities of the governmental activities for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Debt Issued	Debt Retired	Balance June 30, 2020	Classification	
					Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct borrowings:						
Capital leases:						
Police In-car Camera Lease	\$ 8,630	\$ -	\$ (8,630)	\$ -	\$ -	\$ -
ERP System and Fire Truck	483,973	-	(320,473)	163,500	163,500	-
Solar Energy Lease Purchase	-	19,432,000	-	19,432,000	-	19,432,000
Total capital leases	492,603	19,432,000	(329,103)	19,595,500	163,500	19,432,000
Loans payable:						
Police Facility Commercial Loan	738,900	-	(105,300)	633,600	108,200	525,400
Total loans payable	738,900	-	(105,300)	633,600	108,200	525,400
Public borrowings:						
Lease revenue bonds:						
Series 2019, New Fire Station	4,005,000	-	(125,000)	3,880,000	130,000	3,750,000
plus: bond premium	648,160	-	(33,155)	615,005	-	615,005
Total lease revenue bonds	4,653,160	-	(158,155)	4,495,005	130,000	4,365,005
Total	\$ 5,884,663	\$ 19,432,000	\$ (592,558)	\$ 24,724,105	\$ 401,700	\$ 24,322,405

Police In-Car Camera (Private Borrowing)

In August 2014, the City entered into a capital lease agreement for the police department in-car camera system under which the related equipment will become the property of the City when all terms of the lease agreements are met. The purchase price of the equipment was \$157,755 and is payable over a period of five years. Quarterly payments on the contract are \$8,713. The effective interest rate on the contract is 3.87%. At June 30, 2020, the outstanding balance of the capital lease was paid in full.

ERP System and Fire Truck (Private Borrowing)

In August 2015, the City entered into a five-year equipment lease-purchase agreement for the purchase of Enterprise Resource Planning (ERP) system to be installed at the City Hall and a fire truck with Holman Capital Corporation. Holman Capital Corporation deposited \$1,540,065 into the Escrow Fund, which the Community Business Bank is the escrow agent, for the acquisition of the equipment and for the payment of issuance costs. The related equipment will become the property of the City when all terms of the lease agreements are met. The purchase price of the equipment was \$1,540,065 and is payable over a period of five years. Semi-monthly payments on the agreement are \$165,715. The effective interest rate on the contract is 2.71%. At June 30, 2020, the outstanding balance of the capital lease was \$163,500. The cash balance in the Escrow Fund held at the Community Business Bank as of June 30, 2020 was \$101,829. This remaining fund in the Escrow Fund account will be used to fund the acquisition of the equipment in the following fiscal year.

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 163,500	\$ 2,215	\$ 165,715

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

ERP System and Fire Truck (Private Borrowing) (Continued)

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

Vehicles and equipment	\$	1,376,137
Less: accumulated depreciation		<u>(54,332)</u>
Total		<u><u>\$ 1,321,805</u></u>

2019 Solar Energy Lease Purchase

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

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

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ -	\$ 538,266	\$ 538,266
2022	788,000	527,353	1,315,353
2023	810,000	505,220	1,315,220
2024	833,000	482,465	1,315,465
2025	856,000	459,072	1,315,072
2026-2030	4,655,000	1,920,869	6,575,869
2031-2035	5,349,000	1,229,175	6,578,175
2036-2039	6,141,000	434,681	6,575,681
Total	<u><u>\$ 19,432,000</u></u>	<u><u>\$ 6,097,101</u></u>	<u><u>\$ 25,529,101</u></u>

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

Unspent capital lease proceeds	\$	15,577,475
Construction in progress		<u>5,204,060</u>
Total		<u><u>\$ 20,781,535</u></u>

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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

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

On January 1, 2018, the capital lease was refunded and the Financing Authority paid the City an advance rental for the use and right to the possession of the Police and Golf Course facilities for a total of \$2,553,000. The lease was then assigned to Zions Bank/California Bank & Trust on the same day and named the Police Facility Commercial Loan. The bonds are due in annual installments of \$50,900 to \$61,600 beginning May 2018 with interest rate fixed 2.760% per annum payable semi-annually. Total principal and interest remaining on the agreement is payable through 2026. At June 30, 2020, the outstanding balance was \$633,600.

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 108,200	\$ 16,746	\$ 124,946
2022	111,200	13,739	124,939
2023	114,400	10,648	125,048
2024	117,400	7,471	124,871
2025	120,800	4,206	125,006
2026	61,600	850	62,450
Total	\$ 633,600	\$ 53,660	\$ 687,260

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, 2020 the outstanding balance was \$3,880,000.

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 130,000	\$ 173,200	\$ 303,200
2022	135,000	168,000	303,000
2023	145,000	162,600	307,600
2024	150,000	155,350	305,350
2025	155,000	147,850	302,850
2026-2030	910,000	613,750	1,523,750
2031-2035	1,150,000	372,000	1,522,000
2036-2039	1,105,000	112,800	1,217,800
Total	\$ 3,880,000	\$ 1,905,550	\$ 5,785,550

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities

A summary of changes in the long-term liabilities of the business-type activities for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Debt Issued	Debt Retired	Balance June 30, 2020	Classification	
					Due within One Year	Due in More Than One Year
Business-Type Activities:						
Direct borrowings:						
Loans payable:						
CIEDB loan	\$ 7,019,578	\$ -	\$ (322,295)	\$ 6,697,283	\$ 331,996	\$ 6,365,287
Airport Hanger loan	101,500	-	(48,380)	53,120	-	53,120
Golf Course commercial loan	1,368,100	-	(287,400)	1,080,700	296,600	784,100
Total loans payable	8,489,178	-	(658,075)	7,831,103	628,596	7,202,507
Public borrowings:						
Bonds payable:						
Water Revenue Bonds, Series 2010	9,530,000	-	(9,530,000)	-	-	-
Less: unamortized bond discounts	(103,026)	-	103,026	-	-	-
Water and Wastewater Refunding Revenue Bonds, Series 2015	26,835,000	-	(1,155,000)	25,680,000	1,200,000	24,480,000
2019 Water Revenue Refunding Bonds	-	9,016,903	(374,080)	8,642,823	409,781	8,233,042
Total bonds payable	36,261,974	9,016,903	(10,956,054)	34,322,823	1,609,781	32,713,042
Total	\$ 44,751,152	\$ 9,016,903	\$ (11,614,129)	\$ 42,153,926	\$ 2,238,377	\$ 39,915,549

California Infrastructure and Economic Development Bank (Private Borrowing)

Loan payable to California Infrastructure and Economic Development Bank for the regional wastewater treatment plant upgrade and expansion project; semi-annual installments of \$383,084 to \$525,788, including interest at 3.01% per annum. At June 30, 2020, the outstanding balance of the California Infrastructure and Economic Development Bank loan was \$6,697,283.

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 331,996	\$ 196,592	\$ 528,588
2022	341,989	186,448	528,437
2023	352,283	175,999	528,282
2024	362,887	165,236	528,123
2025	373,809	154,149	527,958
2026-2030	2,044,750	592,397	2,637,147
2031-2035	2,371,577	260,651	2,632,228
2036	517,992	7,796	525,788
Total	\$ 6,697,283	\$ 1,739,268	\$ 8,436,551

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, 2020, the total principal and interest remaining on the Department of Transportation, Division of Aeronautics loan was \$60,686.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Airport Hanger Loan (Private Borrowing) (Continued)

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ -	\$ 3,725	\$ 3,725
2022	25,939	2,541	28,480
2023	27,181	1,300	28,481
Total	\$ 53,120	\$ 7,566	\$ 60,686

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

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

On January 1, 2018, the Bonds were refunded and the Financing Authority paid the City an advance rental for the use and right to the possession of the Golf Course and Police facilities for a total of \$2,553,000. The lease was then assigned to Zions Bank/California Bank & Trust on the same day and named the Golf Course Commercial Loan. The loan is due in annual installments of \$138,100 (\$10,600 first year) to \$161,800 beginning May 2018 with interest rate fixed 3.190% per annum payable semi-annually. Total principal and interest remaining on the agreement is \$1,150,743, payable through 2023. At June 30, 2020, the outstanding balance was \$1,080,700.

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 296,600	\$ 32,128	\$ 328,728
2022	306,200	22,590	328,790
2023	316,100	12,744	328,844
2024	161,800	2,581	164,381
Total	\$ 1,080,700	\$ 70,043	\$ 1,150,743

Water Revenue Bonds, Series 2010 (Public Offering)

Water Revenue Bonds, Series 2010 were issued by the Financing Authority in November 2010 for \$11,215,000. The City used the proceeds from the Bonds, along with adjusting water and sewer rates, to bring the City into compliance with State Law to have the entire City on water meters by the year 2025. The bonds are due in annual installments of \$65,000 to \$745,000 through March 1, 2038, with interest payable semi-annually on September 1 and March 1 of each year at 4.5%. The Water Revenue Bonds, Series 2010 were paid off in December 2019. On December 30, 2019, the Water Revenue Bonds, Series 2010 were refunded with the Water Revenue Refunding Bond, Series 2019.

The Water Revenue Bonds, Series 2010 were issued at a discount which was being amortized over the life of the bonds resulting in an annual amortization of \$5,422. The unamortized balance at June 30, 2020 of \$103,025 was written off when the bonds were refunded.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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

Water and Wastewater Refunding Revenue Bonds, Series 2015 were issued by the Financing Authority in December 2015 for \$30,140,000. Proceeds from the bonds were used to refund \$30,440,000 of its Water and Wastewater Refunding Revenue Bonds, Series 2016. The bonds are due in annual installments of \$70,000 to \$2,080,000 through March 1, 2036, with interest payable semiannually on September 1 and March 1 of each year at 3.700%. At June 30, 2020, the outstanding balance of the Water and Wastewater Revenue Bonds was \$25,890,000.

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, 2020, total principal and interest paid was \$2,147,895, and net revenues were \$11,343,099. Total principal and interest remaining on the agreement is \$34,487,850 payable through 2036.

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,200,000	\$ 950,160	\$ 2,150,160
2022	1,250,000	905,760	2,155,760
2023	1,295,000	859,510	2,154,510
2024	1,340,000	811,595	2,151,595
2025	1,395,000	762,015	2,157,015
2026-2030	7,785,000	2,995,890	10,780,890
2031-2035	9,335,000	1,445,960	10,780,960
2036	2,080,000	76,960	2,156,960
Total	\$ 25,680,000	\$ 8,807,850	\$ 34,487,850

Water Refunding Revenue Bonds, Series 2019 (Public Offering)

Water Refunding Bonds, Series 2019 were issued by the Financing Authority in December 2019 for \$9,016,903. The City used the proceeds to refund the outstanding principal of the Water Revenue Bonds, Series 2010 in the amount of \$9,530,000. The bonds are due semi-annual installments of \$204,890 to \$312,774 with interest rate fixed at 2.64% per annum payable semi-annually. Total principal and interest remaining on the bonds is payable through 2037. At June 30, 2020 the outstanding principal and interest balance was \$10,779,289. 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, 2020, total principal and interest paid was \$414,416, and net revenues were \$6,697,361.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Water Refunding Revenue Bonds, Series 2019 (Public Offering) (Continued)

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 409,781	\$ 225,466	\$ 635,247
2022	418,148	214,592	632,740
2023	435,546	203,439	638,985
2024	447,120	191,863	638,983
2025	457,908	179,988	637,896
2026-2030	2,457,972	711,924	3,169,896
2031-2035	2,787,819	368,351	3,156,170
2036-2037	1,228,529	40,842	1,269,371
Total	\$ 8,642,823	\$ 2,136,465	\$ 10,779,288

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, 2020, is as follows:

	Balance July 1, 2019	Debt Issued	Debt Retired	Balance June 30, 2020	Classification	
					Due within One Year	Due in More Than One Year
Fiduciary Activities:						
Public borrowings:						
Tax allocation bonds:						
Series 2018A	\$ 31,445,000	\$ -	\$ (590,000)	\$ 30,855,000	\$ 670,000	\$ 30,185,000
Series 2018B	4,065,000	-	(625,000)	3,440,000	655,000	2,785,000
Add: unamortized bond premiums	4,352,859	-	(227,106)	4,125,753	-	4,125,753
Total tax allocation bonds	39,862,859	-	(1,442,106)	38,420,753	1,325,000	37,095,753
Total	\$ 39,862,859	\$ -	\$ (1,442,106)	\$ 38,420,753	\$ 1,325,000	\$ 37,095,753

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.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

C. Fiduciary Fund Financial Statements (Continued)

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

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

A reserve account is required to be maintained in the amount of the lesser of (i) 10% of the original aggregate principal amount of the 2018 TARBs, or (ii) 125% of the average annual debt service with respect to the 2018 TARBs, or (iii) the maximum annual debt service with respect to the 2018 TARBs. As of June 30, 2020, the reserve requirement was met through the City’s purchase of a surety policy in-lieu of the cash reserve requirement.

The annual debt service requirements for the 2018 TARBs outstanding at June 30, 2020 are as follows:

Tax Allocation Refunding Bonds, Series 2018A			
Year Ending			
June 30,	Principal	Interest	Total
2021	\$ 670,000	\$ 1,414,525	\$ 2,084,525
2022	710,000	1,380,025	2,090,025
2023	770,000	1,343,025	2,113,025
2024	1,005,000	1,298,650	2,303,650
2025	1,045,000	1,247,400	2,292,400
2026-2030	8,230,000	5,208,050	13,438,050
2031-2035	11,120,000	3,076,675	14,196,675
2036-2039	7,305,000	572,988	7,877,988
Total	\$ 30,855,000	\$ 15,541,338	\$ 46,396,338

Tax Allocation Refunding Bonds, Series 2018B			
Year Ending			
June 30,	Principal	Interest	Total
2021	\$ 655,000	\$ 101,784	\$ 756,784
2022	680,000	81,485	761,485
2023	670,000	60,191	730,191
2024	510,000	40,895	550,895
2025	525,000	23,296	548,296
2026	400,000	7,120	407,120
Total	\$ 3,440,000	\$ 314,771	\$ 3,754,771

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

C. Fiduciary Fund Financial Statements (Continued)

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

Aggregate Total			
Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,325,000	\$ 1,516,309	\$ 2,841,309
2022	1,390,000	1,461,510	2,851,510
2023	1,440,000	1,403,216	2,843,216
2024	1,515,000	1,339,545	2,854,545
2025	1,570,000	1,270,696	2,840,696
2026-2030	8,630,000	5,215,170	13,845,170
2031-2035	11,065,000	3,543,700	14,608,700
2036-2039	9,410,000	984,038	10,394,038
Total	\$ 36,345,000	\$ 16,734,184	\$ 53,079,184

D. Component Unit

A summary of changes in the long-term liabilities of the fiduciary fund financial statements for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Debt Issued	Debt Retired	Balance June 30, 2020	Classification	
					Due within One Year	Due in More Than One Year
Component Unit:						
Direct borrowings:						
Loans payable:						
Farmers' Home Administration loan	\$ 262,264	\$ -	\$ (15,920)	\$ 246,344	\$ 17,550	\$ 228,794
Citizen Business Bank loan	2,922,785	-	(101,373)	2,821,412	106,467	2,714,945
Total loans payable	3,185,049	-	(117,293)	3,067,756	124,017	2,943,739
Total	\$ 3,185,049	\$ -	\$ (117,293)	\$ 3,067,756	\$ 124,017	\$ 2,943,739

Farmers' Home Administration loan

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

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 17,550	\$ 2,369	\$ 19,919
2022	17,871	2,193	20,064
2023	18,195	2,012	20,207
2024	18,523	1,829	20,352
2025	18,853	1,642	20,495
Thereafter	155,352	6,481	161,833
Total	\$ 246,344	\$ 16,526	\$ 262,870

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Liabilities (Continued)

D. Component Unit (Continued)

Citizen Business Bank loan

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

The annual debt service requirements at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 106,467	\$ 126,371	\$ 232,838
2022	111,016	124,471	235,487
2023	116,189	116,806	232,995
2024	121,296	111,698	232,994
2025	127,253	105,741	232,994
Thereafter	2,239,191	245,302	2,484,493
Total	\$ 2,821,412	\$ 830,389	\$ 3,651,801

Note 8 – Special Assessment Debt with No City Commitment

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

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

On January 1, 2018, the City of Madera, on behalf of the City of Madera Community Facilities District No. 2006-1, issued the City of Madera Community Facilities District No. 2006-1 Special Tax Refunding Bonds Series 2018 to refund the CFD 2006-1 Series Special Tax Bond for the purpose of creating annual debt savings. Total debt service payments were reduced by \$67,278. The amount of principal outstanding as of June 30, 2020 is \$2,320,338. The bonds are not a general obligation of the City but are limited obligations, payable solely from special tax and assessments. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

