

**MARIPOSA COUNTY
TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
JUNE 30, 2019**

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MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Annual Financial Report
For the Year Ended June 30, 2019

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
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- **Supplementary Information**

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INDEPENDENT AUDITOR'S REPORT

To the Mariposa County Transportation Commission
County of Mariposa
Mariposa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Mariposa County Transportation Commission (Commission), a component unit of the County of Mariposa, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission'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 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Mariposa County Transportation Commission
County of Mariposa
Mariposa, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Mariposa County Transportation Commission and do not purport to, and do not, present fairly the financial position of the County of Mariposa, California, as of June 30, 2019, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and Schedules of Allocations and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Allocations and Expenditures 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 of Allocations and Expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Mariposa County Transportation Commission
County of Mariposa
Mariposa, California

The introductory section has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2019 on our consideration of the Commission'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 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 Commission's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
December 13, 2019

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**Management's Discussion and Analysis
(Unaudited)**

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**County of Mariposa
Transportation Commission
Fiscal Year 2018-19
Management's Discussion and Analysis**

This report of the Mariposa County Transportation Commission presents a narrative and overview of the Transportation Commission's financial performance during the fiscal year ended June 30, 2019. The Local Transportation Commission exists pursuant to the Transportation Development Act and supports transportation planning, transit services, pedestrian and bicycle projects, road maintenance and construction and a regional transit system.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the Transportation Commission exceeded liabilities and deferred inflows of resources by \$1,035,042. Current assets total \$1,126,193 of which \$677,353 is cash and \$448,840 are receivables. Cash held by the Transportation Commission increased by \$485,259 as compared to the previous fiscal year. A big reason for this increase in cash is \$353,809 Proposition 1B revenue deposited in the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) fund that was yet to be spent as of June 30, 2019. This is also the reason for the dramatic increase in Capital Grants & Contributions from year to year. The plan is for this money to be used to make improvements to the Roads and Transportation maintenance yard during fiscal year 2019/20.

Also new for fiscal year 2018/19 are deferred outflows and inflows related to pension and other post-employment benefits (OPEB) adjustments that result from the Transportation Planner position being moved from the Public Works Administration division to Transportation Planning, which is part of the Mariposa County Transportation Commission. This change in personnel is also the reason for the increase in non-current liabilities, as the \$288,220 shown in the Statement of Net Position is made up of compensated absences (excluding current portion), net pension liability, and net OPEB liability. The \$594,740 increase in expenditures from the prior year is primarily due to changes in the Transportation Planning budget due to addition of the Transportation Planning position previously mentioned, as well as an expansion in State Rural Planning Assistance activity to conduct a Mariposa Creek Parkway master plan and to conduct a Mariposa Town Transportation Center feasibility study.

**County of Mariposa
Transportation Commission
Fiscal Year 2018-19
Management's Discussion and Analysis**

Summary of the Statement of Net Position

Statement of Net Position

	Transportation Commission	
	2019	2018
Assets:		
Current Assets	\$ 1,126,193	\$ 478,364
Capital Assets	263,856	311,950
Total Assets	1,390,049	790,314
Deferred Outflows of Resources:		
Pensions adjustments	26,329	-
OPEB adjustments	16,189	-
Total Deferred Outflows of Resources	42,518	-
Liabilities:		
Current Liabilities	107,511	8,762
Non-Current Liabilities	288,220	-
Total Liabilities	395,731	8,762
Deferred Inflows of Resources:		
Pensions adjustments	1,794	-
Total Deferred Inflows of Resources	1,794	-
Net Position:		
Investment in capital assets	263,856	311,950
Restricted for PTMISEA	385,335	29,461
Restricted for Transportation	385,851	440,141
Total Net Position	\$ 1,035,042	\$ 781,552

Summary of the Statement of Activities

Statement of Revenues, Expenses and Changes in Net Position

	2019	2018
Expenses	\$ 1,427,378	\$ 832,638
Operating Grants & Contributions	1,023,532	798,868
Capital Grants & Contributions	591,405	118,843
Net (Expense) Revenue	187,559	85,073
General Revenues	65,931	19,921
Change in Net Position	253,490	104,994
Total Net Position - Beginning	781,552	676,558
Total Net Position - Ending	\$ 1,035,042	\$ 781,552

**County of Mariposa
Transportation Commission
Fiscal Year 2018-19
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include a statement of net position, statement of activities, balance sheet and a statement of revenues, expenditures and changes in fund balances. These are followed by notes to the financial statements.

