

COUNTY OF MADERA, CALIFORNIA

MEASURE "T" TRANSPORTATION
SALES TAX FUNDS

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
AND
COMPLIANCE REPORT

FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| INDEPENDENT AUDITORS' REPORT | 1-2 |
| BASIC FINANCIAL STATEMENTS | |
| Statement of net assets | 3 |
| Statement of activities | 4 |
| Notes to the basic financial statements | 5-6 |
| OTHER SUPPLEMENTARY INFORMATION | |
| Measure "T" Transportation Sales Tax Funds | |
| Balance sheet | 7 |
| Statement of revenues, expenditures, and changes in fund balance | 8 |
| COMPLIANCE REPORT | |
| Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards and the rules and regulations of the Measure "T" Enabling Legislation | 9-10 |

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Madera County Transportation Authority
Madera, California

We have audited the accompanying basic financial statements of the County of Madera, California pertaining to the Measure "T" Transportation Sales Tax funds as recorded in the County's Roads Fund as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the County of Madera, California's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Governmental Auditing Standards," issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements pertaining to the Measure "T" Transportation Sales Tax funds are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position for the Measure "T" Transportation Sales Tax funds as recorded in the Roads Fund of the County of Madera, California, as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed further in Note 1, the financial statements presented are only for the fund referred to above and do not purport to, and do not, present fairly the financial position of the County of Madera, California at June 30, 2009, or the results of its operations for the fiscal year then ended, in conformity with principles generally accepted in the United States of America.

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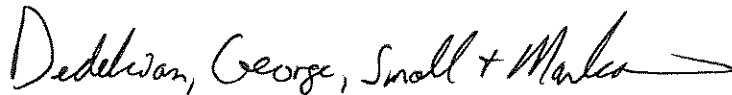
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INDEPENDENT AUDITORS' REPORT (CONTINUED)

In accordance with "Government Auditing Standards," we have also issued our report dated November 30, 2010, on our consideration of the County of Madera, California's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County of Madera, California pertaining to the Measure "T" Transportation Sales Tax funds as recorded in the Roads Fund, taken as a whole. The supplementary schedules and other reports sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Madera, California pertaining to the Measure "T" Transportation Sales Tax funds as recorded in the County of Madera, California's Roads Fund. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Management of the County of Madera has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.



Dedekian, George, Small & Markarian
Accountancy Corporation
November 30, 2010

BASIC FINANCIAL STATEMENTS

COUNTY OF MADERA, CALIFORNIA
MEASURE "T" TRANSPORTATION SALES TAX FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 2,656,746 |
| Due from Madera County Transportation Authority | <u>-</u> |
| Total assets | <u>\$ 2,656,746</u> |
| <u>LIABILITIES AND NET ASSETS</u> | |
| Liabilities: | |
| Accounts payable | \$ - |
| Net Assets: | |
| Reserved | <u>2,656,746</u> |
| Total liabilities and net assets | <u>\$ 2,656,746</u> |

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

COUNTY OF MADERA, CALIFORNIA
MEASURE "T" TRANSPORTATION SALES TAX FUNDS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Scope of Financial Reporting Entity

The financial statements presented are only from the accounts and financial transactions of the Measure "T" Transportation Sales Tax funds as recorded in the Roads Fund of the County of Madera, California. Accordingly, they do not present the financial position or the results of operations of the County of Madera, California or its Special Revenue Fund types.

b. Basis of Presentation

The County of Madera, California pertaining to Measure "T" Transportation Sales Tax Funds as recorded in the County of Madera, California's Roads Fund basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Statements:

The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the County of Madera, California pertaining to Measure "T" Transportation Sales Tax funds as recorded in the County of Madera, California's Roads Fund. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenue. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items, which are properly not included among program revenues, are reported instead as general revenues.

c. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COUNTY OF MADERA, CALIFORNIA
MEASURE "T" TRANSPORTATION SALES TAX FUNDS
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term obligations which is recorded when paid, are recorded when they are expected to be liquidated with expendable available resources.

Intergovernmental revenues (primarily grants and subventions), which are received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues, which are usually unrestricted as to use and are revocable only for failure to meet prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier, if they meet the availability criterion.

2. CASH AND INVESTMENTS

Cash is pooled with the County's cash and investments. Income from the investment of pooled cash is allocated on a monthly basis, based upon the actual daily balance of the fund as a percentage of the total pooled cash balance. Cash and investments consist of U.S. government-backed securities and investments in the State of California Local Agency Investment Fund, as well as banker acceptances, commercial paper and money market funds and are not identified with any single fund of the County. The County values all of its cash and investments at fair value on a portfolio basis. The County manages its pooled idle cash and investments under a formal investment policy that is adopted and reviewed by the County Council, and that follows the guidelines of the State of California Government Code.