Noncommittal debt amounts issued and outstanding at June 30, 2020 are as follows:

	Original Amount	Outstanding Balance June 30, 2020
CFD 2006-1, Series Special Tax Bonds Refunding Bonds Series 2018	\$ 2,452,228	\$ 2,320,338
Total	\$ 2,452,228	\$ 2,320,338

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Compensated Absences

A. Governmental Activities

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2020 is as follows:

	Balance			Balance June 30, 2020	Classification	
	July 1, 2019	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated absences	\$ 1,661,138	\$ 1,335,064	\$ (1,183,699)	\$ 1,812,503	\$ 1,181,991	\$ 630,512
Total	\$ 1,661,138	\$ 1,335,064	\$ (1,183,699)	\$ 1,812,503	\$ 1,181,991	\$ 630,512

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

Governmental Funds	\$ 1,654,091
Fleet Maintenance	32,263
Facilities Maintenance	77,681
Technology	48,468
Total	\$ 1,812,503

B. Business-Type Activities

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2020 is as follows:

	Balance			Balance June 30, 2020	Classification	
	July 1, 2019	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated absences	\$ 323,511	\$ 343,669	\$ (290,023)	\$ 377,157	\$ 289,015	\$ 88,142
Total	\$ 323,511	\$ 343,669	\$ (290,023)	\$ 377,157	\$ 289,015	\$ 88,142

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

Water Fund	\$ 154,495
Sewer Fund	122,076
Solid Waste Fund	52,307
Drainage Operations Fund	19,884
Local Transit Fund	20,964
Airport Fund	7,431
Total	\$ 377,157

C. Component Unit

A summary of changes in the compensated absences balances for the component unit for the year ended June 30, 2020 is as follows:

	Balance			Balance June 30, 2020	Classification	
	July 1, 2019	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated absences	\$ 85,758	\$ 41,170	\$ (38,978)	\$ 87,950	\$ 38,216	\$ 49,734
Total	\$ 85,758	\$ 41,170	\$ (38,978)	\$ 87,950	\$ 38,216	\$ 49,734

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Risk Management

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

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

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

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

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

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

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

The latest financial information of the CSJVRMA for fiscal year ended June 30, 2020, is as follows:

Total Assets	\$ 140,373,479
Total Liabilities	\$ 120,609,137
Net Position	\$ 19,764,342
Operating Revenues	\$ 50,844,894
Operating Expenses	\$ 57,261,330
Nonoperating Revenues (Expenses)	\$ 7,399,962
Change in Net Position	\$ 983,526

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans

A. Summary

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit</u>
Deferred outflows of resources:				
Pension contribution made after measurement date:				
CalPERS Miscellaneous	\$ 1,692,226	1,086,492	\$ 2,778,718	\$ 336,461
CalPERS Safety	2,464,699	-	2,464,699	-
Total pension contribution made after measurement date	4,156,925	1,086,492	5,243,417	336,461
Change in assumption				
CalPERS Miscellaneous	-	-	-	161,617
CalPERS Safety	653,344	-	653,344	-
Total change in assumption	653,344	-	653,344	161,617
Projected earnings on pension plan investments in excess of actual earnings:				
CalPERS Miscellaneous	612,589	393,313	1,005,902	-
Total projected earnings on pension plan investments in excess of actual earnings	612,589	393,313	1,005,902	-
Difference between expected and actual experience				
CalPERS Miscellaneous	887,098	569,560	1,456,658	235,401
CalPERS Safety	1,293,064	-	1,293,064	-
Total difference between expected and actual experience	2,180,162	569,560	2,749,722	235,401
Adjustment due to difference in proportions				
CalPERS Miscellaneous	-	-	-	1,747
Total adjustment due to difference in proportions	-	-	-	1,747
Employer contributions in excess of proportionate share of contribution				
CalPERS Miscellaneous	-	-	-	90
CalPERS Safety	167,099	-	167,099	-
Total employer contributions in excess of proportionate share of contribution	167,099	-	167,099	90
Total deferred outflows of resources				
CalPERS Miscellaneous	3,191,913	2,049,365	5,241,278	735,316
CalPERS Safety	4,578,206	-	4,578,206	-
Total deferred outflows of resources	<u>\$ 7,770,119</u>	<u>\$ 2,049,365</u>	<u>\$ 9,819,484</u>	<u>\$ 735,316</u>
Net pension liability:				
CalPERS Miscellaneous	\$ 20,921,946	\$ 8,500,904	\$ 29,422,850	\$ 3,389,295
CalPERS Safety	19,804,633	-	19,804,633	-
Total net pension liability	<u>\$ 40,726,579</u>	<u>\$ 8,500,904</u>	<u>\$ 49,227,483</u>	<u>\$ 3,389,295</u>

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

A. Summary (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit</u>
Deferred inflows of resources:				
Difference between expected and actual experience				
CalPERS Miscellaneous	\$ -	\$ -	\$ -	\$ 18,239
Total difference between expected and actual experience	-	-	-	18,239
Actual earnings on pension plan investments in excess of projected earnings:				
CalPERS Miscellaneous	755,389	578,485	1,333,874	59,255
CalPERS Safety	272,446	-	272,446	-
Total actual earnings on pension plan investments in	1,027,835	578,485	1,606,320	59,255
Adjustment due to difference in proportions				
CalPERS Miscellaneous	-	-	-	81,497
CalPERS Safety	172,061	-	172,061	-
Total adjustment due to difference in proportions	172,061	-	172,061	81,497
Employer contributions in excess of proportionate share of contribution				
CalPERS Miscellaneous	-	-	-	6,667
Total employer contributions in excess of proportionate share of contribution	-	-	-	6,667
Changes of assumptions				
CalPERS Miscellaneous	80,142	61,374	141,516	57,292
CalPERS Safety	-	-	-	-
Total difference between expected and actual experience	80,142	61,374	141,516	57,292
Total deferred inflows of resources				
CalPERS Miscellaneous	835,531	639,859	1,475,390	222,950
CalPERS Safety	444,507	-	444,507	-
Total deferred inflows of resources	<u>\$ 1,280,038</u>	<u>\$ 639,859</u>	<u>\$ 1,919,897</u>	<u>\$ 222,950</u>
Pension expenses:				
CalPERS Miscellaneous	\$ 4,508,819	\$ 1,832,002	\$ 6,340,821	\$ 595,985
CalPERS Safety	3,817,610	-	3,817,610	-
Total net pension expenses	<u>\$ 8,326,429</u>	<u>\$ 1,832,002</u>	<u>\$ 10,158,431</u>	<u>\$ 595,985</u>

B. City Miscellaneous Plan

Plan Description

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

Employees Covered

At June 30, 2019, the measurement date, the following employees were covered by the benefit terms for the Plan:

	City
Active employees	186
Transferred and terminated employees	239
Retired employees and beneficiaries	241
Total	666

Benefits Provided

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

Following are the benefit provisions for each plan:

	City Miscellaneous Plan		
	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	9.630%	9.630%	9.630%
Final Annual Compensation	1 year	1 year	1 year

Contributions

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

Contributions (Continued)

For the year ended June 30, 2020, the plan’s contributions made for the Plan was as follows:

		Miscellaneous
Contributions - employer	\$	2,778,718

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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50%
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

Discount Rate

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

Discount Rate (Continued)

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11 +²</u>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

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

² An expected inflation of 2.92% was used for this period.

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

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

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

	<u>Plan's Aggregate Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate + 1%</u> <u>(8.15%)</u>
Miscellaneous Plan - 53	\$ 41,512,526	\$ 29,422,850	\$ 19,415,144

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

Changes in the Net Pension Liability

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

	Miscellaneous Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2018 (Valuation Date)	\$ 88,004,573	\$ 60,822,430	\$ 27,182,143
Changes in the year:			
Service cost	1,915,335	-	1,915,335
Interest on the total pension liabilities	6,295,654	-	6,295,654
Changes in assumptions	-	-	-
Differences between expected and actual experience	1,363,296	-	1,363,296
Benefit payments, including refunds of members contributions	(4,548,873)	(4,548,873)	-
Plan to plan resource movement	-	132	(132)
Contributions - employer	-	2,610,704	(2,610,704)
Contributions - employee	-	798,675	(798,675)
Net investment income	-	3,967,331	(3,967,331)
Administrative expenses	-	(43,264)	43,264
Net changes	<u>5,025,412</u>	<u>2,784,705</u>	<u>2,240,707</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 93,029,985</u>	<u>\$ 63,607,135</u>	<u>\$ 29,422,850</u>

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

For the year ended June 30, 2020, the City recognized pension expense in the amount of \$6,360,821 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 2018-19 measurement period is 3.2 years, which was obtained by dividing the total service years of 2,120 (the sum of remaining service lifetimes of the active employees) by 658 (the total number of participants: active, inactive, and retired).

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plan (Continued)

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

At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,778,718	\$ -
Difference between projected and actual earning on pension plan investments	1,005,902	(1,333,874)
Changes in assumptions	-	(141,516)
Differences between expected and actual experience	1,456,658	-
Total	\$ 5,241,278	\$ (1,475,390)

For the City Miscellaneous Plan, \$2,778,718 was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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
2020	\$ 952,973
2021	(20,241)
2022	(11,919)
2023	66,357
2024	-
Thereafter	-
	\$ 987,170

Pension Plan Fiduciary Net Position

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

C. City Safety Plan

Plan Description

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

C. City Safety Plan (Continued)

Plan Description (Continued)

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

Employees Covered

At June 30, 2019, the measurement date, the following employees were covered by the benefit terms the Plan:

	Safety Plan
Active employees	65
Transferred and terminated employees	54
Retired employees and beneficiaries	110
Total	229

Benefits Provided

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

Following are the benefit provisions for each plan:

	Safety		
	Prior to January 1, 2011	January 1, 2011 thru January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.400% to 3.000%	2.000% to 2.700%
Required employee contribution rates	9.00%	9.000%	11.500%
Required employer contribution rates	21.927%	18.928%	13.034%
Final Annual Compensation	1 year	1 year	1 year

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

C. City Safety Plan (Continued)

Contributions

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

For the year ended June 30, 2020, employer contributions made for the Safety Cost-sharing Plan was as follows:

		Safety Plan
Contributions - employer	\$	2,464,699

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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2020, 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: 6/30/18 (Valuation date)	\$ 63,563,180	\$ 44,837,252	\$	18,725,928	18,725,928
Balance at: 6/30/19 (Measurement date)	67,860,669	48,056,036		19,804,633	19,804,633
Net Changes during 2018-2019	4,297,489	3,218,784		1,078,705	1,078,705

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, 2018). 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, 2019). 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, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2018-19).

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

C. City Safety Plan (Continued)

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

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

The City’s proportionate share of the net pension liability for the Safety Plan as of June 30, 2018 and 2019 was as follows:

Proportion June 30, 2018	0.31914%
Proportion June 30, 2019	0.31725%
Change - Increase (Decrease)	-0.00189%

For the year ended June 30, 2020, the City recognized pension expense in the amount of \$3,817,610 for the Safety Plan.

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

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

C. City Safety Plan (Continued)

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

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Safety Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,464,699	\$ -
Difference between projected and actual earning on pension plan investments	-	(272,446)
Adjustment due to differences in proportions	-	(172,061)
Changes in assumptions	653,344	-
Difference between actual and expected experience	1,293,064	-
Difference between employer's actual contributions and proportionate share of contributions	167,099	-
Total	<u>\$ 4,578,206</u>	<u>\$ (444,507)</u>

For the City Safety Plan, \$2,464,699 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, 2021.

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
2020	\$ 1,482,250
2021	(92,030)
2022	225,770
2023	53,010
2024	-
Thereafter	-
	<u>\$ 1,669,000</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

C. City Safety Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

Discount Rate

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

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

C. City Safety Plan (Continued)

Discount Rate (Continued)

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11 +²</u>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

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

² An expected inflation of 2.92% was used for this period.

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, 2020, the Successor Agency reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan

Plan Description

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

Employees Covered

At June 30, 2019, the measurement date, the following employees were covered by the benefit terms the Plan:

	Miscellaneous Plan Component Unit
Active employees	29
Transferred and terminated employees	42
Retired employees and beneficiaries	28
Total	99

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	10.609%	7.634%	6.842%
Final Annual Compensation	1 year	1 year	1 year

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

Contributions

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

For the year ended June 30, 2020, employer contributions made for the Housing Authority Miscellaneous Cost-sharing Plan was as follows:

		Miscellaneous Plan Component Unit
Contributions - employer	\$	336,461

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, 2019, 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, 2018 rolled forward to June 30, 2019 using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

As of June 30, 2019, 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: 6/30/18 (Valuation date)	\$ 10,220,837	\$ 7,041,501	\$ 3,179,336
Balance at: 6/30/19 (Measurement date)	10,523,378	7,134,083	3,389,295
Net Changes during 2018-2019	302,541	92,582	209,959

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, 2018). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

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

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2019). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2018-19).

(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, 2018 and 2019 was as follows:

Proportion June 30, 2018	0.00844%
Proportion June 30, 2019	0.00846%
Change - Increase (Decrease)	0.00002%

For the year ended June 30, 2020, the Authority recognized pension expense in the amount of \$595,985 for the Housing Authority Miscellaneous Plan.

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

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

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

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan - Component Unit	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	\$ 336,461	\$ -
Difference between projected and actual earning on pension plan investments	-	(59,255)
Adjustment due to differences in proportions	1,747	(81,497)
Changes in assumptions	161,617	(57,292)
Difference between actual and expected experience	235,401	(18,239)
Difference between employer's actual contributions and proportionate share of contributions	90	(6,667)
Total	\$ 735,316	\$ (222,950)

For the Housing Authority Miscellaneous Plan, \$336,461 was reported as deferred outflows of resources related to pensions resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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
2021	\$ 216,636
2022	(58,812)
2023	6,107
2024	11,974
2025	-
Thereafter	-
	\$ 175,905

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. Both the June 30, 2017 and the June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

Discount Rate

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

Discount Rate (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Infrastructure and forestland	0.00%	0.00%	0.00%
Liquidity	1.00%	0.00%	-0.92%
	100%		

¹An expected inflation of 2.5% used for this period

²An expected inflation of 3.0% used for this period.

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

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

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
\$ 4,847,183	\$ 3,389,295	\$ 2,185,912

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Pension Plans (Continued)

D. Component Unit Miscellaneous Plan (Continued)

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2020, the Housing Authority reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

Note 12 – 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	\$ 384,115	\$ 18,043	\$ 402,158
Difference between expected and actual experience	50,066	6,061	56,127
Changes in assumptions	142,824	17,292	160,116
Total deferred outflows of resources	\$ 577,005	\$ 41,396	\$ 618,401
Total OPEB liability:			
Total OPEB liability	\$ 2,898,538	\$ 385,890	\$ 3,284,428
Total OPEB liability	\$ 2,898,538	\$ 385,890	\$ 3,284,428
Deferred inflows of Resources:			
Changes in assumptions	\$ 164,911	\$ 26,668	\$ 191,579
Total deferred inflows of resources	\$ 164,911	\$ 26,668	\$ 191,579
OPEB Expense	\$ 229,425	\$ 30,544	\$ 259,969

B. General Information about OPEB

Plan Description

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Other Postemployment Benefits (Continued)

B. General Information about OPEB (Continued)

Eligibility

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

Membership in the plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Active employees	252
Transferred and terminated employees	-
Retired employees and beneficiaries	19
Total	271

Contributions

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

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

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability at June 30, 2020 was \$3,284,428.

Actuarial Assumptions

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

Actuarial Assumptions:	
Discount Rate	3.62%
Inflation	3.00%
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 1997-2011 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2014

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Other Postemployment Benefits (Continued)

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.13% 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, 2018	\$ 2,974,207
Changes Recognized for the Measurement Period:	
Service Cost	148,304
Interest on the total OPEB liability	110,666
Changes of assumptions	183,321
Benefit payments	(132,070)
Net Changes during July 1, 2018 to June 30, 2019	310,221
Balance at June 30, 2019 (Measurement Date)	\$ 3,284,428

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 (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

Plan's Total OPEB Liability		
Discount Rate - 1% (2.13%)	Current Discount Rate (3.13%)	Discount Rate + 1% (4.13%)
\$ 3,700,181	\$ 3,284,428	\$ 2,923,226

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%
\$ 2,819,808	\$ 3,284,428	\$ 3,848,025

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Other Postemployment Benefits (Continued)

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

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$259,969. At June 30, 2020, 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	\$ 402,158	\$ -
Difference between expected and actual experience	56,127	-
Changes of assumptions	160,116	(191,579)
Total	\$ 618,401	\$ (191,579)

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

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

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2020	\$ 999
2021	999
2022	999
2023	999
2024	999
Thereafter	19,669
	\$ 24,664

Note 13 – Deferred Compensation Plan

A. City

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

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 13 – Deferred Compensation Plan (Continued)

B. Component Unit

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

Note 14 – Service Concession Agreement

On October 7, 2009, the City entered into an operation and management lease agreement (Agreement) with the Sierra Golf Management, Inc. (SGM), under which SMG will operate and collect user fees from the Madera Municipal Golf Course for the five years with an additional five years extension of the Agreement. SGM will pay the City installment payment over the course of the Agreement; the present value of these installment payments is \$130,000. SGM will also pay a “per round” rate that establishes an initial rate of \$1.00 per round but increases in later years. SGM is required to operate and maintain the golf course in accordance with the Agreement. The City reports the golf course and related equipment as capital assets with a carrying amount of \$2,028,861 at year-end, and reported a receivable and deferred inflow of resources in the amount of \$16,670 at year-end pursuant to the service concession arrangement.