The statement of net position presents information on assets and liabilities, with the difference between the two reported as net position. The net position figure, examined over a period of years, can be used as an indicator of the financial stability of the Transportation Commission.

The statement of activities presents the expenses and revenues and the effect on the net position of the Transportation Commission.

Finally, we present the balance sheet and revenues, expenditures and changes in fund balance for each of these governmental funds that make up the Transportation Commission. They are the Local Transportation Commission, State Transit Assistance, Transportation Planning, Bicycle/Pedestrian Fund and the PTMISEA Projects Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Following is a statement of the capital assets held by the Commission.

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Capital Assets, Being Depreciated:				
Improvements	\$ 320,381	\$ -	\$ -	\$ 320,381
Equipment	193,659	-	-	193,659
Total Capital Assets, Being Depreciated	514,040	-	-	514,040
Less Accumulated Depreciation for:				
Improvements	(86,098)	(24,963)	-	(111,061)
Equipment	(115,992)	(23,131)	-	(139,123)
Total Accumulated Depreciation	(202,090)	(48,094)	-	(250,184)
Total Capital Assets Being Depreciated, Net	311,949	(48,094)	-	263,856
Total Capital Assets	<u>\$ 311,949</u>	<u>\$ (48,094)</u>	<u>\$ -</u>	<u>\$ 263,856</u>

The Mariposa County Transportation Commission has three types of long-term liabilities: Compensated Absences, Other Post-Employment Benefits (OPEB) and Pension Liability. All of these liabilities are personnel related and are a change from the prior fiscal year due to the Transportation Planner position being moved from the Public Works Administration division to Transportation Planning. Following is a summary of changes in the long-term liabilities.

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Compensated absences	\$ -	\$ 14,880	\$ (1,421)	\$ 13,459
Total	<u>\$ -</u>	<u>\$ 14,880</u>	<u>\$ (1,421)</u>	<u>\$ 13,459</u>

**County of Mariposa
Transportation Commission
Fiscal Year 2018-19
Management's Discussion and Analysis**

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Revenues for the Local Transportation Commission Fund are from a portion of sales tax collected within Mariposa County. The money is used to support transportation planning, transit services, pedestrian and bicycle path projects, and road maintenance and construction.

The State Transit Assistance Fund receives money from a statewide sales tax on gasoline and diesel fuel. These monies are used to finance the operations of the Transit Department.

Transportation Planning is funded by a combination of State subvention, Local Transportation funds, and federal grants.

The Pedestrian Bikeway Fund is authorized by Section 99233.3 of the Public Utilities Code to accumulate contributions from the Local Transportation Fund. Two percent of the sales tax revenue collected in the Local Transportation Fund is appropriated to this fund.

The Public Transportation Modernization Improvement and Service Account (PTMISA) is funded primarily by State grants for the purpose of completing various transportation related capital improvement projects.

Funding for Transportation Commission related funds increased during fiscal year 2018/19 due to an expansion in the Commission's rural planning communities program. The Local Transportation Commission entered into an agreement in the amount of \$230,091 with Wallace, Roberts, and Todd, LLC to conduct a Mariposa Creek Parkway master plan. The Local Transportation Commission also entered into an agreement in the amount of \$239,729 with Opticos Design, Inc. to conduct a Mariposa Town Transportation Center feasibility study. Work for both of these projects began in fiscal year 2018/19 and will continue in fiscal year 2019/20. Also budgeted in fiscal year 2019/20 is \$386,835 in the PTMISEA fund to pave the Public Works Road maintenance yard using Proposition 1B funds received during fiscal year 2018/19.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview to the taxpayers of the finances of the Mariposa County Transportation Commission. Questions regarding any information provided in this report or requests for additional information should be addressed to the Mariposa County Department of Public Works at 4639 Ben Hur Road, Mariposa, California 95338 or the County Auditor's Office at P.O. Box 729, Mariposa, California 95338.

