

**CITY OF CHOWCHILLA, CALIFORNIA  
MEASURE "T" FUND**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2013**

**CITY OF CHOWCHILLA, CALIFORNIA  
MEASURE "T" FUND  
JUNE 30, 2013**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Madera County Transportation Commission  
Madera, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Measure "T" Fund of the City of Chowchilla (Measure "T" Fund), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Measure "T" Fund'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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 as it relates to the Measure "T" Fund. 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "T" Fund of the City of Chowchilla, as of June 30, 2013, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure "T" Fund of the City of Chowchilla and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2013, and the changes in financial position or cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 12-13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's Measure "T" Fund's basic financial statements. The Schedule of Assets, Liabilities and Net Position by Funding Source and the Schedule of Revenues and Expenditures by Funding Source (the Schedules) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2014, on our consideration of the City's internal control over financial reporting as it relates to the Measure "T" Fund 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 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 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.

*Price Pange & Company*

Clovis, California  
June 4, 2014

## FINANCIAL STATEMENTS

**CITY OF CHOWCHILLA, CALIFORNIA  
MEASURE "T" FUND  
BALANCE SHEET  
JUNE 30, 2013**

<b>ASSETS</b>	
Cash	\$ 1,184,545
Due from MCTA	<u>115,320</u>
Total assets	<u>\$ 1,299,865</u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 69,320</u>
Total liabilities	<u>69,320</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues	<u>114,620</u>
Total deferred inflows of resources	<u>114,620</u>
<b>FUND BALANCE</b>	
Restricted for Highway and Streets	<u>1,115,925</u>
Total liabilities, deferred inflows or resources, and fund balance	<u>\$ 1,299,865</u>

The accompanying notes are an integral part of this statement.

**CITY OF CHOWCHILLA, CALIFORNIA  
 MEASURE "T" FUND  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2013**

<b>REVENUES</b>	
Measure "T" sales tax	\$ 456,559
Interest	<u>3,092</u>
Total revenues	<u>459,651</u>
<b>EXPENDITURES</b>	
Current:	
Highway and streets	72,301
Debt service:	
Principal	157,500
Interest expense	<u>4,823</u>
Total expenditures	<u>234,624</u>
Net change in fund balance	225,027
Fund balance - beginning	<u>890,898</u>
Fund balance - ending	<u>\$ 1,115,925</u>

The accompanying notes are an integral part of this statement.

**CITY OF CHOWCHILLA, CALIFORNIA  
MEASURE "T" FUND  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION**

**Description of Reporting Entity**

The accompanying financial statements present only the Measure "T" Transportation Sales Tax Fund as recorded in the Measure "T" Fund of the City of Chowchilla (Measure "T" Fund) and are not intended to present fairly the financial position, changes in financial position, or cash flows of the City of Chowchilla with accounting principles generally accepted in the United States of America.

**Basis of Accounting and Measurement Focus**

The financial statements of the Measure "T" Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Measure "T" Fund's accounting policies are described below.

The Measure "T" Fund is a governmental fund specifically categorized as a special revenue fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Governmental funds are accounted for on a spending of "current financial resources" measurement focus and the modified accrual basis of accounting. Under 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.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Measure "T" Fund are intergovernmental revenues. Expenditures are recorded in the accompanying period in which the related fund liability is incurred.

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.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Due from Madera County Transportation Authority (MCTA) / Unavailable Revenue**

Costs incurred during the current reporting period may not be funded from current year allocations until after the beginning of the next fiscal year. These amounts, if any, are reported as receivables in the financial statements. The Measure "T" Funds due from MCTA in the amount of \$115,320, as of June 30, 2013, are the final disbursement of the fiscal year 2012-13 Measure "T" allocation.

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations. Typical transactions for which unavailable revenue is recorded are grants when funding requirements have been met, but the related funding is not yet available. The City received the final disbursement of fiscal year 2012-13 Measure "T" monies after the available period (60 days after year-end).



**CITY OF CHOWCHILLA, CALIFORNIA  
MEASURE "T" FUND  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION (Continued)**

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance

Amounts cannot be spent either because they are in nonspendable form (such as inventory or prepaid expense, and long-term loans and notes receivable) or because they are legally or contractually required to be maintained intact (such as principal of a permanent fund).

Restricted Fund Balance

Amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, contributors, or laws or regulations of other governments, etc.) or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by City Council, the City's highest level of decision-making authority, through an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified uses through the same type of formal action taken to establish the commitment.

Assigned Fund Balance

Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. For all governmental funds other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed must be designated as assigned fund balance.

Unassigned Fund Balance

This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the City.