Note 15 – Other Required Disclosures

A. Deficit Fund Balances/Net Position

At June 30, 2020, the Governmental Activities Statement of Net Position had an unrestricted net position deficit of \$(10,495,207).

At June 30, 2020, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

<u>Fund</u>	<u>Fund Type</u>	<u>Deficit</u>
Federal Aid Urban Fund	Special Revenue Fund	\$ 959,555
Local Transit Fund	Enterprise Fund	402,598
Facilities Maintenance Fund	Internal Service Fund	1,060,389
Technology Fund	Internal Service Fund	624,032
RDA Successor Agency Private Purpose Trust Fund	Fiduciary Fund	31,660,890

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2020, expenditures exceeded appropriations in the following funds by function:

<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures over Appropriations</u>
General Fund	Capital outlay	\$ (843,735)
Special Gas Tax Special Revenue Fund	Public ways and facilities	(846,214)
Street Construction Special Revenue Fund	Public ways and facilities	(43,131)
Intermodal Building Special Revenue Fund	General government	(130)
Residential Rehab Special Revenue Fund	Community development	(5,487)
Community Facilities District Special Revenue Fund	General government	(1,114)

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 16 – Fund Balance Classification

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2020:

	General Fund	General Development Impact Fee Fund	Solar Energy Lease Capital Projects Fund	Non-major Governmental Funds	Total
Nonspendable					
Prepaid items	\$ 112,625	\$ -	\$ -	\$ 3,815	\$ 116,440
Inventories	51,331	-	-	-	51,331
Advances to other funds	61,201	-	-	-	61,201
Total nonspendable	225,157	-	-	3,815	228,972
Restricted					
Community development	-	-	-	12,113,604	12,113,604
Park development	-	-	-	104,975	104,975
Parking improvements	-	-	-	116,033	116,033
Public works and transportation	-	-	-	12,478,885	12,478,885
Special assessment project	-	-	-	418,181	418,181
Public protection	-	-	-	216,069	216,069
Capital projects and improvements	-	15,192,823	14,143,188	493,909	29,829,920
Debt service	401,700	-	-	-	401,700
Total restricted	401,700	15,192,823	14,143,188	25,941,656	55,679,367
Committed					
General Fund stabilization reserve	9,372,405	-	-	-	9,372,405
Measure K - Police/Fire Protection	920,000	-	-	-	920,000
Total committed	10,292,405	-	-	-	10,292,405
Assigned					
Golf course capital	20,000	-	-	-	20,000
OPEB liability	97,339	-	-	-	97,339
Insurance reserve	2,583,761	-	-	-	2,583,761
Measure K - Police/Fire Protection	4,062,604	-	-	-	4,062,604
Total assigned	6,763,704	-	-	-	6,763,704
Unassigned					
	7,423,194	-	-	(959,555)	6,463,639
Total fund balances	\$ 25,106,160	\$ 15,192,823	\$ 14,143,188	\$ 24,985,916	\$ 79,428,087

Note 17 – Special Item

Pursuant to Redevelopment Agency Dissolution law, the Successor Agency to the Redevelopment Agency of the City of Madera prepared a Long-Range Property Management Plan (LRPMP) to identify all of the non-housing real estate properties owned by the Successor Agency and address the disposition and use of these properties. Subsequently, the LRPMP was approved by the California Department of Finance (DOF). During the current fiscal year, the Successor Agency to the Redevelopment Agency of the City of Madera transferred the building and land to the City. The building and land valued at \$2,062,571, net of accumulated depreciation, identified for governmental use were transferred from the Successor Agency to Governmental Activities capital assets.

City of Madera
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 18 – Commitments and Contingencies

A. Litigation

The City is currently a party to various claims and legal proceedings. Although the outcome of these lawsuits is not presently determinable, it is management’s opinion that the ultimate liabilities, if any, resulting from such claims and proceedings will not materially affect the financial position of the City.

B. Contingent Liabilities

On March 1, 1993, the City issued Certificates of Participation in the aggregate of \$10,250,000 for the benefit of Madera Community Hospital (Hospital), a California nonprofit public benefit corporation. The Hospital is not included in the City’s reporting entity. The City is obligated to make the purchase payments only from and to the extent that it receives revenue from the Hospital. They are not secured by any pledge of taxes or other revenues of the City. In addition, the purchase payments are insured by the Office of Statewide Health Planning and Development of the State of California. As of June 30, 2020, 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, 2020. At year-end, the City’s major contractual commitments are as follows:

	Contract Amount	Spent-to-Date	Remaining Commitment
Water System Condition Assessment/Rehab	\$ 295,000	\$ 187,547	\$ 107,453
Sewer System Condition Assessment/Rehab	320,320	162,218	158,102
Sewer Main Video Inspection	536,000	428,865	107,135
Fresno River Trail Undercrossing Gateway/UPRR Construction	1,113,036	503,376	609,660
New Fire Station	7,351,030	6,442,112	908,918
Solar and Energy Efficiency Equipment	18,848,862	5,204,060	13,644,802
Northwest Water Storage Tank	392,430	137,777	254,653
Olive Avenue Widening	1,060,077	62,881	997,196
Washington Avenue Sidewalks	281,586	248,420	33,166
Centennial Park, Pan American, & Frank Bergon ADA & Lighting Improvements	461,867	155,734	306,133
Total	\$ 30,660,208	\$ 13,532,990	\$ 17,127,218

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 Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 18 – Commitments and Contingencies (Continued)

E. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically re-appropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2020 amounted to \$753,631.

F. COVID-19 Pandemic

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be estimated at this time.

Note 19 – Subsequent Events

A. Coronavirus Relief Funds Allocation

On June 29, 2020, the State approved the budget and authorized the Department of Finance to allocate \$1,289,065,000 to address the public health and public safety impacts of COVID-19 including homelessness. Pursuant to the provisions of Control Section 11.90, cities with populations between 300,000 and 500,000 were allocated \$225 million and cities with populations of less than 300,000 were allocated \$275 million. Based on the City's population, the City is allocated \$807,688 and will be received in six installments starting July 2020.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Madera
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2020

Budgetary Information

The City adheres to the following general procedures in establishing its annual budget, which is reflected in the accompanying schedules:

- Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.
- Reported budget amounts represent the original legally adopted budget as amended. Individual amendments were not material in relation to the original adopted budget amounts. The City Council may amend the budget to increase appropriations only by a duly adopted minute resolution during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution. Management can transfer, without City Council approval, budgeted amounts provided they do not increase or decrease total fund appropriations adopted by the City Council.
- Unexpended budgeted amounts lapse at the end of the budget year. Spending control for the fund is established by the amount of expenditures budgeted for the fund, but management control is exercised at the budgetary line item levels.
- Expenditures may not legally exceed overall budgeted appropriations.
- The budgets of the City's capital projects are primarily "long-term" budgets which emphasize major programs and capital outlay plans extending over a number of fiscal periods. Therefore, no budget-to-actual schedules are presented for Capital Projects Funds.

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES :				
Property taxes	\$ 3,921,000	\$ 3,830,422	\$ 4,174,968	\$ 344,546
Sales and use taxes	13,317,000	13,317,000	15,227,811	1,910,811
Other taxes	1,514,350	1,419,826	1,690,706	270,880
Use of money and property	572,621	572,621	849,704	277,083
Franchise fees	685,000	706,516	688,563	(17,953)
Licenses and permits	980,000	1,175,436	1,106,424	(69,012)
Fines and forfeitures	461,000	487,432	481,822	(5,610)
Intergovernmental	7,227,458	7,287,171	7,399,895	112,724
Charges for services	1,230,390	1,500,835	1,427,158	(73,677)
Miscellaneous	929,857	977,410	1,225,957	248,547
Total revenues	30,838,676	31,274,669	34,273,008	2,998,339
EXPENDITURES:				
Current:				
General government	2,320,071	2,888,307	2,608,477	279,830
Public protection	19,366,017	19,430,953	18,312,418	1,118,535
Social services	202,893	230,653	198,360	32,293
Public ways and facilities	2,182,350	2,204,937	1,706,979	497,958
Community development	3,583,877	3,319,677	3,041,286	278,391
Culture and recreation	3,725,911	3,601,175	3,300,189	300,986
Capital outlay	1,342,934	5,716,662	6,560,397	(843,735)
Debt Service:				
Principal	565,773	565,773	550,690	15,083
Interest and fiscal charges	149,377	149,377	126,047	23,330
Total expenditures	33,439,203	38,107,514	36,404,843	1,702,671
REVENUES OVER (UNDER) EXPENDITURES	(2,600,527)	(6,832,845)	(2,131,835)	4,701,010
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	27,841	22,923	(4,918)
Transfers in	3,676,914	3,686,152	3,650,562	(35,590)
Transfers out	(440,151)	(440,151)	(634,136)	(193,985)
Total other financing sources (uses)	3,236,763	3,273,842	3,039,349	(234,493)
Net change in fund balance	\$ 636,236	\$ (3,559,003)	907,514	\$ 4,466,517
FUND BALANCE:				
Beginning of year			24,198,646	
End of year			<u>\$ 25,106,160</u>	

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – General Development Impact Fee Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ 123,589	\$ 123,589	\$ 214,771	\$ 91,182
Charges for services	2,134,573	2,134,573	2,585,932	451,359
Total revenues	<u>2,258,162</u>	<u>2,258,162</u>	<u>2,800,703</u>	<u>542,541</u>
EXPENDITURES:				
Current:				
Public ways and facilities	375,518	2,203,241	360,308	1,842,933
Culture and recreation	-	14,485	-	14,485
Capital outlay	1,585,205	4,484,082	6,837	4,477,245
Total expenditures	<u>1,960,723</u>	<u>6,701,808</u>	<u>367,145</u>	<u>6,334,663</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>297,439</u>	<u>(4,443,646)</u>	<u>2,433,558</u>	<u>6,877,204</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(394,020)	(394,020)	(394,020)	-
Total other financing sources (uses)	<u>(394,020)</u>	<u>(394,020)</u>	<u>(394,020)</u>	<u>-</u>
Net change in fund balance	<u>\$ (96,581)</u>	<u>\$ (4,837,666)</u>	2,039,538	<u>\$ 6,877,204</u>
FUND BALANCE:				
Beginning of year			13,153,285	
End of year			<u>\$ 15,192,823</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, 2020

Miscellaneous Plan

Total Pension Liability	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14¹
Service cost	\$ 1,915,335	\$ 2,074,876	\$ 1,857,394	\$ 1,556,770	\$ 1,515,655	\$ 1,562,632
Interest on total pension liability	6,295,654	5,940,862	5,651,202	5,352,560	5,085,808	4,865,000
Differences between expected and actual experience	1,363,296	1,082,691	1,184,077	337,609	(269,941)	-
Changes in assumptions	-	(647,285)	4,531,204	-	(1,189,492)	-
Changes in benefit terms	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(4,548,873)	(4,125,431)	(3,877,650)	(3,532,833)	(3,412,481)	(3,247,986)
Net change in total pension liability	5,025,412	4,325,713	9,346,227	3,714,106	1,729,549	3,179,646
Total pension liability - beginning	88,004,573	83,678,860	74,332,633	70,618,527	68,888,978	65,709,332
Total pension liability - ending (a)	\$ 93,029,985	\$ 88,004,573	\$ 83,678,860	\$ 74,332,633	\$ 70,618,527	\$ 68,888,978
Plan fiduciary net position						
Contributions - employer	2,610,704	2,395,891	\$ 2,329,046	\$ 1,948,033	\$ 1,603,067	\$ 1,465,153
Contributions - employee	798,675	858,755	829,670	775,135	705,875	787,068
Investment income (net of administrative expenses)	3,967,331	4,851,004	5,795,462	282,173	1,164,130	7,962,241
Benefit payments	(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	(43,264)	(258,000)	(76,926)	(32,095)	(59,277)	(55,556)
Net change in plan fiduciary net position	2,784,705	3,722,079	4,997,878	(559,193)	1,314	6,910,920
Plan fiduciary net position - beginning	60,822,430	57,100,351	52,102,473	52,661,666	52,660,352	45,749,432
Plan fiduciary net position - ending (b)	\$ 63,607,135	\$ 60,822,430	\$ 57,100,351	\$ 52,102,473	\$ 52,661,666	\$ 52,660,352
Net pension liability - ending (a)-(b)	\$ 29,422,850	\$ 27,182,143	\$ 26,578,509	\$ 22,230,160	\$ 17,956,861	\$ 16,228,626
Plan fiduciary net position as a percentage of the total pension liability	68.37%	69.11%	68.24%	70.09%	74.57%	76.44%
Covered payroll	\$ 11,772,221	\$ 11,429,341	\$ 10,780,624	\$ 9,754,797	\$ 8,841,088	\$ 8,601,515
Net pension liability as a percentage of covered payroll	249.93%	237.83%	246.54%	227.89%	203.11%	188.67%

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years of Additional Service Credit (a.k.a. Golden Handshakes).

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2020

Safety Plan						
Measurement period, year ended	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹
Plan's proportion of the net pension liability	0.317253%	0.319144%	0.314800%	0.324000%	0.340000%	0.337500%
Plan's proportionate share of the net pension liability	\$ 19,804,633	\$ 18,725,928	\$ 18,807,385	\$ 16,778,473	\$ 14,009,122	\$ 12,759,288
Plan's covered-employee payroll	\$ 4,711,908	\$ 4,574,668	\$ 4,428,574	\$ 4,211,168	\$ 3,797,547	\$ 3,916,737
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	420.31%	409.34%	424.68%	398.43%	368.90%	325.76%
Plan's fiduciary net position	\$ 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	70.82%	44.92%	44.75%	46.68%	53.15%	57.52%
Plan's proportionate share of aggregate employer contributions	\$ 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 (Continued)
For the Year Ended June 30, 2020

Component Unit - Miscellaneous Plan

Measurement period, year ended	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹
Plan's proportion of the net pension liability	0.084600%	0.084400%	0.082100%	0.082800%	0.088100%	0.078600%
Plan's proportionate share of the net pension liability	\$ 3,389,295	\$ 3,179,336	\$ 3,235,424	\$ 2,875,227	\$ 2,416,697	\$ 1,966,014
Plan's covered-employee payroll	\$ 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-employee payroll	264.66%	250.34%	283.63%	275.48%	245.95%	177.43%
Plan's fiduciary net position	\$ 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	67.79%	67.42%	64.70%	68.54%	72.22%	73.31%
Plan's proportionate share of aggregate employer contributions	\$ 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, 2020

Miscellaneous Plan

Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Contractually determined contribution (actuarially determined)	\$ 2,778,718	\$ 2,610,313	\$ 2,395,891	\$ 2,329,046	\$ 1,948,033	\$ 1,603,067	\$ 1,397,058
Contributions in relation to the actuarially determined contributions	(2,778,718)	(2,610,313)	(2,395,891)	(2,329,046)	(1,948,033)	(1,603,067)	(1,397,058)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,125,388	\$ 11,772,221	\$ 11,429,341	\$ 10,780,624	\$ 9,754,797	\$ 8,841,088	\$ 8,601,515
Contributions as a percentage of covered payroll	22.92%	22.17%	20.96%	21.60%	19.97%	18.13%	16.24%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2020 were derived from the June 30, 2018 funding

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions – Pension (Continued)
For the Year Ended June 30, 2020

Safety Plan							
Fiscal Year:	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14¹</u>
Contractually determined contribution (actuarially determined)	\$ 2,464,699	\$ 2,197,168	\$ 1,942,249	\$ 1,806,992	\$ 1,650,502	\$ 1,388,656	\$ 1,405,797
Contributions in relation to the actuarially determined contributions	(2,464,699)	(2,197,168)	(1,942,249)	(1,806,992)	(1,650,502)	(1,388,656)	(1,405,797)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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	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 2020 were derived from the June 30, 2018

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Madera
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions – Pension (Continued)
For the Year Ended June 30, 2020

Component Unit - Miscellaneous Plan

Fiscal Year:	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14¹</u>
Contractually determined contribution (actuarially determined)	\$ 336,461	\$ 302,136	\$ 268,409	\$ 238,140	\$ 257,128	\$ 203,184	\$ 239,779
Contributions in relation to the actuarially determined contributions	(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>
Covered payroll	\$ 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	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 2020 were derived from the June 30, 2018 funding valuation report.