Basic Financial Statements

- **Government-Wide Financial Statements**

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MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Statement of Net Position
June 30, 2019

	Total Governmental Activities
ASSETS	
Cash and investments	\$ 677,353
Receivables:	
Intergovernmental	448,840
Capital assets:	
Depreciable, net	263,856
Total capital assets	<u>263,856</u>
Total Assets	<u>1,390,049</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension adjustments	26,329
Deferred OPEB adjustments	<u>16,189</u>
Total Deferred Outflows of Resources	<u>42,518</u>
LIABILITIES	
Accounts payable	42,400
Due to Mariposa County	62,734
Long-term liabilities:	
Due within one year	2,377
Due in more than one year	11,082
Net pension liability	219
Net OPEB liability	<u>276,919</u>
Total Liabilities	<u>395,731</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension adjustments	<u>1,794</u>
Total Deferred Inflows of Resources	<u>1,794</u>
NET POSITION	
Investment in capital assets	263,856
Restricted for PTMISEA	385,335
Restricted for transportation	<u>385,851</u>
Total Net Position	<u><u>\$ 1,035,042</u></u>

The notes to the basic financial statements are an integral part of this statement.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Statement of Activities
For the Year Ended June 30, 2019

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
Governmental activities:					
Transportation	\$ 1,427,378	\$ -	\$ 1,023,532	\$ 591,405	\$ 187,559
Total Governmental Activities	1,427,378	-	1,023,532	591,405	187,559
Total	\$ 1,427,378	\$ -	\$ 1,023,532	\$ 591,405	187,559
General revenues:					
Interest and investment earnings					9,680
Miscellaneous revenues					56,251
Total General Revenues					65,931
Change in Net Position					253,490
Net Position - Beginning					781,552
Net Position - Ending					\$ 1,035,042

The notes to the basic financial statements are an integral part of this statement.

Basic Financial Statements

- **Fund Financial Statements**

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MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Balance Sheet
Governmental Funds
June 30, 2019

	Local Transportation Commission	State Transit Assistance	Transportation Planning	Bicycle/ Pedestrian Fund
ASSETS				
Cash and investments	\$ 119,919	\$ 25,858	\$ -	\$ 146,241
Receivables:				
Intergovernmental	102,965	41,619	304,256	-
Total Assets	\$ 222,884	\$ 67,477	\$ 304,256	\$ 146,241
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 42,400	\$ -
Due to other funds	-	-	62,734	-
Total Liabilities	-	-	105,134	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	251,227	-
Total Deferred Inflows of Resources	-	-	251,227	-
FUND BALANCES				
Restricted	222,884	67,477	-	146,241
Unassigned	-	-	(52,105)	-
Total Fund Balances	222,884	67,477	(52,105)	146,241
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 222,884	\$ 67,477	\$ 304,256	\$ 146,241

The notes to the basic financial statements are an integral part of this statement.

PTMISEA Projects	Total
\$ 385,335	\$ 677,353
<u>-</u>	<u>448,840</u>
<u>\$ 385,335</u>	<u>\$ 1,126,193</u>
\$ -	\$ 42,400
<u>-</u>	<u>62,734</u>
<u>-</u>	<u>105,134</u>
<u>-</u>	<u>251,227</u>
<u>-</u>	<u>251,227</u>
385,335	821,937
<u>-</u>	<u>(52,105)</u>
<u>385,335</u>	<u>769,832</u>
<u>\$ 385,335</u>	<u>\$ 1,126,193</u>

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position - Governmental Activities
June 30, 2019

Total Fund Balance - Total Governmental Funds	\$ 769,832
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds balance sheet.	263,856
Other long-term assets are not available to pay for current expenditures and therefore, are reported as unavailable revenues in the governmental funds.	251,227
Deferred outflows of resources related to pension are not reported in the governmental funds	42,518
Deferred inflows of resources related to pension are not reported in the governmental funds	(1,794)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Compensated absences	(13,459)
Net pension liability	(219)
Net OPEB liability	(276,919)
Net Position of Governmental Activities	<u>\$ 1,035,042</u>

The notes to the basic financial statements are an integral part of this statement.