The City would typically use restricted fund balances first, followed by committee resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

**NOTE 2 – CASH AND INVESTMENTS**

The Measure "T" Fund participates in the City's cash and investments pool that includes all other City funds, which the City Treasurer invests to enhance interest earnings. Income from the investment of pooled cash is allocated on a quarterly basis, based upon the actual daily balance of the fund as a percentage of the total pooled cash balance.

**CITY OF CHOWCHILLA, CALIFORNIA  
MEASURE "T" FUND  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

The City participates in an investment pool managed by the State of California, titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Assets-Backed Securities. The City values all of its cash and investments at fair value on a portfolio basis. The City manages its pooled idle cash and investments under a formal investment policy that is adopted and reviewed by the City Council, and that follows the guidelines of the State of California Government Code.

Citywide information concerning cash and investments for the year ended June 30, 2013, 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 City's Comprehensive Annual Financial Report.

**NOTE 3 – LONG-TERM DEBT**

The following is a summary of long-term transactions for the year ended June 30, 2013:

	<u>June 30, 2012</u>	<u>Reductions</u>	<u>June 30, 2013</u>
Measure T Interprogram Loan (MCTA)	\$ 1,102,500	\$ (157,500)	\$ 945,000
Total Long-Term Debt	<u>\$ 1,102,500</u>	<u>\$ (157,500)</u>	<u>\$ 945,000</u>

The City entered into a loan agreement in 2009, with the Madera County Transportation Authority to receive an advance of Measure "T" revenues. The loan is a lien on the City's portion of the Regional Rehabilitation/Reconstruction/Maintenance Program and Safe Routes to School and Job Program. Principal is payable annually on June 30 in the amount of \$157,500, plus interest payments calculated as the total principal outstanding times the average LAIF rate for the prior calendar year. The loan matures on June 30, 2019.

Annual debt service requirements to maturity of the Measure "T" Interprogram loan are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 157,500	\$ 3,331
2015	157,500	2,048
2016	157,500	-
2017	157,500	-
2018	157,500	-
2019	157,500	-
	<u>\$ 945,000</u>	<u>\$ 5,379</u>

Long-term debt is not reported on the Balance Sheet which uses the "current financial resources" measurement focus and the modified accrual basis of accounting as required by the Generally Accepted Accounting Principles (GAAP). However, under the modified accrual basis of accounting, the principal and interest expense on the long-term debt is reported on the Statement of Revenues, Expenditures and Changes in Fund Balances.

**CITY OF CHOWCHILLA, CALIFORNIA  
MEASURE "T" FUND  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 4 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities as of June 30, 2013*.

The impact of the implementation of these two pronouncements on the financial statements is the presentation of Deferred Inflows. The City has only one type, unavailable revenues, which totaled \$114,620 as of June 30, 2013.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CHOWCHILLA, CALIFORNIA  
 MEASURE "T" FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Measure "T" sales tax	\$ 265,990	\$ 565,454	\$ 456,559	\$ (108,895)
Interest	<u>3,500</u>	<u>3,500</u>	<u>3,092</u>	<u>(408)</u>
Total revenues	<u>269,490</u>	<u>568,954</u>	<u>459,651</u>	<u>(109,303)</u>
<b>EXPENDITURES</b>				
Current:				
Highway and streets	1,846,364	1,360,621	72,301	1,288,320
Debt service:				
Principal	157,500	157,500	157,500	-
Interest expense	<u>17,435</u>	<u>17,435</u>	<u>4,823</u>	<u>12,612</u>
Total expenditures	<u>2,021,299</u>	<u>1,535,556</u>	<u>234,624</u>	<u>1,300,932</u>
Net change in fund balance	<u><u>\$ (1,751,809)</u></u>	<u><u>\$ (966,602)</u></u>	225,027	<u><u>\$ 1,191,629</u></u>
Fund balance - beginning			<u>890,898</u>	
Fund balance - ending			<u><u>\$ 1,115,925</u></u>	

**CITY OF CHOWCHILLA, CALIFORNIA  
MEASURE "T" FUND  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2012**

**A. BUDGETARY INFORMATION**

The City establishes annual budgets for the Measure "T" Fund. Except for encumbrances and long-term projects in progress, which are carried forward to the following year, all appropriations remaining will lapse at year-end. The following procedures are followed in establishing the budgetary data reflected in the budgetary comparison schedules:

- 1) The department heads prepare a budget request based upon the current anticipated expenditures.
- 2) A meeting is held between the department heads, Finance Director and the City Administrator for the purpose of reviewing and prioritizing the budget requests.
- 3) The City Administrator submits the proposed City Budget to the City Council, who makes decisions regarding department budgets.
- 4) The approved budget is placed in the City's accounting system and monitored by the Finance Department, as well as by the department heads.