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

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, 2020

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

¹ Information only presented from the implementation year

SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

Special Revenue Funds:

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

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

Business Improvement District Fund - This fund is used to account for the City's efforts of the Business Improvement District (BID) to promote commerce in downtown Madera. The funding source is assessment fees.

Park Development Fund - This fund is used for park land acquisition and development. Principal revenue sources are parks acquisition and development fees collected from developers and state revenues for park development.

Parking District Fund - This fund is used to support the activities of the City's Parking Enforcement Office. Non-sworn officers patrols a designated area in Madera's downtown and issues citations to motorists who violate the City's vehicle ordinances.

Federal Aid Urban Fund - This fund is used to report various federal grants awarded to the City by the Federal government not otherwise accounted for in the General Fund or Capital Projects funds. A detailed report by program is available under a separate report meeting the criteria of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for all federal grants received by the City

Street Construction Fund - This fund is used to account for right-of-way acquisition, construction, and improvements related to the City's street system. These projects are funded by various state and federal programs and matching City funds.

Landscape Assessment Fund - This fund is used to account for funds received from the landscaping assessment districts to provide for alternative sources of funding for maintenance and service of landscaping located within the public areas of the assessment districts.

Supplemental Law Enforcement Fund - This fund is used to account for revenues and expenditures associated with front line law enforcement and municipal police services. The funding source is state grant funding.

Intermodal Building Fund - This fund is used to account for the operation and maintenance of the intermodal building facility for use by the City and its tenants. The Intermodal Facility currently houses the MAX system, the Greyhound Bus terminal, and Madera Cab Co. This facility relies solely on grants and collects rent to fund its operations so therefore does not impact the General Funds budget.

Economic Development Fund - This fund is used to account for revenues and expenditures related to programs and projects funded with Economic Development grant proceeds.

Residential Rehab Fund - This fund is used to account for revenues and expenditures related to the City's Down payment Assistance Program (DAP) which assists low-income residents with purchasing their first homes and the Owner Occupied Rehabilitation (OOR) program that helps existing low-income homeowners to make health and safety repairs to their homes.

Non-Major Governmental Funds (Continued)

Special Revenue Funds (Continued):

Low and Moderate Income Housing Fund - This fund is used to account for the balances of the former low and moderate income housing funds of the former Madera Redevelopment Agency and revenues and expenditures related to such housing projects and programs.

Community Facilities Districts (CFD) Fund - This fund is used to account for bond and annual tax assessments proceeds to be used for the construction and implementation of off-site infrastructure improvements. In addition, the Fund accounts for services and administration assessments received annually.

Capital Projects Funds:

Streets and Roads Fund - This fund is used to account for right-of-way acquisition, construction, and improvements related to the City's street system. These projects are funded by various state and federal programs and matching City funds.

City of Madera
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

	Special Revenue			
	Special	Measure "T"	Business	Park
	Gas Tax Fund	Sales Tax Fund	Improvement District	Development
ASSETS				
Cash and investments	\$ 2,601,249	\$ 9,692,122	\$ 4,385	\$ 104,975
Accounts receivable, net	175,668	1,072,847	10,591	-
Notes receivable	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 2,776,917	\$ 10,764,969	\$ 14,976	\$ 104,975
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,188	\$ 17,338	\$ 4,466	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	1,188	17,338	4,466	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	1,072,847	-	-
Total deferred inflows of resources	-	1,072,847	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	2,775,729	9,674,784	10,510	104,975
Unassigned	-	-	-	-
Total fund balances	2,775,729	9,674,784	10,510	104,975
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,776,917	\$ 10,764,969	\$ 14,976	\$ 104,975

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

	Special Revenue			
	Parking District	Federal Aid Urban	Street Construction	Landscape Assessment
ASSETS				
Cash and investments	\$ 106,141	\$ -	\$ -	\$ 405,190
Accounts receivable, net	12,304	1,274,449	1,126,151	14,125
Notes receivable	-	-	-	-
Prepaid items	-	-	3,815	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 118,445</u>	<u>\$ 1,274,449</u>	<u>\$ 1,129,966</u>	<u>\$ 419,315</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,412	\$ 53,637	\$ 52,632	\$ 1,134
Accrued payroll	-	-	-	-
Due to other funds	-	1,007,657	583,638	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>2,412</u>	<u>1,061,294</u>	<u>636,270</u>	<u>1,134</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	1,172,710	-	-
Total deferred inflows of resources	<u>-</u>	<u>1,172,710</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	3,815	-
Restricted	116,033	-	489,881	418,181
Unassigned	-	(959,555)	-	-
Total fund balances	<u>116,033</u>	<u>(959,555)</u>	<u>493,696</u>	<u>418,181</u>
Total liabilities deferred inflows of resources, and fund balances	<u>\$ 118,445</u>	<u>\$ 1,274,449</u>	<u>\$ 1,129,966</u>	<u>\$ 419,315</u>

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

	Special Revenue			
	Supplemental	Intermodal	Economic	Residential
	Law Enforcement	Building	Development	Rehab
ASSETS				
Cash and investments	\$ 195,995	\$ -	\$ 1,278,534	\$ 627,645
Accounts receivable, net	27,912	59,300	133,498	-
Notes receivable	-	-	-	7,996,577
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 223,907</u>	<u>\$ 59,300</u>	<u>\$ 1,412,032</u>	<u>\$ 8,624,222</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,031	\$ 5,041	\$ -	\$ 9,136
Accrued payroll	807	103	-	-
Due to other funds	-	24,462	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	1,322	-	-
Total liabilities	<u>7,838</u>	<u>30,928</u>	<u>-</u>	<u>9,136</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	216,069	28,372	1,412,032	8,615,086
Unassigned	-	-	-	-
Total fund balances	<u>216,069</u>	<u>28,372</u>	<u>1,412,032</u>	<u>8,615,086</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 223,907</u>	<u>\$ 59,300</u>	<u>\$ 1,412,032</u>	<u>\$ 8,624,222</u>

(Continued)

City of Madera
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

	Special Revenue		Capital Projects	
	Low and Moderate Income Housing	Community Facilities Districts	Streets and Roads	Total Other Governmental Funds
ASSETS				
Cash and investments	\$ 1,089,356	\$ 415,090	\$ 4,028	\$ 16,524,710
Accounts receivable, net	447	8,140	-	3,915,432
Notes receivable	7,000	-	-	8,003,577
Prepaid items	-	-	-	3,815
Land held for resale	670,000	-	-	670,000
Total assets	\$ 1,766,803	\$ 423,230	\$ 4,028	\$ 29,117,534
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 132	\$ -	\$ -	\$ 154,147
Accrued payroll	-	-	-	910
Due to other funds	-	-	-	1,615,757
Deposits payable	74	-	-	74
Unearned revenues	-	113,851	-	115,173
Total liabilities	206	113,851	-	1,886,061
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	2,245,557
Total deferred inflows of resources	-	-	-	2,245,557
Fund Balances:				
Nonspendable	-	-	-	3,815
Restricted	1,766,597	309,379	4,028	25,941,656
Unassigned	-	-	-	(959,555)
Total fund balances	1,766,597	309,379	4,028	24,985,916
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,766,803	\$ 423,230	\$ 4,028	\$ 29,117,534

(Concluded)

City of Madera
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue			
	Special Gas Tax Fund	Measure "T" Sales Tax Fund	Business Improvement District	Park Development
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Use of money and property	-	202,535	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	2,578,121	1,384,545	-	-
Charges for services	-	-	28,524	-
Miscellaneous	-	-	-	-
Total revenues	2,578,121	1,587,080	28,524	-
EXPENDITURES:				
Current:				
General government	-	-	20,086	-
Public protection	-	-	-	-
Public ways and facilities	183,888	1,083,007	-	-
Community development	-	-	-	-
Capital outlay	247,740	192,001	-	-
Debt service:				
Principal	-	-	-	-
Total expenditures	431,628	1,275,008	20,086	-
REVENUES OVER (UNDER) EXPENDITURES	2,146,493	312,072	8,438	-
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	-	-
Transfers in	-	10,191,972	-	-
Transfers out	(13,082,694)	(829,260)	-	-
Total other financing sources (uses)	(13,082,694)	9,362,712	-	-
NET CHANGES IN FUND BALANCES	(10,936,201)	9,674,784	8,438	-
FUND BALANCES:				
Beginning of year	13,711,930	-	2,072	104,975
End of year	<u>\$ 2,775,729</u>	<u>\$ 9,674,784</u>	<u>\$ 10,510</u>	<u>\$ 104,975</u>

(Continued)

City of Madera
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue			
	Parking District	Federal Aid Urban	Street Construction	Landscape Assessment
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	423,484
Use of money and property	-	-	-	-
Fines and forfeitures	13,001	-	-	-
Intergovernmental	-	663,492	1,277,961	-
Charges for services	24,965	-	-	-
Miscellaneous	-	-	-	-
Total revenues	37,966	663,492	1,277,961	423,484
EXPENDITURES:				
Current:				
General government	18,135	-	-	-
Public protection	-	-	-	-
Public ways and facilities	-	926,459	61,631	427,837
Community development	-	-	-	-
Capital outlay	-	912,853	710,385	-
Debt service:				
Principal	-	-	-	-
Total expenditures	18,135	1,839,312	772,016	427,837
REVENUES OVER (UNDER) EXPENDITURES	19,831	(1,175,820)	505,945	(4,353)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(592)	-	(512,000)	(677)
Total other financing sources (uses)	(592)	-	(512,000)	(677)
NET CHANGES IN FUND BALANCES	19,239	(1,175,820)	(6,055)	(5,030)
FUND BALANCES:				
Beginning of year	96,794	216,265	499,751	423,211
End of year	<u>\$ 116,033</u>	<u>\$ (959,555)</u>	<u>\$ 493,696</u>	<u>\$ 418,181</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, 2020

	Special Revenue			
	Supplemental Law Enforcement	Intermodal Building	Economic Development	Residential Rehab
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Use of money and property	1,463	-	14,429	88,705
Fines and forfeitures	-	-	-	-
Intergovernmental	212,405	103,639	-	-
Charges for services	-	25,330	-	-
Miscellaneous	-	-	-	9,420
Total revenues	213,868	128,969	14,429	98,125
EXPENDITURES:				
Current:				
General government	-	39,210	-	-
Public protection	80,609	-	-	-
Public ways and facilities	-	87,706	-	-
Community development	-	-	5,329	82,833
Capital outlay	-	-	-	-
Debt service:				
Principal	8,713	-	-	-
Total expenditures	89,322	126,916	5,329	82,833
REVENUES OVER (UNDER) EXPENDITURES	124,546	2,053	9,100	15,292
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	656,657	-
Transfers in	-	-	297,410	-
Transfers out	-	(2,087)	-	-
Total other financing sources (uses)	-	(2,087)	954,067	-
NET CHANGES IN FUND BALANCES	124,546	(34)	963,167	15,292
FUND BALANCES:				
Beginning of year	91,523	28,406	448,865	8,599,794
End of year	<u>\$ 216,069</u>	<u>\$ 28,372</u>	<u>\$ 1,412,032</u>	<u>\$ 8,615,086</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, 2020

	Special Revenue		Capital Projects	
	Low and Moderate Income Housing	Community Facilities Districts	Streets and Roads	Total Other Governmental Funds
REVENUES:				
Property taxes	\$ -	\$ 438,286	\$ -	\$ 438,286
Other taxes	-	-	-	423,484
Use of money and property	2,003	4,884	-	314,019
Fines and forfeitures	-	-	-	13,001
Intergovernmental	-	-	-	6,220,163
Charges for services	-	-	-	78,819
Miscellaneous	-	-	-	9,420
Total revenues	2,003	443,170	-	7,497,192
EXPENDITURES:				
Current:				
General government	-	5,821	-	83,252
Public protection	-	-	-	80,609
Public ways and facilities	-	-	1,119,222	3,889,750
Community development	900	-	-	89,062
Capital outlay	-	-	-	2,062,979
Debt service:				
Principal	-	-	-	8,713
Total expenditures	900	5,821	1,119,222	6,214,365
REVENUES OVER (UNDER) EXPENDITURES	1,103	437,349	(1,119,222)	1,282,827
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	-	656,657
Transfers in	-	-	1,077,715	11,567,097
Transfers out	-	(317,600)	-	(14,744,910)
Total other financing sources (uses)	-	(317,600)	1,077,715	(2,521,156)
NET CHANGES IN FUND BALANCES	1,103	119,749	(41,507)	(1,238,329)
FUND BALANCES:				
Beginning of year	1,765,494	189,630	45,535	26,224,245
End of year	\$ 1,766,597	\$ 309,379	\$ 4,028	\$ 24,985,916

(Concluded)

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Special Gas Tax Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,694,797	\$ 3,694,797	\$ 2,578,121	\$ (1,116,676)
Total revenues	<u>3,694,797</u>	<u>3,694,797</u>	<u>2,578,121</u>	<u>(1,116,676)</u>
EXPENDITURES:				
Current:				
Public ways and facilities	-	236,793	183,888	52,905
Capital outlay	-	2,069,771	247,740	1,822,031
Total expenditures	<u>-</u>	<u>2,306,564</u>	<u>431,628</u>	<u>1,874,936</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,694,797</u>	<u>1,388,233</u>	<u>2,146,493</u>	<u>758,260</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(1,629,286)	(1,629,286)	(13,082,694)	(11,453,408)
Total other financing sources (uses)	<u>(1,629,286)</u>	<u>(1,629,286)</u>	<u>(13,082,694)</u>	<u>(11,453,408)</u>
Net change in fund balance	<u>\$ 2,065,511</u>	<u>\$ (241,053)</u>	(10,936,201)	<u>\$ (10,695,148)</u>
FUND BALANCE:				
Beginning of year			13,711,930	
End of year			<u>\$ 2,775,729</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Measure "T" Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 202,535	\$ 202,535
Intergovernmental	3,694,797	3,694,797	1,384,545	(2,310,252)
Total revenues	<u>3,694,797</u>	<u>3,694,797</u>	<u>1,587,080</u>	<u>(2,107,717)</u>
EXPENDITURES:				
Current:				
Public ways and facilities	-	236,793	1,083,007	(846,214)
Capital outlay	-	2,069,771	192,001	1,877,770
Total expenditures	<u>-</u>	<u>2,306,564</u>	<u>1,275,008</u>	<u>1,031,556</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,694,797</u>	<u>1,388,233</u>	<u>312,072</u>	<u>(1,076,161)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	10,191,972	10,191,972
Transfers out	(1,629,286)	(1,629,286)	(829,260)	800,026
Total other financing sources (uses)	<u>(1,629,286)</u>	<u>(1,629,286)</u>	<u>9,362,712</u>	<u>10,991,998</u>
Net change in fund balance	<u>\$ 2,065,511</u>	<u>\$ (241,053)</u>	9,674,784	<u>\$ 9,915,837</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ 9,674,784</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Business Improvement District Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 24,000	\$ 24,000	\$ 28,524	\$ 4,524
Total revenues	<u>24,020</u>	<u>24,020</u>	<u>28,524</u>	<u>4,504</u>
EXPENDITURES:				
Current:				
General government	24,020	24,020	20,086	3,934
Total expenditures	<u>24,020</u>	<u>24,020</u>	<u>20,086</u>	<u>3,934</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	8,438	<u>\$ 8,438</u>
FUND BALANCE:				
Beginning of year			<u>2,072</u>	
End of year			<u>\$ 10,510</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Park Development Special Revenue Fund
For the Year Ended June 30, 2020