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MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	<u>Local Transportation Commission</u>	<u>State Transit Assistance</u>	<u>Transportation Planning</u>	<u>Bicycle/ Pedestrian Fund</u>
REVENUES				
Intergovernmental:				
Local Transportation fund allocation	\$ 536,125	\$ -	\$ -	\$ -
State Transit Assistance allocation	-	156,558	-	-
State of Good Repair	-	8,097	20,567	-
Rural Planning Assistance	-	-	270,301	-
STIP PPM	-	-	53,029	-
Unmet needs	-	-	5,000	-
Federal CMAQ	-	-	105,212	-
Bicycle/pedestrian	-	-	-	8,000
Proposition 1B	-	-	-	-
Use of money	4,929	1,125	(784)	2,345
Other revenues	10,000	-	46,251	-
	<u>551,054</u>	<u>165,780</u>	<u>499,576</u>	<u>10,345</u>
Total Revenues				
EXPENDITURES				
Current:				
Regional transit services	191,000	-	-	-
Streets and roads	237,616	-	-	-
Mariposa Transit Agency	9,455	127,561	-	-
Bicycle/pedestrian pathways	8,000	-	-	-
Unmet needs	5,000	-	-	-
Transportation planning services	-	-	550,779	-
	<u>451,071</u>	<u>127,561</u>	<u>550,779</u>	<u>-</u>
Total Expenditures				
Net Change in Fund Balances				
	99,983	38,219	(51,203)	10,345
Fund Balances - Beginning				
	<u>122,901</u>	<u>29,258</u>	<u>(902)</u>	<u>135,896</u>
Fund Balances - Ending				
	<u>\$ 222,884</u>	<u>\$ 67,477</u>	<u>\$ (52,105)</u>	<u>\$ 146,241</u>

The notes to the basic financial statements are an integral part of this statement.

PTMISEA Projects	Total
\$ -	\$ 536,125
-	156,558
-	28,664
-	270,301
-	53,029
-	5,000
-	105,212
-	8,000
353,809	353,809
2,065	9,680
-	56,251
355,874	1,582,629
-	191,000
-	237,616
-	137,016
-	8,000
-	5,000
-	550,779
-	1,129,411
355,874	453,218
29,461	316,614
\$ 385,335	\$ 769,832

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 453,218
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Less current year depreciation	(48,094)
Some revenues reported in the statement of activities will not be collected for several months after the Commission's year end and do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.	
Change in unavailable revenue	98,239
Certain changes in deferred outflow and deferred inflows of resources reported in the statement of activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pension	26,329
Change in deferred outflows of resources related to OPEB	16,189
Change in deferred inflows of resources related to pension	(1,794)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	
Change in compensated absences	(13,459)
Change in net pension liability	(219)
Change in net OPEB liability	(276,919)
Change in Net Position of Governmental Activities	<u>\$ 253,490</u>

The notes to the basic financial statements are an integral part of this statement.

Basic Financial Statements

- **Notes to Basic Financial Statements**

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MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Mariposa County Transportation Commission, the regional transportation planning agency for the County of Mariposa, was created pursuant to Title 3 of Government Code Section 29535. The Commission is responsible for transportation planning activities as well as administration of the Local Transportation Fund, State Transit Assistance Fund, Transportation Planning fund, the Bicycle/Pedestrian fund and the Prop 1B PTMISEA fund.

The Commission receives monies and allocates these monies for the planning, management, and operation of public transportation systems within the County of Mariposa. The Commission also has the authority to allocate monies for other transportation related activities including street and road projects.

The Commission is considered to be a component unit of the County of Mariposa. The Commission and County of Mariposa are legally separate entities for which the County is considered to be financially accountable and for which the nature and significance of the Commission's relationship with the County is such that exclusion would cause the combined financial statements to be misleading.

The Mariposa County Transportation Commission is presented as nonmajor governmental funds within the County of Mariposa's financial statements and when combined with all other component units, constitutes the reporting entity as defined in the County's annual financial report.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all the activities of the Commission. These statements include only the financial activities of the Commission. Certain revenues and expenditures reported in the Commission financial statements were reclassified as interfund transfers on the County financial statements to minimize double counting of internal activities. These statements report the governmental activities of the Commission, which are normally supported by taxes and intergovernmental revenues. The Commission had no business-type activities at June 30, 2019.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the Commission are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The funds of the Commission are organized into the governmental category. The emphasis is placed on major funds, each is displayed in a separate column.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