Investments are stated at fair value. The increase in the fair value of investments is recognized as an increase to interest income revenue. The County normally holds investments to term; therefore, no realized gain/loss is recorded.

Citywide information concerning cash and investments for the year ended June 30, 2009, including authorized investments, custodial credit risk, credit and interest rate risk for debt securities and concentration of investments, carrying amount and market value of deposits and investments, may be found in the notes of the County's Comprehensive Annual Financial Report.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF MADERA, CALIFORNIA
 MEASURE "T" TRANSPORTATION SALES TAX FUNDS
 BALANCE SHEET
 JUNE 30, 2009

| | Commuter Corridors/ Farm to Market | Safe Routes to School & Jobs | Transit Enhancement | Environmental Enhancement | Total |
|---|---|------------------------------------|------------------------|------------------------------|---------------------|
| Cash | \$ 1,067,824 | \$ 1,312,571 | \$ 135,960 | \$ 140,391 | \$ 2,656,746 |
| Due from MCTA | - | - | - | - | - |
| Total assets | <u>\$ 1,067,824</u> | <u>\$ 1,312,571</u> | <u>\$ 135,960</u> | <u>\$ 140,391</u> | <u>\$ 2,656,746</u> |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund balance: | | | | | |
| Reserved | <u>1,067,824</u> | <u>1,312,571</u> | <u>135,960</u> | <u>140,391</u> | <u>2,656,746</u> |
| Total liabilities and fund balance | <u>\$ 1,067,824</u> | <u>\$ 1,312,571</u> | <u>\$ 135,960</u> | <u>\$ 140,391</u> | <u>\$ 2,656,746</u> |

COUNTY OF MADERA, CALIFORNIA
 MEASURE "T" TRANSPORTATION SALES TAX FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | Commute Corridors/ Farm to Market | Safe Routes to School & Jobs | Transit Enhancement | Environmental Enhancement | Total |
|---------------------------------|--|------------------------------------|------------------------|------------------------------|---------------------|
| Revenues: | | | | | |
| Intergovernmental allocations | \$ 1,116,167 | \$ 993,388 | \$ 86,811 | \$ 86,577 | \$ 2,282,943 |
| Interest | 8,930 | 7,939 | 902 | 886 | 18,657 |
| Total revenues | <u>1,125,097</u> | <u>1,001,327</u> | <u>87,713</u> | <u>87,463</u> | <u>2,301,600</u> |
| Expenditures | <u>117,548</u> | <u>42,376</u> | <u>26,642</u> | <u>17,090</u> | <u>203,656</u> |
| Net changes in fund balance | 1,007,549 | 958,951 | 61,071 | 70,373 | 2,097,944 |
| Fund balance, beginning of year | <u>60,275</u> | <u>353,620</u> | <u>74,889</u> | <u>70,018</u> | <u>558,802</u> |
| Fund balance, end of year | <u>\$ 1,067,824</u> | <u>\$ 1,312,571</u> | <u>\$ 135,960</u> | <u>\$ 140,391</u> | <u>\$ 2,656,746</u> |

COMPLIANCE REPORT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND THE RULES AND
REGULATIONS OF THE MEASURE "T" ENABLING LEGISLATION

To the Board of Directors
Madera County Transportation Authority
Madera, California

We have audited the basic financial statements of the County of Madera, California pertaining to the Measure "T" Transportation Sales Tax funds as recorded in the Roads Fund as of, and for the year ended, June 30, 2009 and have issued our report thereon dated November 30, 2010. 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. Our audit was further made to determine that allocations made and expended by the County were made in accordance with the Measure "T" Enabling Legislation. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Madera, California's internal controls over financial reporting pertaining to the Measure "T" Transportation Sales Tax funds as recorded in the Roads Fund as a basis for designing our auditing procedures for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Madera, California's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Madera, California's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Madera, California's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Madera, California's financial statements that is more than inconsequential will not be prevented or detected by the County of Madera, California's internal control.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND THE RULES AND
REGULATIONS OF THE MEASURE "T" ENABLING LEGISLATION (CONTINUED)

Internal Control Over Financial Reporting (Continued)

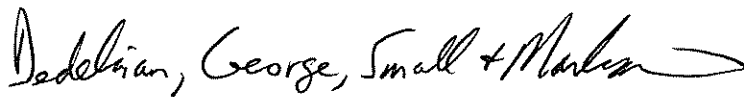
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Madera, California's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Madera, California's financial statements pertaining to the Measure "T" Transportation Sales Tax funds as recorded in the Roads Fund are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards."

This report is intended solely for the information and use of the Madera County Transportation Authority's management and Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.



Dedekian, George, Small & Markarian
Accountancy Corporation
November 30, 2010