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

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Parking District Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 13,001	\$ 3,001
Charges for services	21,000	21,000	24,965	3,965
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>37,966</u>	<u>6,966</u>
EXPENDITURES:				
Current:				
General government	32,761	24,924	18,135	6,789
Total expenditures	<u>32,761</u>	<u>24,924</u>	<u>18,135</u>	<u>6,789</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,761)</u>	<u>6,076</u>	<u>19,831</u>	<u>13,755</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(7,709)	(7,709)	(592)	7,117
Total other financing sources (uses)	<u>(7,709)</u>	<u>(7,709)</u>	<u>(592)</u>	<u>7,117</u>
Net change in fund balance	<u>\$ (9,470)</u>	<u>\$ (1,633)</u>	19,239	<u>\$ 20,872</u>
FUND BALANCE:				
Beginning of year			96,794	
End of year			<u>\$ 116,033</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Federal Aid Urban Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 925,000	\$ 1,101,334	\$ 663,492	\$ (437,842)
Total revenues	<u>925,000</u>	<u>1,101,334</u>	<u>663,492</u>	<u>(437,842)</u>
EXPENDITURES:				
Current:				
Public ways and facilities	154,000	2,387,688	926,459	1,461,229
Capital outlay	120,000	1,986,821	912,853	1,073,968
Total expenditures	<u>274,000</u>	<u>4,374,509</u>	<u>1,839,312</u>	<u>2,535,197</u>
Net change in fund balance	<u>\$ 651,000</u>	<u>\$ (3,273,175)</u>	(1,175,820)	<u>\$ 2,097,355</u>
FUND BALANCE:				
Beginning of year			<u>216,265</u>	
End of year			<u>\$ (959,555)</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Street Construction Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,118,259	\$ 1,118,259	\$ 1,277,961	\$ 159,702
Total revenues	<u>1,118,259</u>	<u>1,118,259</u>	<u>1,277,961</u>	<u>159,702</u>
EXPENDITURES:				
Current:				
Public ways and facilities	15,000	18,500	61,631	(43,131)
Capital outlay	1,184,207	4,751,310	710,385	4,040,925
Total expenditures	<u>1,199,207</u>	<u>4,769,810</u>	<u>772,016</u>	<u>3,997,794</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(80,948)</u>	<u>(3,651,551)</u>	<u>505,945</u>	<u>4,157,496</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(512,000)	(512,000)	(512,000)	-
Total other financing sources (uses)	<u>(512,000)</u>	<u>(512,000)</u>	<u>(512,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (592,948)</u>	<u>\$ (4,163,551)</u>	(6,055)	<u>\$ 4,157,496</u>
FUND BALANCE:				
Beginning of year			499,751	
End of year			<u>\$ 493,696</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Landscape Assessment Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Other taxes	\$ 424,470	\$ 424,470	\$ 423,484	\$ (986)
Total revenues	424,470	424,470	423,484	(986)
EXPENDITURES:				
Current:				
Public ways and facilities	492,982	493,820	427,837	65,983
Total expenditures	492,982	493,820	427,837	65,983
REVENUES OVER (UNDER) EXPENDITURES	(68,512)	(69,350)	(4,353)	64,997
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(677)	(677)
Total other financing sources (uses)	-	-	(677)	(677)
Net change in fund balance	\$ (68,512)	\$ (69,350)	(5,030)	\$ 64,320
FUND BALANCE:				
Beginning of year			423,211	
End of year			<u>\$ 418,181</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1,463	\$ 1,463
Intergovernmental	168,704	278,704	212,405	(66,299)
Total revenues	<u>168,704</u>	<u>278,704</u>	<u>213,868</u>	<u>(64,836)</u>
EXPENDITURES:				
Current:				
Public protection	132,079	148,696	80,609	68,087
Debt Service:				
Principal	36,625	36,625	8,713	27,912
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>168,704</u>	<u>185,321</u>	<u>89,322</u>	<u>95,999</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 93,383</u>	124,546	<u>\$ 31,163</u>
FUND BALANCE:				
Beginning of year			<u>91,523</u>	
End of year			<u>\$ 216,069</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Intermodal Building Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 126,820	\$ 126,820	\$ 103,639	\$ (23,181)
Charges for services	26,594	26,594	25,330	(1,264)
Total revenues	<u>153,414</u>	<u>153,414</u>	<u>128,969</u>	<u>(24,445)</u>
EXPENDITURES:				
Current:				
General government	38,944	39,080	39,210	(130)
Public ways and facilities	71,586	103,518	87,706	15,812
Total expenditures	<u>110,530</u>	<u>142,598</u>	<u>126,916</u>	<u>15,682</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>42,884</u>	<u>10,816</u>	<u>2,053</u>	<u>(8,763)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(2,087)	(2,087)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,087)</u>	<u>(2,087)</u>
Net change in fund balance	<u>\$ 42,884</u>	<u>\$ 10,816</u>	(34)	<u>\$ (10,850)</u>
FUND BALANCE:				
Beginning of year			<u>28,406</u>	
End of year			<u>\$ 28,372</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Economic Development Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 14,429	\$ 14,429
Total revenues	<u>-</u>	<u>-</u>	<u>14,429</u>	<u>14,429</u>
EXPENDITURES:				
Current:				
Community development	-	156,500	5,329	151,171
Total expenditures	<u>-</u>	<u>156,500</u>	<u>5,329</u>	<u>151,171</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(156,500)</u>	<u>9,100</u>	<u>165,600</u>
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	656,657	656,657
Transfers in	-	-	297,410	297,410
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>954,067</u>	<u>954,067</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (156,500)</u>	<u>963,167</u>	<u>\$ 1,119,667</u>
FUND BALANCE:				
Beginning of year			<u>448,865</u>	
End of year			<u>\$ 1,412,032</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Residential Rehab Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 88,705	\$ 88,705
Miscellaneous	21,239	21,239	9,420	(11,819)
Total revenues	<u>552,836</u>	<u>552,836</u>	<u>98,125</u>	<u>(454,711)</u>
EXPENDITURES:				
Current:				
Community development	69,935	77,346	82,833	(5,487)
Total expenditures	<u>69,935</u>	<u>77,346</u>	<u>82,833</u>	<u>(5,487)</u>
Net change in fund balance	<u>\$ 482,901</u>	<u>\$ 475,490</u>	15,292	<u>\$ (460,198)</u>
FUND BALANCE:				
Beginning of year			<u>8,599,794</u>	
End of year			<u>\$ 8,615,086</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Low and Moderate Income Housing Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 2,003	\$ 2,003
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,003</u>	<u>2,003</u>
EXPENDITURES:				
Current:				
Community development	948,843	1,166,831	900	1,165,931
Total expenditures	<u>948,843</u>	<u>1,166,831</u>	<u>900</u>	<u>1,165,931</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(948,843)</u>	<u>(1,166,831)</u>	<u>1,103</u>	<u>1,167,934</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of property	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (948,843)</u>	<u>\$ (1,166,831)</u>	<u>1,103</u>	<u>\$ 1,167,934</u>
FUND BALANCE:				
Beginning of year			<u>1,765,494</u>	
End of year			<u>\$ 1,766,597</u>	

City of Madera
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Community Facilities District Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Property taxes	\$ 407,600	\$ 407,600	\$ 438,286	\$ 30,686
Use of money and property	-	-	4,884	4,884
Total revenues	<u>407,600</u>	<u>407,600</u>	<u>443,170</u>	<u>35,570</u>
EXPENDITURES:				
Current:				
General government	326	4,707	5,821	(1,114)
Total expenditures	<u>326</u>	<u>4,707</u>	<u>5,821</u>	<u>(1,114)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>407,274</u>	<u>402,893</u>	<u>437,349</u>	<u>34,456</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(317,600)	(317,600)	(317,600)	-
Total other financing sources (uses)	<u>(317,600)</u>	<u>(317,600)</u>	<u>(317,600)</u>	<u>-</u>
Net change in fund balance	<u>\$ 89,674</u>	<u>\$ 85,293</u>	119,749	<u>\$ 34,456</u>
FUND BALANCE:				
Beginning of year			<u>189,630</u>	
End of year			<u>\$ 309,379</u>	

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Non-Major Enterprise Funds

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

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

City of Madera
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2020

	Golf Course Fund	Airport Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ 1,558,077	\$ 1,558,077
Accounts receivable, net	24,743	84,540	109,283
Prepaid items	-	1,662	1,662
Total current assets	24,743	1,644,279	1,669,022
Noncurrent assets:			
Capital assets:			
Non-depreciable	146,933	3,204,012	3,350,945
Depreciable, net	1,881,928	8,102,993	9,984,921
Total capital assets	2,028,861	11,307,005	13,335,866
Total noncurrent assets	2,028,861	11,307,005	13,335,866
Total assets	2,053,604	12,951,284	15,004,888
DEFERRED OUTFLOW OF RESOURCES			
Related to pensions	-	50,995	50,995
Total deferred outflow of resources	-	50,995	50,995
LIABILITIES			
Current liabilities:			
Accounts payable	-	36,997	36,997
Accrued payroll	-	2,598	2,598
Due to other funds	452,270	-	452,270
Interest payable	5,746	-	5,746
Deposits payable	-	13,500	13,500
Compensated absences - due within one year	-	5,694	5,694
Long-term debt - due within one year	296,600	-	296,600
Total current liabilities	754,616	58,789	813,405
Noncurrent liabilities:			
Advances from other funds	85,681	-	85,681
Aggregate net pension liability	-	209,965	209,965
Compensated absences - due in more than one year	-	1,737	1,737
Long term debt - due in more than one year	784,100	53,120	837,220
Total noncurrent liabilities	869,781	264,822	1,134,603
Total liabilities	1,624,397	323,611	1,948,008
DEFERRED INFLOWS OF RESOURCES			
Related to service concession arrangement	16,670	-	16,670
Related to pensions	-	19,036	19,036
Total deferred inflows of resources	16,670	19,036	35,706
NET POSITION			
Net investment in capital assets	948,161	11,253,885	12,202,046
Unrestricted (deficit)	(535,624)	1,405,747	870,123
Total net position	\$ 412,537	\$ 12,659,632	\$ 13,072,169

City of Madera
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2020

	Golf Course Fund	Airport Fund	Total
OPERATING REVENUES:			
Charges for services	\$ 101,734	\$ 581,739	\$ 683,473
Other	-	3,833	3,833
Total operating revenues	<u>101,734</u>	<u>585,572</u>	<u>687,306</u>
OPERATING EXPENSES:			
Salaries and benefits	-	162,890	162,890
General and administrative	64,083	279,366	343,449
Supplies and miscellaneous	-	13,033	13,033
Utilities	-	36,883	36,883
Depreciation	-	308,871	308,871
Total operating expenses	<u>64,083</u>	<u>801,043</u>	<u>865,126</u>
OPERATING INCOME (LOSS)	<u>37,651</u>	<u>(215,471)</u>	<u>(177,820)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	-	20,182	20,182
Property taxes	-	136,902	136,902
Interest expense	(39,778)	-	(39,778)
Total nonoperating revenues (expenses)	<u>(39,778)</u>	<u>157,084</u>	<u>117,306</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(2,127)</u>	<u>(58,387)</u>	<u>(60,514)</u>
TRANSFERS			
Transfers in	298,151	-	298,151
Transfers out	-	(6,313)	(6,313)
Total transfers	<u>298,151</u>	<u>(6,313)</u>	<u>291,838</u>
Changes in net position	296,024	(64,700)	231,324
NET POSITION:			
Beginning of year	116,513	12,724,332	12,840,845
End of year	<u>\$ 412,537</u>	<u>\$ 12,659,632</u>	<u>\$ 13,072,169</u>

City of Madera
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2020

	Golf Course Fund	Airport Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers/other funds	\$ 103,397	\$ 523,588	\$ 626,985
Cash payments to suppliers for goods and services/other funds	(64,083)	(301,434)	(365,517)
Cash payments to employees for services	-	(155,105)	(155,105)
Receipts from other operating revenues	-	3,833	3,833
Net cash provided by operating activities	39,314	70,882	110,196
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Property taxes	-	136,902	136,902
Advances from other funds	(24,480)	-	(24,480)
Due to other funds	15,721	-	15,721
Transfers from other funds	298,151	-	298,151
Transfers to other funds	-	(6,313)	(6,313)
Net cash provided by noncapital financing activities	289,392	130,589	419,981
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payment of long-term debt	(287,400)	(48,380)	(335,780)
Interest paid on debt	(41,306)	(4,046)	(45,352)
Net cash (used in) capital and related financing activities	(328,706)	(52,426)	(381,132)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest from investments	-	20,182	20,182
Net cash provided by investing activities	-	20,182	20,182
Net change in cash and cash equivalents	-	169,227	169,227
CASH AND CASH EQUIVALENTS:			
Beginning of year	-	1,388,850	1,388,850
End of year	\$ -	\$ 1,558,077	\$ 1,558,077

(Continued)

City of Madera
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
For the Year Ended June 30, 2020

	Golf Course Fund	Airport Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 37,651	\$ (215,471)	\$ (177,820)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	308,871	308,871
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	198,326	(57,661)	140,665
Prepaid items	-	(1,662)	(1,662)
Deferred outflows - pension related	-	5,224	5,224
Accounts payable	-	29,510	29,510
Salaries payable	-	(1,397)	(1,397)
Deposits payable	-	(490)	(490)
Compensated absences	-	847	847
Aggregate net pension liability	-	5,244	5,244
Deferred inflows - related to service concession arrangement	(196,663)	-	(196,663)
Deferred inflows - pension related	-	(2,133)	(2,133)
Total adjustments	<u>1,663</u>	<u>286,353</u>	<u>288,016</u>
Net cash provided by operating activities	<u><u>\$ 39,314</u></u>	<u><u>\$ 70,882</u></u>	<u><u>\$ 110,196</u></u>

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Internal Service Funds

Fleet Maintenance Fund - This fund is used to account for the accumulation and allocation of costs associated with the maintenance of the City fleet of vehicles.

Facilities Maintenance Fund - This fund is used to account for the accumulation and allocation of costs associated with the maintenance of the City Hall building and other City buildings.

Technology Fund - This fund is used to account for the costs associated with automation maintenance of the City's various computers, servers and interdepartmental electronic communications.

City of Madera
Combining Statement of Net Position
All Internal Service Funds
June 30, 2020

	Fleet Maintenance	Facilities Maintenance	Technology	Total
ASSETS				
Current assets:				
Cash and investments	\$ 1,780,214	\$ 216,255	\$ 67,914	\$ 2,064,383
Accounts receivable, net	3,715	-	-	3,715
Prepaid items	32	53	43,253	43,338
Total current assets	1,783,961	216,308	111,167	2,111,436
Noncurrent assets:				
Capital assets:				
Non-depreciable	227,449	-	-	227,449
Depreciable, net	2,951,642	7,473	233,576	3,192,691
Total capital assets	3,179,091	7,473	233,576	3,420,140
Total noncurrent assets	3,179,091	7,473	233,576	3,420,140
Total assets	4,963,052	223,781	344,743	5,531,576
DEFERRED OUTFLOW OF RESOURCES				
Related to pensions	191,701	309,139	176,412	677,252
Total deferred outflow of resources	191,701	309,139	176,412	677,252
LIABILITIES				
Current liabilities:				
Accounts payable	56,335	76,531	8,592	141,458
Accrued payroll	5,051	15,550	14,072	34,673
Compensated absences - due within one year	21,654	52,137	32,530	106,321
Total current liabilities	83,040	144,218	55,194	282,452
Noncurrent liabilities:				
Aggregate net pension liability	799,361	1,311,809	767,321	2,878,491
Compensated absences - due in more than one year	10,609	25,544	15,938	52,091
Total noncurrent liabilities	809,970	1,337,353	783,259	2,930,582
Total liabilities	893,010	1,481,571	838,453	3,213,034
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	59,513	104,265	73,158	236,936
Total deferred inflows of resources	59,513	104,265	73,158	236,936
NET POSITION				
Investment in capital assets	3,179,091	7,473	233,576	3,420,140
Unrestricted (deficit)	1,023,139	(1,060,389)	(624,032)	(661,282)
Total net position	\$ 4,202,230	\$ (1,052,916)	\$ (390,456)	\$ 2,758,858

City of Madera
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2020

	Fleet Maintenance	Facilities Maintenance	Technology	Total
OPERATING REVENUES:				
Charges for services	\$ 1,707,431	\$ 1,026,082	\$ 1,312,910	\$ 4,046,423
Other	83,260	50,125	-	133,385
Total operating revenues	1,790,691	1,076,207	1,312,910	4,179,808
OPERATING EXPENSES:				
Salaries and benefits	478,816	1,067,449	674,819	2,221,084
General and administrative	233,328	226,483	333,658	793,469
Supplies and miscellaneous	84,514	53,598	12,855	150,967
Parts and supplies	44,875	-	211,269	256,144
Utilities	542	367,217	8,088	375,847
Depreciation	525,347	1,263	76,313	602,923
Total operating expenses	1,367,422	1,716,010	1,317,002	4,400,434
OPERATING INCOME (LOSS)	423,269	(639,803)	(4,092)	(220,626)
TRANSFERS:				
Capital contributions	4,925	-	-	4,925
Transfers in	57,000	660,182	-	717,182
Transfers out	-	(35,323)	-	(35,323)
Total transfers	61,925	624,859	-	686,784
Changes in net position	485,194	(14,944)	(4,092)	466,158
NET POSITION:				
Beginning of year	3,717,036	(1,037,972)	(386,364)	2,292,700
End of year	\$ 4,202,230	\$ (1,052,916)	\$ (390,456)	\$ 2,758,858