- The Local Transportation Commission fund is a special revenue fund used to account for local transportation activities. Funding comes primarily from local transportation fund allocations.
- The State Transit Assistance fund is a special revenue fund used to account for the receipt and expenditure of State Transit Assistance funds. Funding comes primarily from state transit assistance fund allocations.
- The Transportation Planning fund is a special revenue fund used to account for monies expended in relation to the overall work program. Funding comes primarily from rural planning assistance and STIP grants.
- The Bicycle/Pedestrian fund is a special revenue fund used to account for activity related to pedestrian and bicycle pathways and bicycle education safety. Funding comes primarily from Commission allocations of local transportation funds.
- The PTMISEA Projects fund is a capital projects fund used to account for the receipt and expenditure of Prop 1B PTMISEA funds.

C. Basis of Accounting and Measurement Focus

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales tax, grants, entitlements, and donations. Under the accrual basis, revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, and certain state and federal grants are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investments

The Commission pools all cash and investments with the County of Mariposa. The Mariposa County Treasury is an external investment pool for the Commission and the Commission is considered an involuntary participant. The Commission's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants.

F. Receivables

Receivables consist mainly of intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

G. Inventory

Inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

H. Capital Assets

Capital assets, including public domain infrastructure, are defined by the Commission as an asset with a cost of more than \$5,000 and an estimated useful life of more than three years. Capital assets are recorded at historical, or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3 to 25 years

I. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Interfund Transactions (Continued)

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

J. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

K. Compensated Absences

The Commission funds are funds of Mariposa County and as such their employees are covered under the compensated absences policy of the County of Mariposa. It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, proprietary funds report the liability as it is incurred. The Transit Fund includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

L. Pensions

The Commission funds are funds of Mariposa County and a portion of the County's retirement plan costs have been allocated to the Commission. For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County of Mariposa's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Other Postemployment Benefits (OPEB)

The Commission funds are funds of Mariposa County and a portion of the County's OPEB costs have been allocated to the Commission. 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 County Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Commission has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has one item that qualifies for reporting in this category. This item relates to the inflows from changes in the net pension liability and is reportable on the Statement of Net Position.

O. Estimates

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

P. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 83, Certain Asset Retirement Obligations (AROs). This statement enhances the comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs including obligations that may not have been previously reported. This statement also enhances the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Implementation of Governmental Accounting Standards Board (GASB) Statements (Continued)

Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing, and Direct Placements. This statement improves financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risk associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balance

The Transportation Planning fund had a fund balance deficit of \$52,105, which is expected to be eliminated in future years through recognition of unavailable revenues.

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2019, the Commission's cash and investments consisted of the following:

Investments:	
Mariposa County Treasurer's pool	\$ <u>677,353</u>
Total Investments	\$ <u>677,353</u>

B. Investments

The Commission does not have a formal investment policy. At June 30, 2019, all investments of the Commission were in the County of Mariposa investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- United States Treasury Securities
- United States Government Agency Securities
- Municipal Securities of local and state entities within the State of California
- Banker's Acceptances
- Certificates of Deposit
- Commercial Paper
- Medium-Term Notes
- Asset Backed Securities
- Repurchase and Reverse Repurchase Agreements
- Local Agency Investment Fund (LAIF)

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Fair Value of Investments - The Commission measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

As of June 30, 2019, the Commission held no individual investments. Accordingly, the measurement of fair value for the Commission's proportionate share of investments in the County investment pool is based on uncategorized inputs not defined as Level 1, Level 2, or Level 3. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Mariposa's financial statements may be obtained by contacting the County of Mariposa Auditor-Controller's office at 4982 10th Street, Mariposa, CA 95338.

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

Credit Risk - 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. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2019, the Commission's investments were all held with the County of Mariposa investment pool which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Commission's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. All investments of the Commission were in the Mariposa County investment pool which contains a diversification of investments.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>
Capital Assets, Being Depreciated:				
Improvements	\$ 320,381	\$ -	\$ -	\$ 320,381
Equipment	<u>193,659</u>	<u>-</u>	<u>-</u>	<u>193,659</u>
Total Capital Assets, Being Depreciated	<u>514,040</u>	<u>-</u>	<u>-</u>	<u>514,040</u>
Less Accumulated Depreciation For:				
Improvements	(86,098)	(24,963)	-	(111,061)
Equipment	<u>(115,992)</u>	<u>(23,131)</u>	<u>-</u>	<u>(139,123)</u>
Total Accumulated Depreciation	<u>(202,090)</u>	<u>(48,094)</u>	<u>-</u>	<u>(250,184)</u>
Total Capital Assets, Being Depreciated, Net	<u>311,950</u>	<u>(48,094)</u>	<u>-</u>	<u>263,856</u>
Total Capital Assets, Net	<u>\$ 311,950</u>	<u>(\$ 48,094)</u>	<u>\$ -</u>	<u>\$ 263,856</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