Department heads may, with the City Administrator's authorization, transfer amounts between line items which do not change the original operational budget appropriation limit of the department. The transfers between departments and funds require approval of the City Council.

- 5) Budgets are adopted on the modified accrual basis. Revenues are budgeted in the year in which receipt is expected, and expenditures are budgeted in the year in which the applicable purchase orders are to be made. Budgeted amounts are maintained as originally adopted until further amended as described above. The level of control (level at which expenditures may not exceed budget) is at the fund levels for the Measure "T" Fund.

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## SUPPLEMENTARY INFORMATION

**CITY OF CHOWCHILLA, CALIFORNIA  
 MEASURE "T" FUND  
 BALANCE SHEET  
 BY FUNDING SOURCE  
 JUNE 30, 2013**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Fund Total
<b>ASSETS</b>					
Cash	\$ 279,121	\$ 837,000	\$ 28,786	\$ 39,638	\$ 1,184,545
Due from MCTA	<u>39,954</u>	<u>69,086</u>	<u>3,140</u>	<u>3,140</u>	<u>115,320</u>
Total assets	<u>\$ 319,075</u>	<u>\$ 906,086</u>	<u>\$ 31,926</u>	<u>\$ 42,778</u>	<u>\$ 1,299,865</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 69,320	\$ -	\$ -	\$ -	\$ 69,320
Total liabilities	<u>69,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,320</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	<u>39,254</u>	<u>69,086</u>	<u>3,140</u>	<u>3,140</u>	<u>114,620</u>
Total deferred inflows of resources	<u>39,254</u>	<u>69,086</u>	<u>3,140</u>	<u>3,140</u>	<u>114,620</u>
<b>FUND BALANCE</b>					
Restricted for Highway and Streets	<u>210,501</u>	<u>837,000</u>	<u>28,786</u>	<u>39,638</u>	<u>1,115,925</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 319,075</u>	<u>\$ 906,086</u>	<u>\$ 31,926</u>	<u>\$ 42,778</u>	<u>\$ 1,299,865</u>

**CITY OF CHOWCHILLA, CALIFORNIA  
 MEASURE "T" FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BY FUNDING SOURCE  
 FOR THE YEAR ENDED JUNE 30, 2013**

	Commuter Corridors/ Farm to Market	Safe Routes to School and Jobs	Transit Enhancement	Environmental Enhancement	Fund Total
<b>REVENUES</b>					
Measure "T" sales tax	\$ 156,355	\$ 275,186	\$ 12,509	\$ 12,509	\$ 456,559
Interest	<u>1,824</u>	<u>1,268</u>	<u>-</u>	<u>-</u>	<u>3,092</u>
Total revenues	<u>158,179</u>	<u>276,454</u>	<u>12,509</u>	<u>12,509</u>	<u>459,651</u>
<b>EXPENDITURES</b>					
Current:					
Highway and streets	42,721	29,580	-	-	72,301
Debt service:					
Principal	93,065	64,435	-	-	157,500
Interest expense	<u>2,850</u>	<u>1,973</u>	<u>-</u>	<u>-</u>	<u>4,823</u>
Total expenditures	<u>138,636</u>	<u>95,988</u>	<u>-</u>	<u>-</u>	<u>234,624</u>
Net change in fund balance	19,543	180,466	12,509	12,509	225,027
Fund balance - beginning	<u>190,958</u>	<u>656,534</u>	<u>16,277</u>	<u>27,129</u>	<u>890,898</u>
Fund balance - ending	<u>\$ 210,501</u>	<u>\$ 837,000</u>	<u>\$ 28,786</u>	<u>\$ 39,638</u>	<u>\$ 1,115,925</u>

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## OTHER REPORT

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INDEPENDENT AUDITOR'S 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 Commissioners  
Madera County Transportation Commission  
Madera, California

We have audited, in accordance with the 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, the financial statements of the Measure "T" Fund of the City of Chowchilla, California (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Measure "T" Fund's basic financial statements, and have issued our report thereon dated June 4, 2014, which included an explanatory paragraph describing that the financial statements only present the Measure "T" Fund.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting as it relates to the Measure "T" Fund, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's Measure "T" Fund financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's Measure "T" Fund financial statements are free from 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. Our audit was further made to determine that allocations made and

expended by the City were made in accordance with the Measure "T" Enabling Legislation. 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance as it relates to the Measure "T" Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Price Pange & Company*

Clovis, California  
June 4, 2014