City of Madera
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2020

	Fleet Maintenance	Facilities Maintenance	Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers/other funds	\$ 1,928,185	\$ 1,026,082	\$ 1,312,910	\$ 4,267,177
Cash payments to suppliers for goods and services/other funds	(354,314)	(591,077)	(596,335)	(1,541,726)
Cash payments to employees for services	(446,882)	(993,911)	(626,409)	(2,067,202)
Receipts from other operating activities	83,260	50,125	-	133,385
Net cash provided by (used in) operating activities	<u>1,210,249</u>	<u>(508,781)</u>	<u>90,166</u>	<u>791,634</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	57,000	660,182	-	717,182
Transfers to other funds	-	(35,323)	-	(35,323)
Net cash provided by noncapital financing activities	<u>57,000</u>	<u>624,859</u>	<u>-</u>	<u>681,859</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets, net	(475,160)	-	(102,458)	(577,618)
Net cash (used in) capital and related financing activities	<u>(475,160)</u>	<u>-</u>	<u>(102,458)</u>	<u>(577,618)</u>
Net change in cash and cash equivalents	792,089	116,078	(12,292)	895,875
CASH AND CASH EQUIVALENTS:				
Beginning of year	988,125	100,177	80,206	1,168,508
End of year	<u>\$ 1,780,214</u>	<u>\$ 216,255</u>	<u>\$ 67,914</u>	<u>\$ 2,064,383</u>

(Continued)

City of Madera
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2020

	Fleet Maintenance	Facilities Maintenance	Technology	Total
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 423,269	\$ (639,803)	\$ (4,092)	\$ (220,626)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	525,347	1,263	76,313	602,923
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	220,754	-	-	220,754
Prepaid items	9	(7)	5,717	5,719
Deferred outflows -pension related	21,771	39,635	25,659	87,065
Accounts payable	8,936	56,228	(36,182)	28,982
Salaries payable	(6,505)	(8,024)	(10,929)	(25,458)
Compensated absences	3,701	18,319	18,397	40,417
Aggregate net pension liability	21,854	39,787	25,757	87,398
Deferred inflows - pension related	(8,887)	(16,179)	(10,474)	(35,540)
Total adjustments	786,980	131,022	94,258	1,012,260
Net cash provided by (used in) operating activities	\$ 1,210,249	\$ (508,781)	\$ 90,166	\$ 791,634
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed property, plant and equipment	\$ 4,925	\$ -	\$ -	\$ 4,925
Total noncash capital and related financing activities	\$ 4,925	\$ -	\$ -	\$ 4,925

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Agency Funds

The Agency Funds are used to account for assets held by the City in a custodial capacity for individuals, private organizations, other governments, and/or other funds. The City maintains the following Agency Funds for the purposes indicated:

Payroll Tax/Withholding Fund - This fund is used to account for all payroll related transactions.

General Deposit Fund - This fund is used to account for all money collected to pay for certain deposits.

Community Facilities Districts - This fund is used to account for the collection of assessments from property owners and for the remittance of such assessments to bondholders as required by the Improvement Bond Act of 1915 and related California State statutes for the Community Facilities District No. 2006-1.

City of Madera
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020

	Payroll Tax/ Withholding Fund	General Deposit Fund	Community Facilities Districts	Total
ASSETS				
Cash and investments	\$ 204,390	\$ 1,363,143	\$ 327,174	\$ 1,894,707
Accounts receivable, net	661	-	3,586	4,247
Prepaid items	219,339	-	933	220,272
Restricted cash and investments with fiscal agents	-	-	48,841	48,841
Total assets	\$ 424,390	\$ 1,363,143	\$ 380,534	\$ 2,168,067
LIABILITIES				
Accounts payable	\$ 106,649	\$ 27,464	\$ -	\$ 134,113
Accrued liabilities	215,029	-	-	215,029
Due to City	102,712	-	-	102,712
Deposits payable	-	1,335,679	-	1,335,679
Due to bondholders	-	-	380,534	380,534
Total liabilities	\$ 424,390	\$ 1,363,143	\$ 380,534	\$ 2,168,067

City of Madera
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2019
<u>Payroll Tax/Withholding Fund</u>				
Assets:				
Cash and investments	\$ -	\$ 204,390	\$ -	\$ 204,390
Accounts receivable, net	1,953	-	(1,292)	661
Prepaid items	259,091	-	(39,752)	219,339
Total assets	\$ 261,044	\$ 204,390	\$ (41,044)	\$ 424,390
Liabilities:				
Accounts payable	\$ 27,207	\$ 79,442	\$ -	\$ 106,649
Accrued liabilities	53,442	161,587	-	215,029
Due to City	180,395	-	(77,683)	102,712
Total liabilities	\$ 261,044	\$ 241,029	\$ (77,683)	\$ 424,390
<u>General Deposit Fund</u>				
Assets:				
Cash and investments	\$ 1,224,350	\$ 138,793	\$ -	\$ 1,363,143
Total assets	\$ 1,224,350	\$ 138,793	\$ -	\$ 1,363,143
Liabilities:				
Accounts payable	\$ 77,109	\$ -	\$ (49,645)	\$ 27,464
Deposits payable	1,147,241	188,438	-	1,335,679
Total liabilities	\$ 1,224,350	\$ 188,438	\$ (49,645)	\$ 1,363,143
<u>Community Facilities Districts</u>				
Assets:				
Cash and investments	\$ 318,055	\$ 9,119	\$ -	\$ 327,174
Accounts receivable, net	2,088	1,498	-	3,586
Prepaid items	645	288	-	933
Restricted cash and investments with fiscal agents	48,137	704	-	48,841
Total assets	\$ 368,925	\$ 11,609	\$ -	\$ 380,534
Liabilities:				
Accounts payable	\$ 78	\$ -	\$ (78)	\$ -
Due to bondholders	368,847	11,687	-	380,534
Total liabilities	\$ 368,925	\$ 11,687	\$ (78)	\$ 380,534
<u>Total All Agency Funds</u>				
Assets:				
Cash and investments	\$ 1,542,405	\$ 352,302	\$ -	\$ 1,894,707
Accounts receivable, net	4,041	1,498	(1,292)	4,247
Prepaid items	259,736	288	(39,752)	220,272
Restricted cash and investments with fiscal agents	48,137	704	-	48,841
Total assets	\$ 1,854,319	\$ 354,792	\$ (41,044)	\$ 2,168,067
Liabilities:				
Accounts payable	\$ 104,394	\$ 79,442	\$ (49,723)	\$ 134,113
Accrued liabilities	53,442	161,587	-	215,029
Due to City	180,395	-	(77,683)	102,712
Deposits payable	1,147,241	188,438	-	1,335,679
Due to bondholders	368,847	11,687	-	380,534
Total liabilities	\$ 1,854,319	\$ 441,154	\$ (127,406)	\$ 2,168,067

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STATISTICAL SECTION

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CITY OF MADERA - STATISTICAL SECTION

This part of the City of Madera's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

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Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual 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				
	2020	2019	2018	2017	2016
Governmental activities					
Net investment in capital assets,	\$ 160,970,918	\$ 172,189,172	\$ 176,114,816	\$ 178,119,000	\$ 178,483,617
Restricted	55,679,367	44,311,906	37,033,179	34,863,951	32,193,071
Unrestricted	<u>(10,495,207)</u>	<u>(12,968,431)</u>	<u>(10,128,387)</u>	<u>(9,560,807)</u>	<u>(11,207,039)</u>
Total governmental activities net position	<u>\$ 206,155,078</u>	<u>\$ 203,532,647</u>	<u>\$ 203,019,608</u>	<u>\$ 203,422,144</u>	<u>\$ 199,469,649</u>
Business type activities					
Net investment in capital assets	\$ 64,433,636	\$ 61,048,060	\$ 58,537,120	\$ 58,792,617	\$ 57,639,498
Restricted	1,166,101	4,940,553	1,125,151	1,076,451	-
Unrestricted	<u>26,306,961</u>	<u>17,336,248</u>	<u>15,846,498</u>	<u>13,966,875</u>	<u>17,152,594</u>
Total business type activities net position	<u>\$ 91,906,698</u>	<u>\$ 83,324,861</u>	<u>\$ 75,508,769</u>	<u>\$ 73,835,943</u>	<u>\$ 74,792,092</u>
Primary government					
Net investment in capital assets	\$ 225,404,554	\$ 233,237,232	\$ 234,651,936	\$ 236,911,617	\$ 236,123,115
Restricted	56,845,468	49,252,459	38,158,330	35,940,402	32,193,071
Unrestricted	<u>15,811,754</u>	<u>4,367,817</u>	<u>5,718,111</u>	<u>4,406,068</u>	<u>5,945,555</u>
Total primary government net position	<u>\$ 298,061,776</u>	<u>\$ 286,857,508</u>	<u>\$ 278,528,377</u>	<u>\$ 277,258,087</u>	<u>\$ 274,261,741</u>

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

	Fiscal Years				
	2015	2014	2013	2012	2011
Governmental activities					
Net investment in capital assets	\$ 182,403,676	\$ 185,644,703	\$ 182,862,086	\$ 137,089,854	\$ 132,750,912
Restricted	32,671,232	32,451,846	24,794,707	13,273,859	19,532,483
Unrestricted	(14,435,936)	12,294,870	10,951,919	25,594,770	23,183,849
Total governmental activities net position	<u>\$ 200,638,972</u>	<u>\$ 230,391,419</u>	<u>\$ 218,608,712</u>	<u>\$ 175,958,483</u>	<u>\$ 175,467,244</u>
Business type activities					
Net investment in capital assets	\$ 58,455,927	\$ 60,056,090	\$ 60,768,756	\$ 68,322,670	\$ 70,536,834
Restricted	-	-	-	9,718,860	15,659,386
Unrestricted	15,542,964	19,739,870	19,386,182	20,277,451	17,270,502
Total business type activities net position	<u>\$ 73,998,891</u>	<u>\$ 79,795,960</u>	<u>\$ 80,154,938</u>	<u>\$ 98,318,981</u>	<u>\$ 103,466,722</u>
Primary government					
Net investment in capital assets	\$ 240,859,603	\$ 245,700,793	\$ 243,630,842	\$ 205,412,524	\$ 203,287,746
Restricted	32,671,232	32,451,846	24,794,707	22,992,719	35,191,869
Unrestricted	1,107,028	32,034,740	30,338,101	45,872,221	40,454,351
Total primary government net position	<u>\$ 274,637,863</u>	<u>\$ 310,187,379</u>	<u>\$ 298,763,650</u>	<u>\$ 274,277,464</u>	<u>\$ 278,933,966</u>

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

	Fiscal Years				
	2020	2019	2018	2017	2016
Expenses					
Governmental activities:					
General government	\$ 9,458,201	\$ 9,703,723	\$ 8,697,525	\$ 7,692,256	\$ 8,890,092
Public protection	19,929,183	18,983,486	18,425,675	12,903,321	14,722,091
Public ways and facilities	384,740	330,498	5,081,612	4,607,237	6,852,731
Social services	7,355,775	5,478,070	346,863	303,015	182,286
Culture and recreation	4,041,008	4,525,133	4,744,555	4,421,827	4,451,155
Community development	4,640,120	4,492,799	4,022,163	3,029,515	5,249,438
Interest on long-term debt	509,977	210,504	74,490	110,856	280,037
Depreciation (unallocated)	-	-	-	-	-
Total governmental activities expenses	46,319,004	43,724,213	41,392,883	33,068,027	40,627,830
Business type activities:					
Water	8,295,137	7,654,315	9,262,549	10,066,546	5,590,810
Sewer	10,038,430	9,924,665	9,854,304	8,758,885	8,476,744
Solid waste	5,875,225	6,056,309	5,811,095	6,305,944	4,936,291
Drainage operations	1,110,864	1,149,676	887,698	956,287	1,024,498
Local transit	2,403,789	2,321,063	2,166,293	2,184,533	2,051,814
Golf course	103,861	120,763	199,012	115,882	74,596
Airport	801,043	842,652	1,163,134	893,106	852,560
Total business type activities expenses	28,628,349	28,069,443	29,344,085	29,281,183	23,007,313
Total primary government expenses	\$ 74,947,353	\$ 71,793,656	\$ 70,736,968	\$ 62,349,210	\$ 63,635,143
Program Revenues					
Governmental activities:					
Program revenues:					
General government	\$ 6,525,968	\$ 6,223,401	\$ 5,727,717	\$ 5,526,628	\$ 6,996,758
Public protection	2,492,680	1,498,740	1,268,539	1,160,181	1,414,790
Public ways and facilities	42,549	10,385,688	6,320,845	7,164,876	7,865,237
Social services	9,394,710	45,159	87,568	82,637	69,314
Culture and recreation	2,866,097	941,359	837,220	934,173	1,529,999
Community development	696,197	3,434,002	2,831,560	3,085,754	3,833,881
Total governmental activities program revenues	22,018,201	22,528,349	17,073,449	17,954,249	21,709,979
Business type activities:					
Program revenues:					
Water	12,414,215	12,323,836	11,932,955	9,232,389	7,312,514
Sewer	10,797,565	10,352,115	8,791,285	8,108,977	7,469,167
Solid waste	5,982,010	5,890,085	5,872,152	5,889,675	5,695,241
Drainage operations	869,502	938,423	692,227	706,793	955,602
Local transit	5,873,660	4,316,816	2,263,648	2,297,400	2,811,840
Golf course	101,734	95,889	100,469	93,797	96,542
Airport	581,739	579,745	1,038,032	1,810,619	551,005
Total business type activities program revenues	36,620,425	34,496,909	30,690,768	28,139,650	24,891,911
Total primary government program revenues	\$ 58,638,626	\$ 57,025,258	\$ 47,764,217	\$ 46,093,899	\$ 46,601,890
Net (Expense)/Revenue					
Governmental activities	\$ (24,300,803)	\$ (21,195,864)	\$ (24,319,434)	\$ (15,113,778)	\$ (18,917,851)
Business type activities	7,992,076	6,427,466	1,346,683	(1,141,533)	1,884,598
Total primary government net expense	\$ (16,308,727)	\$ (14,768,398)	\$ (22,972,751)	\$ (16,255,311)	\$ (17,033,253)

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

	Fiscal Years				
	2015	2014	2013	2012	2011
Expenses					
Governmental activities:					
General government	\$ 11,483,880	\$ 11,482,393	\$ 11,946,360	\$ 8,275,715	\$ 8,881,111
Public protection	13,759,629	13,358,929	13,096,060	12,384,317	12,804,525
Public ways and facilities	3,695,605	3,766,236	2,940,005	2,350,315	10,694,614
Social services	331,774	517,537	686,717	577,321	880,543
Culture and recreation	4,335,983	3,814,936	3,749,071	2,693,874	3,566,110
Community development	5,812,948	5,478,644	5,639,070	5,879,206	7,524,543
Interest on long-term debt	258,764	269,845	291,000	2,851,745	3,006,689
Depreciation (unallocated)	-	-	-	8,627,095	-
Total governmental activities expenses	39,678,583	38,688,520	38,348,283	43,639,588	47,358,135
Business type activities:					
Water	5,668,873	4,788,350	5,212,633	7,826,911	9,906,133
Sewer	7,573,475	7,318,263	7,281,744	7,414,003	7,479,461
Solid waste	4,675,782	4,326,840	5,524,217	6,207,826	6,243,637
Drainage operations	900,903	933,506	895,238	904,659	1,095,639
Local transit	1,996,563	1,827,194	1,792,905	1,641,113	1,703,622
Golf course	122,102	66,651	130,394	229,294	256,165
Airport	871,796	687,228	697,826	690,753	772,654
Total business type activities expenses	21,809,494	19,948,032	21,534,957	24,914,559	27,457,311
Total primary government expenses	\$ 61,488,077	\$ 58,636,552	\$ 59,883,240	\$ 68,554,147	\$ 74,815,446
Program Revenues					
Governmental activities:					
Program revenues:					
General government	\$ 8,763,455	\$ 7,894,884	\$ 8,555,784	\$ 911,568	\$ 502,907
Public protection	1,558,094	1,820,803	1,783,858	2,033,459	1,694,299
Public ways and facilities	7,432,036	14,609,971	10,477,637	3,876,380	5,481,458
Social services	80,730	111,223	116,756	426,912	540,243
Culture and recreation	996,481	836,826	606,757	548,135	332,905
Community development	5,481,186	9,596,690	7,308,357	5,949,796	4,309,949
Total governmental activities program revenues	24,311,982	34,870,397	28,849,149	13,746,250	12,861,761
Business type activities:					
Program revenues:					
Water	5,616,869	5,759,100	5,534,033	5,121,649	4,725,435
Sewer	6,474,652	6,275,667	5,875,561	6,160,478	5,518,527
Solid waste	5,697,468	5,550,361	6,493,343	6,840,962	6,618,314
Drainage operations	686,328	793,149	664,900	640,695	630,379
Local transit	1,870,304	2,191,542	2,259,213	2,111,263	1,629,525
Golf course	117,562	122,494	111,362	34,000	27,500
Airport	647,283	1,341,754	837,714	1,026,107	1,056,764
Total business type activities program revenues	21,110,466	22,034,067	21,776,126	21,935,154	20,206,444
Total primary government program revenues	\$ 45,422,448	\$ 56,904,464	\$ 50,625,275	\$ 35,681,404	\$ 33,068,205
Net (Expense)/Revenue					
Governmental activities	\$ (15,366,601)	\$ (3,818,123)	\$ (9,499,134)	\$ (29,893,338)	\$ (34,496,374)
Business type activities	(699,028)	2,086,035	241,169	(2,979,405)	(7,250,867)
Total primary government net expense	\$ (16,065,629)	\$ (1,732,088)	\$ (9,257,965)	\$ (32,872,743)	\$ (41,747,241)