Transportation	\$ <u>48,094</u>
Total Depreciation Expense	\$ <u>48,094</u>

NOTE 5: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

<u>Type of Indebtedness</u>	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ -	\$ 14,880	(\$ 1,421)	\$ 13,459	\$ 2,377
Total	<u>\$ -</u>	<u>\$ 14,880</u>	<u>(\$ 1,421)</u>	<u>\$ 13,459</u>	<u>\$ 2,377</u>

NOTE 6: NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 6: NET POSITION (CONTINUED)

- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 7: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2019, fund balance for governmental funds is made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in 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: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation..
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the Commission’s highest level of decision-making authority. The Board of Commissioners is the highest level of decision making authority for the Commission that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the Commission’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: FUND BALANCES (CONTINUED)

The fund balances for all governmental funds as of June 30, 2019, were distributed as follows:

	<u>Local Transportation Commission</u>	<u>State Transit Assistance</u>	<u>Transportation Planning</u>	<u>Bicycle/ Pedestrian Fund</u>	<u>PTMISEA Projects</u>	<u>Total</u>
Restricted for:						
PTMISEA	\$ -	\$ -	\$ -	\$ -	\$ 385,335	\$ 385,335
Transportation	<u>222,884</u>	<u>67,477</u>	<u>-</u>	<u>146,241</u>	<u>-</u>	<u>436,602</u>
Total Restricted	<u>222,884</u>	<u>67,477</u>	<u>-</u>	<u>146,241</u>	<u>385,335</u>	<u>821,937</u>
Unassigned	<u>-</u>	<u>-</u>	<u>(52,105)</u>	<u>-</u>	<u>-</u>	<u>(52,105)</u>
Total	<u>\$ 222,884</u>	<u>\$ 67,477</u>	<u>(\$ 52,105)</u>	<u>\$ 146,241</u>	<u>\$ 385,335</u>	<u>\$ 769,832</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Commissioners adopted a fund balance policy for financial statement reporting in June 2012. The policy establishes procedures for reporting fund balance classifications.

NOTE 8: EMPLOYEE BENEFITS

A. Employee's Retirement Plan

The Commission funds are funds of the County of Mariposa and as such the Commission's employees are covered under the retirement plan of the County of Mariposa.

The County of Mariposa contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. 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.

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: EMPLOYEE BENEFITS (CONTINUED)

A. Employee's Retirement Plan (Continued)

A portion of the County's retirement plan costs have been allocated to the Commission as follows:

Net Pension Liability at Fiscal Year Ending June 30, 2018	\$ -
Changes for the year:	
Services cost	11,374
Interest on total pension liability	29,688
Differences between expected and actual experience	3,919
Change in assumptions	(2,648)
Contributions – employer	(13,783)
Contributions – employee	(4,915)
Net investment income	(24,734)
Administrative expense	<u>1,318</u>
Net Changes	<u>219</u>
Net Pension Liability at Fiscal year Ending June 30, 2019	<u>\$ 219</u>

Required disclosure information regarding the employee's retirement plan can be found in the County's audited financial statements.

B. Other Postemployment Benefits (OPEB)

The Commission funds are funds of the County of Mariposa and as such the Commission's employees are covered under the postemployment benefit plan of the County of Mariposa.

The County of Mariposa provides integrated medical/prescription drug coverage through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees may choose from one of six medical plan options: Blue Shield HMO, Blue Shield Net Value, Kaiser, PERSChoice, PERSSelect, or PERSCare; a seventh option, PORAC, is also available to safety employees.