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

	Fiscal Years				
	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 4,613,254	\$ 4,332,639	\$ 3,824,185	\$ 4,040,067	\$ 3,571,669
Sales and use taxes	15,227,811	13,399,196	12,923,918	9,112,909	6,506,004
Franchises taxes	688,563	649,666	666,238	649,415	678,438
Other taxes	2,019,087	1,964,472	1,707,452	1,694,786	2,172,574
Motor vehicle fees	-	-	-	-	-
Investment earnings	1,207,405	1,910,967	265,581	203,973	603,795
Miscellaneous	795,238	829,050	1,147,727	343,287	580,398
Gain (loss) on sale of capital assets	(42,920)	43,791	-	31,374	16,304
Transfers	352,225	275,116	374,407	172,913	1,718,751
Special items - Transfers of assets	2,062,571	-	-	-	-
Extraordinary items - RDA dissolution	-	-	-	-	-
Total governmental activities	26,923,234	23,404,897	20,909,508	16,248,724	15,847,933
Business type activities:					
Property taxes	228,943	209,374	182,390	171,878	58,333
Investment earnings	548,322	407,450	68,049	120,594	210,257
Miscellaneous	78,165	76,531	3,956	26,004	34,976
Gain (loss) on sale of capital assets	86,556	-	12,990	39,821	4,250
Transfers	(352,225)	(275,116)	(372,671)	(172,913)	(1,718,751)
Total business type activities	589,761	418,239	(105,286)	185,384	(1,410,935)
Total primary government	\$ 27,512,995	\$ 23,823,136	\$ 20,804,222	\$ 16,434,108	\$ 14,436,998
Change in Net Position					
Governmental activities	\$ 2,622,431	\$ 2,209,033	\$ (3,409,926)	\$ 1,134,946	\$ (3,069,918)
Business type activities	8,581,837	6,845,705	1,241,397	(956,149)	473,663
Total primary government	\$ 11,204,268	\$ 9,054,738	\$ (2,168,529)	\$ 178,797	\$ (2,596,255)

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

	Fiscal Years				
	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 2,837,432	\$ 2,943,796	\$ 2,757,456	\$ 7,295,050	\$ 7,139,383
Sales and use taxes	5,638,847	5,472,283	4,573,272	15,573,874	5,341,362
Transient occupancy taxes	612,474	591,116	584,160	558,779	619,343
Other taxes	2,035,238	1,821,326	1,899,648	6,009,672	7,234,721
Motor vehicle fees	-	-	-	3,750,000	4,625,761
Investment earnings	309,988	795,691	1,216,644	1,112,556	942,314
Miscellaneous	577,213	1,071,486	841,992	(70,336)	3,922,479
Gain (loss) on sale of capital assets	26,983	75,607	14,184	-	-
Transfers	1,065,193	2,538,648	1,305,047	892,807	657,762
Transfers of capital assets	-	-	-	-	-
Extraordinary items - RDA dissolution	-	-	-	(4,737,825)	-
Total governmental activities	13,103,368	15,309,953	13,192,403	30,384,577	30,483,125
Business type activities:					
Other taxes	70,353	61,049	98,923	-	-
Investment earnings	262,948	19,076	19,315	70,281	104,900
Miscellaneous	28,170	25,478	35,542	430,375	675,774
Gain (loss) on sale of capital assets	14,476	(11,968)	(52,915)	-	-
Transfers	(1,065,193)	(2,538,648)	(1,305,047)	(892,807)	(657,762)
Total business type activities	(689,246)	(2,445,013)	(1,204,182)	(392,151)	122,912
Total primary government	\$ 12,414,122	\$ 12,864,940	\$ 11,988,221	\$ 29,992,426	\$ 30,606,037
Change in Net Position					
Governmental activities	\$ (2,263,233)	\$ 11,491,830	\$ 3,693,269	\$ 491,239	\$ (4,013,249)
Business type activities	(1,388,274)	(358,978)	(963,013)	(3,371,556)	(7,127,955)
Total primary government	\$ (3,651,507)	\$ 11,132,852	\$ 2,730,256	\$ (2,880,317)	\$ (11,141,204)

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

	Fiscal Years				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General fund					
Nonspendable	\$ 249,637	\$ 202,901	\$ 601,522	\$ 272,102	\$ 368,959
Restricted	401,700	4,934,403	-	-	-
Committed	10,292,405	10,483,246	11,574,005	-	-
Assigned	6,763,704	5,528,814	1,199,518	1,199,518	1,199,518
Unassigned	7,398,714	3,049,282	4,673,303	13,968,482	12,879,473
Total general fund	<u>25,106,160</u>	<u>24,198,646</u>	<u>18,048,348</u>	<u>15,440,102</u>	<u>14,447,950</u>
All other governmental funds					
Nonspendable	3,815	27	42	-	8,547,157
Restricted	55,277,667	39,377,503	35,986,212	33,857,600	23,974,874
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(959,555)	-	-	-	(231,803)
Total all other governmental fund	<u>\$ 54,321,927</u>	<u>\$ 39,377,530</u>	<u>\$ 35,986,254</u>	<u>\$ 33,857,600</u>	<u>\$ 32,290,228</u>
TOTAL FUND BALANCES	\$ 79,428,087	\$ 63,576,176	\$ 54,034,602	\$ 49,297,702	\$ 46,738,178

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

	Fiscal Years				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund					
Nonspendable	\$ 258,252	\$ 282,184	\$ 362,753	\$ 49,121	\$ 64,621
Restricted	646,823	87,453	-	1,554,240	-
Committed	-	-	-	952,768	-
Assigned	727,159	1,199,518	1,174,374	86,003	-
Unassigned	12,326,175	11,280,658	8,651,615	7,833,114	9,977,418
Total general fund	<u>13,958,409</u>	<u>12,849,813</u>	<u>10,188,742</u>	<u>10,475,246</u>	<u>10,042,039</u>
All other governmental funds					
Nonspendable	-	-	-	7,280	2,139,840
Restricted	32,277,375	32,615,786	25,059,067	11,719,619	19,532,483
Committed	-	-	-	6,146,083	5,799,175
Assigned	-	-	-	40,025	470,313
Unassigned	(221,039)	42,897	(148,056)	12,912,675	6,520,986
Total all other governmental fund	<u>\$ 32,056,336</u>	<u>\$ 32,658,683</u>	<u>\$ 24,911,011</u>	<u>\$ 30,825,682</u>	<u>\$ 34,462,797</u>
TOTAL FUND BALANCES	\$ 46,014,745	\$ 45,508,496	\$ 35,099,753	\$ 41,300,928	\$ 44,504,836

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

	Fiscal Years				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues					
Taxes	\$ 4,613,254	\$ 4,332,639	\$ 3,825,921	\$ 4,054,503	\$ 3,115,740
Sales and used taxes	15,227,811	13,399,196	13,262,908	8,741,373	6,506,004
Other taxes	2,114,190	2,081,211	1,707,452	1,698,487	2,141,433
Franchises	1,378,494	649,666	666,238	649,415	678,438
Licenses, permits and fees	688,563	1,322,830	1,049,103	701,825	646,800
Fines	1,106,424	591,298	588,584	750,388	935,358
Use of money and property	494,823	2,078,944	392,428	358,735	767,778
Intergovernmental	13,620,058	16,380,444	11,781,034	12,654,660	16,326,841
Charges for services	4,091,909	3,322,989	3,457,257	3,497,588	3,240,452
Other revenue	1,235,377	1,048,977	924,918	632,560	437,305
Donations	-	-	-	-	-
Unrealized gain (loss) on investments	-	-	-	-	-
Total revenues	<u>44,570,903</u>	<u>45,208,194</u>	<u>37,655,843</u>	<u>33,739,534</u>	<u>34,796,149</u>
Expenditures					
General government	2,691,729	3,075,710	2,106,580	1,796,055	2,959,739
Public protection	18,393,027	17,196,886	16,932,579	14,934,669	14,621,471
Public ways and facilities	198,360	4,233,896	3,476,106	3,101,070	3,834,908
Social services	5,957,037	192,633	309,121	405,251	357,699
Culture and recreation	3,130,348	3,429,815	3,800,416	3,831,163	3,392,870
Community development	3,300,189	4,006,826	3,598,837	3,106,938	5,219,577
Capital outlay	13,834,273	6,802,125	2,519,381	3,143,357	7,073,119
Debt service:					
Principal	559,403	633,222	1,452,775	568,464	977,512
Interest	351,820	52,341	75,660	113,860	266,431
Total expenditures	<u>48,416,186</u>	<u>39,623,454</u>	<u>34,271,455</u>	<u>31,000,827</u>	<u>38,703,326</u>
Excess of revenues over (under) expenditures	<u>(3,845,283)</u>	<u>5,584,740</u>	<u>3,384,388</u>	<u>2,738,707</u>	<u>(3,907,177)</u>
Other financing sources (uses)					
Proceeds from sale of property	679,580	46,518	41,691	37,027	9,969
Proceeds from issuance of long-term debt	19,432,000	4,005,000	895,900	-	-
Premium on bond issuance	-	648,613	-	-	1,540,065
Cost of issuance	(84,752)	153,613	-	-	-
Transfers in	15,443,432	2,768,183	5,005,541	4,504,230	7,289,955
Transfers out	(15,773,066)	(2,992,087)	(5,284,157)	(4,812,845)	(6,109,973)
Total other financing sources (uses)	<u>19,697,194</u>	<u>4,629,840</u>	<u>658,975</u>	<u>(271,588)</u>	<u>2,730,016</u>
Extraordinary items					
Dissolution of Redevelopment Agency	-	-	-	-	-
Total extraordinary items	<u>19,697,194</u>	<u>4,629,840</u>	<u>658,975</u>	<u>(271,588)</u>	<u>2,730,016</u>
Net change in fund balances	<u>\$ 15,851,911</u>	<u>\$ 10,214,580</u>	<u>\$ 4,043,363</u>	<u>\$ 2,467,119</u>	<u>\$ (1,177,161)</u>
Debt service as a percentage of non-capital expenditures	2.6%	2.1%	4.8%	2.4%	3.9%

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

	Fiscal Years				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues					
Taxes	\$ 3,087,520	\$ 2,869,599	\$ 2,581,565	\$ 7,295,050	\$ 7,139,383
Sales and used taxes	5,638,847	5,539,847	4,505,707	15,573,874	5,341,362
Other taxes	2,041,961	1,842,002	1,872,250	9,759,672	11,788,596
Franchises	612,474	591,116	584,160	558,779	619,343
Licenses, permits and fees	595,255	395,730	313,382	344,732	246,139
Fines	985,169	874,861	1,028,320	1,487,506	904,913
Use of money and property	463,853	961,315	1,366,160	1,112,556	1,035,809
Intergovernmental	15,934,329	28,437,678	18,255,556	6,139,170	8,516,744
Charges for services	6,041,361	5,775,536	5,489,685	6,119,574	5,364,830
Other revenue	908,991	1,453,736	612,804	521,575	1,170,483
Donations	-	-	-	101,333	411,950
Unrealized gain (loss) on investments	-	-	-	(408,926)	-
Total revenues	<u>36,309,760</u>	<u>48,741,420</u>	<u>36,609,589</u>	<u>48,604,895</u>	<u>42,539,552</u>
Expenditures					
General government	5,123,445	4,797,564	4,844,346	9,030,842	8,387,319
Public protection	13,616,969	13,177,569	12,829,516	12,384,317	12,551,085
Public ways and facilities	2,532,178	3,012,275	2,673,089	2,350,315	3,446,831
Social services	330,062	510,579	473,128	577,321	864,358
Culture and recreation	3,425,208	2,814,466	2,724,788	2,693,874	2,610,744
Community development	5,380,767	4,681,217	5,044,076	5,879,206	7,225,112
Capital outlay	5,255,764	10,925,198	6,931,137	10,341,664	10,999,374
Debt service:					
Principal	425,970	415,920	439,424	1,393,502	1,449,446
Interest	259,255	270,255	291,385	2,766,733	2,822,090
Total expenditures	<u>36,349,618</u>	<u>40,605,043</u>	<u>36,250,889</u>	<u>47,417,774</u>	<u>50,356,359</u>
Excess of revenues over (under) expenditures	<u>(39,858)</u>	<u>8,136,377</u>	<u>358,700</u>	<u>1,187,121</u>	<u>(7,816,807)</u>
Other financing sources (uses)					
Proceeds from sale of property	-	-	-	-	640,000
Proceeds from issuance of long-term debt	-	-	-	-	-
Premium on bond issuance	157,755	-	-	-	-
Cost of issuance	-	-	-	-	-
Transfers in	5,557,426	6,338,959	5,044,924	5,956,838	14,603,608
Transfers out	(5,111,740)	(4,357,470)	(3,787,978)	(5,610,042)	(13,945,846)
Total other financing sources (uses)	<u>603,441</u>	<u>1,981,489</u>	<u>1,256,946</u>	<u>346,796</u>	<u>1,297,762</u>
Dissolution of Redevelopment Agency	-	-	-	(4,737,825)	-
Total other financing sources (uses)	<u>603,441</u>	<u>1,981,489</u>	<u>1,256,946</u>	<u>(4,737,825)</u>	<u>-</u>
Net change in fund balances	<u>\$ 563,583</u>	<u>\$ 10,117,866</u>	<u>\$ 1,615,646</u>	<u>\$ (3,203,908)</u>	<u>\$ (6,519,045)</u>
Debt service as a percentage of non-capital expenditures	2.2%	2.3%	2.5%	11.2%	10.9%

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

Sources of Tax Revenues	Business <u>Licenses</u>	Franchise <u>Fees</u>	Property <u>Tax</u>¹	Sales <u>Tax</u>³	Transient <u>Occupancy</u>	Gas <u>Tax</u>²	<u>TOTAL</u>
2019-2020	688,563	1,378,494	\$ 4,613,254	15,227,811	804,286	2,578,121	25,290,529
2018-2019	1,322,830	649,666	4,332,639	13,399,196	903,124	7,623,871	28,231,326
2017-2018	1,049,103	666,238	3,467,163	12,934,817	-	3,425,547	21,542,868
2016-2017	701,825	649,415	3,696,995	8,741,373	-	-	13,789,608
2015-2016	646,800	678,438	3,115,740	6,506,004	-	3,215,791	14,162,773
2014-2015	595,255	612,474	3,087,520	5,638,847	-	-	9,934,096
2013-2014	395,730	591,116	2,869,599	5,539,847	-	4,007,477	13,403,769
2012-2013	313,382	584,160	2,581,565	4,505,707	-	4,679,304	12,664,118
2011-2012	344,732	558,779	2,333,736	5,384,826	-	1,655,468	10,277,541
2010-2011	-	-	-	-	-	-	-

NOTES:

- 1) Property tax amounts include state reimbursement of homeowners property tax relief and real property transfer tax and property tax in lieu of MVLFF. Property tax for fiscal years 2012 and earlier included redevelopment tax increment.
- 2) Increase in Gas Tax from FY 2010 onward was due to the "Fuel Tax Swap of 2010". This was the addition of Section 2103 fund allocation from a new motor vehicle excise tax that replace the allocation from Prop. 42 sales tax on gasoline. Figures for fiscal years 2010 and earlier did not include the Prop. 42 revenue.
- 3) The City passed "Measure L" allowing an additional increase of 0.75% in the local sale tax rate. This local measure became effective on October 1, 2012 and ended on March 31, 2018 when it was replaced by "Measure V" allowing an increase 1% in the local sales tax rate. Measure V becomes effective April 1, 2018 and will sunset on March 31, 2025