A portion of the County's postemployment benefit costs have been allocated to the Commission as follows:

Net OPEB Liability at Fiscal Year Ending June 30, 2018	\$ 238,269
Changes for the year:	
Service cost	17,493
Interest on total OPEB liability	9,501
Change in assumptions	19,302
Benefit payments, including refunds of employee contributions	(6,322)
Implicit rate subsidy fulfilled	<u>(1,324)</u>
Net Changes	<u>38,650</u>
Net OPEB Liability at Fiscal Year Ending June 30, 2019	<u>\$ 276,919</u>

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 9: RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission is covered under the County of Mariposa's risk management programs.

NOTE 10: RELATED PARTY TRANSACTIONS

The County of Mariposa provides various administrative functions for the Commission. Employee cost from the County of Mariposa is charged at a calculated rate which includes all benefits and overhead. The total charges for the year ended June 30, 2019 were \$103,762.

NOTE 11: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2019 through December 13, 2019, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

B. PTMISEA

The Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the 19.925 billion available to Transportation, \$3.6 billion dollars was used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock (buses and rail cars) procurement, rehabilitation or replacement. Funds in this account are appropriated annually by the Legislature to the State Controller's Office (SCO) for allocation in accordance with Public Utilities Code formula distributions.

During the year ended June 30, 2019, the Commission had a carryover balance of \$29,461 plus Proposition 1B revenues of \$353,809 and interest earnings of \$2,065 for a total amount available of \$385,335. For the year ended June 30, 2019, no qualifying expenditures were incurred and the remaining carryover balance of \$385,335 was recorded as restricted fund balance/net position.

**Required Supplementary Information
(Unaudited)**

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MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Required Supplementary Information
Budgetary Comparison Schedule
Local Transportation Commission - Major Special Revenue Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Local transportation fund allocation	\$ 450,000	\$ 450,000	\$ 536,125	\$ 86,125
Use of money	300	300	4,929	4,629
Other revenue	-	10,000	10,000	-
Total Revenues	<u>450,300</u>	<u>460,300</u>	<u>551,054</u>	<u>90,754</u>
EXPENDITURES				
Current:				
Regional Transit Services	191,000	191,000	191,000	-
Streets and roads	227,616	237,616	237,616	-
Mariposa Transit Agency	9,455	9,455	9,455	-
Bicycle/pedestrian pathways	8,000	8,000	8,000	-
Unmet needs	5,000	5,000	5,000	-
Transportation planning services	132,130	132,130	-	132,130
Total Expenditures	<u>573,201</u>	<u>583,201</u>	<u>451,071</u>	<u>132,130</u>
Net Change in Fund Balances	(122,901)	(122,901)	99,983	222,884
Fund Balances - Beginning	<u>122,901</u>	<u>122,901</u>	<u>122,901</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,884</u>	<u>\$ 222,884</u>

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Required Supplementary Information
Budgetary Comparison Schedule
State Transit Assistance - Major Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental:				
State Transit Assistance allocation	\$ 127,561	\$ 127,561	\$ 156,558	\$ 28,997
State of Good Repair	-	-	8,097	8,097
Use of money	50	50	1,125	1,075
Total Revenues	<u>127,611</u>	<u>127,611</u>	<u>165,780</u>	<u>38,169</u>
EXPENDITURES				
Current:				
Mariposa Transit Agency	156,870	156,870	127,561	29,309
Total Expenditures	<u>156,870</u>	<u>156,870</u>	<u>127,561</u>	<u>29,309</u>
Net Change in Fund Balances	(29,259)	(29,259)	38,219	67,478
Fund Balances - Beginning	<u>29,258</u>	<u>29,258</u>	<u>29,258</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 67,477</u>	<u>\$ 67,478</u>

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Required Supplementary Information
Budgetary Comparison Schedule
Transportation Planning - Major Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental:				
State of Good Repair	\$ -	\$ -	\$ 20,567	\$ 20,567
Rural Planning Assistance	50,000	515,830	270,301	(245,529)
STIP-PPM	35,000	35,000	53,029	18,029
Unmet needs	5,000	5,000	5,000	-
Federal CMAQ	-	-	105,212	105,212
Use of money	500	500	(784)	(1,284)
Other revenues	248,030	248,381	46,251	(202,130)
	<u>338,530</u>	<u>804,711</u>	<u>499,576</u>	<u>(305,135)</u>
Total Revenues				
EXPENDITURES				
Current:				
Unmet needs	-	-	-	-
Transportation planning services	248,622	732,074	550,779	181,295
	<u>248,622</u>	<u>732,074</u>	<u>550,779</u>	<u>181,295</u>
Total Expenditures				
	<u>248,622</u>	<u>732,074</u>	<u>550,779</u>	<u>181,295</u>
Net Change in Fund Balances	89,908	72,637	(51,203)	(123,840)
Fund Balances - Beginning	(902)	(902)	(902)	-
Fund Balances - Ending	<u>\$ 89,006</u>	<u>\$ 71,735</u>	<u>\$ (52,105)</u>	<u>\$ (123,840)</u>

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Required Supplementary Information
Budgetary Comparison Schedule
Bicycle/Pedestrian Fund - Major Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental:				
Bicycle /pedestrian	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Use of money	1,400	1,400	2,345	945
Total Revenues	<u>9,400</u>	<u>9,400</u>	<u>10,345</u>	<u>945</u>
EXPENDITURES				
Current:				
Bicycle/pedestrian pathways	145,296	145,296	-	145,296
Total Expenditures	<u>145,296</u>	<u>145,296</u>	<u>-</u>	<u>145,296</u>
Net Change in Fund Balances	(135,896)	(135,896)	10,345	146,241
Fund Balances - Beginning	<u>135,896</u>	<u>135,896</u>	<u>135,896</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 146,241</u></u>	<u><u>\$ 146,241</u></u>

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2019

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The Commission presents a comparison of annual budget to actual results for all special revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the Commission in establishing the budgetary data reflected in the financial statements:

- (1) The Transportation Planner submits to the Board of Commissioners a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Commissioners reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) The Board of Commissioners may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

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Supplementary Information

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MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Schedule of Allocations and Expenditures
Local Transportation Fund
For the Year Ended June 30, 2019

	<u>Beginning Allocations</u>	<u>Allocated</u>	<u>Expended</u>	<u>Ending Allocations</u>
Mariposa County Transportation Commission				
99233.3	\$ -	\$ 8,000	\$ 8,000	\$ -
99401.5	-	5,000	5,000	-
Total Mariposa County Transportation Commission	<u>-</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
County of Mariposa				
99400c	-	191,000	191,000	-
99402	-	237,616	237,616	-
Total County of Mariposa	<u>-</u>	<u>428,616</u>	<u>428,616</u>	<u>-</u>
Mariposa Transit Agency				
99275	-	9,455	9,455	-
Total Mariposa Transit Agency	<u>-</u>	<u>9,455</u>	<u>9,455</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ 451,071</u>	<u>\$ 451,071</u>	<u>\$ -</u>

MARIPOSA COUNTY TRANSPORTATION COMMISSION
(A Component Unit of the County of Mariposa, California)
Schedule of Allocations and Expenditures
State Transit Assistance Fund
For the Year Ended June 30, 2019

	<u>Beginning Allocations</u>	<u>Allocated</u>	<u>Expended</u>	<u>Ending Allocations</u>
Mariposa Transit Agency 99313.3	\$ -	\$ 127,561	\$ 127,561	\$ -

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 TRANSPORTATION DEVELOPMENT ACT**

To the Mariposa County Transportation Commission
County of Mariposa
Mariposa, 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 and the applicable fiscal audit requirements of the Transportation Development Act including Public Utilities Code Section 99245 and the California Code of Regulations Title 21, Section 6662, the financial statements of the governmental activities and each major fund of the Mariposa County Transportation Commission (Commission), a component unit of the County of Mariposa, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) 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 the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 entity's 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.

To the Mariposa County Transportation Commission
County of Mariposa
Mariposa, California

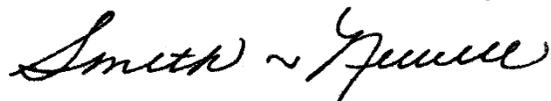
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's 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. 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.

Additionally, we performed tests to determine that allocations made and expenditures paid by the Commission were made in accordance with the allocation instructions and resolutions of the Commission and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Title 21, Section 6666 that are applicable to the Commission and tests to determine that certain state funds were received and expended in accordance with applicable bond act and state accounting requirements. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Smith & Newell CPAs
Yuba City, California
December 13, 2019