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

<u>CATEGORY</u>	Fiscal Years				
	2020	2019	2018	2017	2016
Residential	2,201,293,176	2,035,513,239	1,917,149,489	1,824,835,555	1,739,590,175
Commercial	443,426,571	429,900,137	419,282,129	403,687,826	386,226,705
Industrial	178,171,356	179,040,074	172,661,353	166,063,864	178,416,598
Agriculture	13,457,474	12,920,915	5,840,462	5,275,944	5,153,044
Dry Farm	15,019,028	15,391,780	14,096,409	13,830,501	11,764,375
Government	2,054,539	-	6,069	5,950	5,861
Institutional	1,282,549	1,674,829	2,113,776	1,295,250	1,558,852
Irrigated	1,635,256	1,603,053	1,598,326	1,566,070	1,541,526
Cross Reference	37,692,391	39,817,937	36,669,788	35,511,414	34,716,877
Recreational	-	-	-	-	-
Vacant Land	183,027,173	219,593,087	175,896,575	166,553,864	155,926,515
SBE Non-Unitary	625,460	625,460	625,460	743,768	743,768
Unsecured	287,932,288	280,734,337	237,615,373	221,973,452	201,164,923
Unknown	628,316	1,236,714	4,352,697	4,025,707	3,939,930
TOTALS	3,366,245,577	3,218,051,562	2,987,907,906	2,845,369,165	2,720,749,149
Total Direct Rate	0.13198	0.13281	0.13369	0.13243	0.13255

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

<u>CATEGORY</u>	Fiscal Years				
	2015	2014*	2013	2012	2011
Residential	1,629,686,371	1,518,325,305	1,452,100,000	1,447,378,861	1,445,289,675
Commercial	376,032,631	366,862,480	367,484,877	367,845,387	362,140,647
Industrial	170,784,960	164,018,245	165,058,550	168,028,586	160,627,053
Agriculture	5,042,110	4,791,797	4,700,012	4,610,026	4,719,442
Dry Farm	12,516,645	12,649,078	10,825,312	10,523,021	11,097,333
Government	5,747	5,722	5,610	-	886
Institutional	1,348,373	1,242,996	1,178,843	1,046,426	728,562
Irrigated	1,510,496	1,502,446	1,465,896	1,492,264	893,715
Cross Reference	28,515,201	23,735,117	20,865,776	20,767,878	41,260,717
Recreational	-	-	-	-	-
Vacant Land	153,947,112	158,636,497	159,890,090	167,773,016	181,438,326
SBE Non-Unitary	743,768	743,768	769,547	769,547	769,547
Unsecured	200,566,825	191,093,988	182,827,178	165,151,264	148,397,431
Unknown	3,939,713	3,540,012	3,313,737	3,304,242	3,015,970
TOTALS	2,584,639,952	2,447,147,451	2,370,485,428	2,358,690,518	2,360,379,304
Total Direct Rate	0.1328	0.13242	0.38898	0.39528	0.39666

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
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
2020	0.0%	16.5%	2.6%	100.0%	119.1%
2019	0.0%	9.7%	2.3%	100.0%	112.0%
2018	0.0%	10.3%	2.6%	100.0%	112.9%
2017	0.0%	11.4%	0.8%	100.0%	112.2%
2016	0.0%	12.8%	0.8%	100.0%	113.6%
2015	0.0%	7.3%	0.9%	100.0%	108.2%
2014	0.0%	7.9%	1.0%	100.0%	108.8%
2013	0.0%	7.6%	0.9%	100.0%	108.5%
2012	0.0%	7.7%	0.8%	100.0%	108.5%
2011	0.0%	7.5%	1.0%	100.0%	108.5%

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

Source: Madera County Auditor-Controller Tax Rate Book

City of Madera
Schedule 8
Top Ten Principal Property Taxpayers
Fiscal Year 2020 and Ten Years Prior

	2019-2020			2010-2011		
	<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	\$ 46,599,246	1.36%			
David L and Partrica R Berry	2	23,892,544	0.70%	1	27,578,791	1.16%
Ready Roastt Nut Company	3	21,591,765	0.63%			
Oldcaste Precast, Inc.	4	20,663,407	0.60%	6	16,122,950	0.68%
Sealed Air Corporation	5	20,203,370	0.59%	3	18,919,692	0.80%
The Almond Company	6	20,159,029	0.59%			
Newman Development Group	7	19,150,925	0.56%			
Lowe's Home Centers	8	16,019,672	0.47%	5	16,864,751	0.71%
Color Box LLC	9	14,965,025	0.44%			
DMP Development Corp.	10	14,934,639	0.44%	7	15,936,014	0.67%
Advanced Drainage System				2	22,076,934	0.93%
Berry & Berry, Inc.				4	18,341,668	0.77%
Yosemite Point Partnership				8	14,611,952	0.62%
Eurodrip USA, Inc.				9	13,394,849	0.56%
Manufacturing Hanover Trust Co.				10	11,895,791	0.50%
Top Ten Totals		\$ 218,179,622	6.36%		\$ 175,743,392	7.41%
CITY TOTALS		\$3,429,686,002			\$2,373,065,438	

City of Madera
Schedule 9
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

GOVERNMENTAL ACTIVITIES

Fiscal Year	General Obligation Bonds	Redevelopment Bonds ^b	Special Assessment Bonds	Loans Payable	Capital Lease	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
2020	-	34,295,000	-	633,600	19,595,500	54,524,100	5.10%	\$ 830
2019	-	39,862,859	-	738,900	492,602	41,094,361	3.84%	\$ 628
2018	-	43,765,850	-	863,554	1,023,325	45,652,729	4.59%	\$ 687
2017	-	45,039,358	-	60,088	2,425,766	47,525,212	4.95%	\$ 718
2016	-	46,207,821	2,683,119	98,022	3,002,145	51,991,107	5.67%	\$ 787
2015	-	47,346,304	2,722,525	661,052	1,874,496	52,604,377	5.82%	\$ 803
2014	-	48,439,787	2,756,931	842,091	1,964,615	54,003,424	6.03%	\$ 857
2013	-	49,488,270	2,786,337	1,053,926	2,179,997	55,508,530	6.20%	\$ 881
2012	-	50,567,725	2,825,000	-	2,461,155	55,853,880	6.32%	\$ 886
2011	-	51,541,099	2,845,000	-	2,412,717	56,798,816	6.51%	\$ 909

NOTES:

- a) See Schedule 13 Demographic and Economic Statistics for personal income and population data
- b) As of February 1, 2012 all redevelopment agencies in California ceased to exist per AB X1 26. The Madera Redevelopment Agencies' obligations were transferred to the Successor Agency.

City of Madera
Schedule 10
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
2020	-	34,295,000	-	34,295,000	1.02%	\$ 522
2019	-	39,862,859	-	39,862,859	1.24%	\$ 609
2018	-	43,794,788	-	43,794,788	1.47%	\$ 659
2017	-	45,039,358	-	45,039,358	1.58%	\$ 680
2016	-	46,231,429	2,683,119	48,914,548	1.80%	\$ 740
2015	-	47,379,250	2,722,525	50,101,775	1.94%	\$ 765
2014	-	48,459,969	2,756,931	51,216,900	2.09%	\$ 813
2013	-	49,455,270	2,786,337	52,241,607	2.20%	\$ 829
2012	-	50,567,725	2,825,000	53,392,725	2.26%	\$ 847
2011	-	51,541,099	2,845,000	54,386,099	2.30%	\$ 870

NOTES:

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

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City of Madera
Schedule 11
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

2019-20 Assessed Valuation: \$3,366,245,577

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Debt Outstanding <u>6/30/2020</u>	% <u>Applicable</u> ¹	City's Share of Debt as of 6/30/20
State Center Community College District	\$ 165,670,000	3.763%	\$ 6,234,162
Madera Unified School District	161,002,039	49.114%	\$ 79,074,541
City of Madera Community Facilities District No. 2006-1	2,320,338	100.000%	\$ 2,320,338
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 87,629,042
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>			
Madera County Certificates of Participation	8,729,179	22.347%	1,950,710
Madera Unified School District Certificates of Participation	87,800,000	49.114%	43,122,092
City of Madera	-	100.000%	-
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 45,072,802
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	34,295,000	96.592%	\$ 33,126,226
TOTAL DIRECT DEBT			\$ -
TOTAL OVERLAPPING DEBT			\$ 165,828,070
COMBINED TOTAL DEBT			\$ 165,828,070

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 12
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Assessed value	\$ 3,572,633,614	\$ 3,366,111,166	\$ 3,214,555,536	\$ 2,984,863,745	\$ 2,843,541,362
Debt limit (15% of assessed value)	535,895,042	504,916,675	482,183,330	447,729,562	426,531,204
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	535,895,042	504,916,675	482,183,330	447,729,562	426,531,204
Total debt applicable to the limit as a percentage of debt limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

NOTES:

Under State Finance Law, the City's outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

City of Madera
Schedule 12
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

Legal Debt Margin Calculation	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>
Assessed value	\$ 2,717,869,926	\$ 2,580,951,334	\$ 2,443,191,890	\$ 2,366,225,200	\$ 2,354,404,271
Debt limit (15% of assessed value)	407,680,489	387,142,700	366,478,784	354,933,780	353,160,641
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	407,680,489	387,142,700	366,478,784	354,933,780	353,160,641
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
Pledged Revenue Coverage
Last Ten Fiscal Years

2010 and 2015 Water Revenue Bonds

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2020	12,428,666	6,697,361	449,080	107,121	12.04
2019	11,592,927	7,089,979	395,000	527,622	7.68
2018	11,876,412	3,289,860	385,000	539,662	3.56
2017	9,139,387	(301,986)	370,000	554,252	(0.33)
2016	7,265,789	2,234,038	295,000	509,635	2.78
2015	5,590,602	539,861	245,000	498,462	0.73
2014	5,716,031	1,507,176	150,000	502,962	2.31
2013	5,456,783	900,616	65,000	504,912	1.58
2012	1,876,199	235,086	-	504,912	0.47
2011	4,725,435	(4,752,168)	-	155,681	(30.53)

2019 Water Refunding Bonds

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2020	12,428,666	6,697,361	374,080	40,336	16.16
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-

2015 Wastewater Revenue Bonds

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2020	10,823,426	4,645,738	1,080,000	926,110	2.32
2019	9,776,777	986,633	1,045,000	964,775	0.49
2018	8,788,389	266,204	1,005,000	1,001,960	0.13
2017	8,042,174	613,008	970,000	1,037,850	0.31
2016	7,407,933	788,484	65,000	257,174	2.45
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-

City of Madera
Schedule 13
Pledged Revenue Coverage (Continued)
Last Ten Fiscal Years

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

Fiscal Year	Gross Revenues	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2020	10,823,426	4,645,738	322,295	206,439	8.79
2019	9,776,777	986,633	312,877	215,998	1.87
2018	8,788,389	266,204	303,735	225,278	0.50
2017	8,042,174	613,008	294,860	234,287	1.16
2016	7,407,933	788,484	286,244	243,032	1.49
2015	5,621,814	984,022	277,879	251,522	1.86
2014	6,199,330	491,670	269,760	259,764	0.93
2013	6,487,017	961,248	261,877	267,765	1.81
2012	6,160,478	464,127	254,225	275,533	0.88
2011	5,518,527	(231,771)	246,796	283,074	(0.44)

Successor Agency 2018 Tax Allocation Bonds

Fiscal Year	Special Assessment Collections	Net Revenue Available for Debt Service	Debt Service		Coverage
			Principal	Interest	
2020	2,790,658	598,095	1,215,000	1,563,337	0.22
2019	3,343,667	2,227,379	1,215,000	1,777,468	0.74
2018	3,686,763	2,917,577	1,295,000	2,269,784	0.82
2017	3,879,515	2,780,354	1,250,000	2,323,983	0.78
2016	1,951,305	209,883	1,190,000	2,374,693	0.06
2015	6,218,663	5,727,877	1,140,000	2,427,021	1.61
2014	724,744	444,534	1,095,000	2,474,236	0.12
2013	4,877,524	2,730,101	1,055,000	2,516,502	0.76
2012	4,961,314	4,310,943	1,015,000	2,555,078	1.21
2011	4,912,960	(1,161,632)	980,000	2,590,024	(0.33)

City of Madera
Schedule 14
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Personal Per Capita Income (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2019*	65,415	1,069,011,930	16,342	31,925	7.8%
2018	66,419	994,358,849	14,971	31,728	7.7%
2017	66,225	959,202,900	14,484	31,468	7.3%
2016	66,082	917,614,652	13,886	31,077	7.9%
2015	65,474	904,523,310	13,815	30,865	9.1%
2014	63,008	894,965,632	14,204	30,861	9.6%
2013	63,008	895,028,640	14,205	30,478	16.0%
2012	63,040	884,325,120	14,028	30,308	17.5%
2011	62,514	872,320,356	13,954	29,993	21.3%
2010	58,243	803,054,484	13,788	29,643	21.7%

NOTES:

Data provided by HdL, Coren & Cone

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

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

**City of Madera
Schedule 15
Principal Employers
Fiscal Year 2020 and Ten Years Prior**

<u>Employer</u>	<u>2019-2020</u>			<u>2009-2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Madera Unified School District	2319	1	5.16%	1800		5.23%
County of Madera	1500	2	3.33%	1500		4.36%
Madera Community Hospital	936	3	2.08%	950		2.76%
Walmart	350	4	0.78%	-		N/A
Camerena Health	337	5	0.75%	-		N/A
City of Madera	312	6	0.69%	191		0.56%
Community Action Partnership Madera	234	7	0.52%	-		N/A
JBT Food Tech	165	8	0.37%	-		N/A
Lowe's	158	9	0.35%	-		N/A
Home Depot	150	10	0.33%	-		N/A
	6461		<u>3.79%</u>	4441		<u>0.56%</u>
	Total City Employment		44,980			34,400

Source: 2019-20 data based on City of Madera 2020-21 Budget

Source: California Employment Department or employer provided

(-) No data available.

City of Madera
Schedule 16
Full Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years (As of June 30)

FUNCTION/PROGRAM	Fiscal Years									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
City Attorney	0	2	2	2	2	2	2	2	3	3
City Council	7	7	7	7	7	7	7	7	7	5
City Manager	2.7	1.7	1.95	2.7	0.7	0.7	1	2	2	2
City Clerk	2	2	2	2	2	2	2	2	2	2
Finance	24.89	24.73	23.73	24.5	24.03	24.45	25.48	25.28	26.78	28.7
Information Technology	4.17	4.25	4	4	4	4	4	4	4	4
Human Resources	4	4	4	4	4	4	4	4	4	3
Community Development Planning Commissioners	18.97	19.59	21.46	21.86	22.13	21.38	21.27	24.8	26.13	27.12
	0	0	0	0	0	0	0	0	0	0
Public Safety										
Police Officers-Sworn	70.29	70.01	69.84	60	57.25	57	57	58	59	61.77
Other Full Time Employees	24.01	23.48	23.48	20	20	20	20	20.26	21.56	24.26
Public Works										
Engineering	13.63	14.67	11.21	11.69	11.85	10.74	10.61	11.52	14.11	13.99
Maintenance	34.45	27.33	28.88	29.57	30.97	30.71	34.78	28.8	27.28	31.31
Transit Services	2.7	3.08	3.08	3.38	3.38	2.98	2.98	3.73	3.73	3.93
Airport	2.86	2.88	2.98	2.46	2.46	2.36	2.58	2.36	2.03	2.68
Solid Waste Disposal	1	6.48	8.88	9.02	7.77	6.69	3.38	5.48	1.99	2.72
Storm Drainage	5.45	5.74	4.54	5.19	4.89	5.89	5.45	6.2	6.77	7.52
Waster	22.34	23.08	25.18	20.66	18.66	16.81	14.74	16.76	17.96	19.42
Wastewater/Sewer	24.66	26.29	26.62	20.32	20.07	19.04	17.59	20.49	20.92	22.12
Waste Disposal Recycling	0	1	1.3	1.35	1.3	1.2	0	0	3.14	3.18
Successor Agency/RDA	1	1.8	2.3	2.3	2.3	2.59	2.62	2.62	3.5	4.8
Culture & Recreation	47.64	51.42	56.05	61.12	60.9	53.01	45.67	47.89	50.88	54.27
Total	313.76	322.53	330.48	315.12	307.66	294.55	284.15	295.19	307.78	326.79