

**CITY OF FOWLER, CALIFORNIA  
MEASURE C FUNDS  
LOCAL TRANSPORTATION PROGRAM**

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

**FOR THE YEAR ENDED  
JUNE 30, 2020**

**CITY OF FOWLER, CALIFORNIA  
MEASURE C FUNDS  
LOCAL TRANSPORTATION PROGRAM  
JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Fresno County Transportation Authority's passthrough Measure C Funds (Measure C Funds) of the City of Fowler, California (the City), as of and for the year ended June 30, 2020, and the related notes to the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 C Funds. 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 respective financial position of the Measure C Funds of the City as of June 30, 2020, 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.

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**Emphasis of Matter**

As discussed in Note 1, the financial statements of the Measure C Funds of the City, are intended to present the financial position and the changes in financial position of only that portion of the Measure C Funds of the City that is attributable to the transactions related to Fresno County Transportation Authority's pass-through Measure C Funds. They do not purport to, and do not present fairly the financial position of the City as of June 30, 2020, nor the changes in its financial position 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*

Management has omitted a management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The Balance Sheet by Funding Source and the Statement of Revenues, Expenditures, and Changes in Fund Balances by Funding Source (the Schedules) are presented for purposes of additional analysis and are not a required part of the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 May 8, 2023, on our consideration of the City's internal control over financial reporting as it relates to the Measure C Funds, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure C Funds.

*Price Pange & Company*

Clovis, California  
May 8, 2023

## FINANCIAL STATEMENTS

**CITY OF FOWLER, CALIFORNIA  
MEASURE C FUNDS  
LOCAL TRANSPORTATION PROGRAM  
BALANCE SHEET  
JUNE 30, 2020**

<b>ASSETS</b>	
Cash and investments	\$ 1,166,578
Intergovernmental receivable	<u>12,363</u>
Total assets	<u>\$ 1,178,941</u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 2,725</u>
Total liabilities	<u>2,725</u>
<b>FUND BALANCES</b>	
Restricted	<u>1,176,216</u>
Total fund balances	<u>1,176,216</u>
Total liabilities and fund balances	<u>\$ 1,178,941</u>

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

**CITY OF FOWLER, CALIFORNIA  
 MEASURE C FUNDS  
 LOCAL TRANSPORTATION PROGRAM  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2020**

<b>REVENUES</b>	
Intergovernmental revenue	\$ 256,640
Use of money and property	<u>129</u>
Total revenues	<u>256,769</u>
 <b>EXPENDITURES</b>	
Capital outlay	<u>2,993</u>
Total expenditures	<u>2,993</u>
Net change in fund balances	253,776
Fund balances - beginning	<u>922,440</u>
Fund balances - ending	<u><u>\$ 1,176,216</u></u>

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

**CITY OF FOWLER, CALIFORNIA  
MEASURE C FUNDS  
LOCAL TRANSPORTATION PROGRAM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

The financial statements of Fresno County Transportation Authority's pass-through Measure C Funds (Measure C Funds) of the City of Fowler, California (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The financial statements presented are only from the accounts and financial transactions of the Fresno County Transportation Authority's pass-through Measure C Funds of the City. Accordingly, they do not present the financial position or the results of operations of the City. 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 City's accounting policies are described below.

**A. Reporting Entity**

The Fresno County Transportation Authority (FCTA) was created by the approval of Measure C by the voters of Fresno County (the County) in November 1986. Measure C authorized the imposition of a ½% sales and use tax (sales tax) in the County for 20 years. The proceeds of Measure C are principally reserved for highway improvements, local transportation improvements, growth management and regional planning purposes (programs) in the County. The ½% sales tax commenced July 1, 1987 and expired on June 30, 2007.

In November 2006, the County voters approved a ballot measure authorizing FCTA to continue the ½% retail transaction and use tax for an additional 20 years. Under the terms of the extension of the Measure C program, proceeds of Measure C are principally reserved for regional public transit, local transportation, regional transportation, alternative transportation and environmental enhancement programs in the County. The ½% sales tax commenced July 1, 2007 and will expire on June 30, 2027.

The sales tax revenue received by FCTA under Measure C, after deducting certain administrative costs, is to be spent for programs as set forth in the expenditure plan included in Measure C and approved by the voters of the County. All revenues, including interest and other revenues, not designated by Measure C for a specific purpose are to be spent on capital projects for other governmental agencies set forth in the expenditure plan. The expenditure plan will be updated every two years to adjust the projection of sales tax receipts.

The primary elements of the 2006 Measure C Extension Sub-Programs consist of the following:

- **Regional Public Transit Program** – will fund projects dealing with bus route maintenance, expansion of buses, bus services, bus shelters, and public transit safety measures.

- ♦ *Public Transit Agencies* (Fresno Area Express (FAX), Clovis Transit and Fresno County Rural Transit Agency (FCRTA))

The goal of all transit agencies within the County who derive funding allocations from this program is to improve the level of public transit services within the County and to continue to seek ways to coordinate and/or consolidate services in order to achieve a seamless passenger travel system for the public. Priority service improvements planned for each agency include improving frequency of service, extending weekend service hours, enhancing Para-transit services to the senior or disabled community, and installing and integrating a regional automated farebox system to enhance transit coordination.

- ♦ *Farmworker Car/Van Pools*

Farmworker Van Pool – Measure C Funds will be used to subsidize Farmworker Van Pool programs within the County, providing an equal opportunity for both public and private industry competition, as well as potential public/private partnerships. Vanpools must originate in the County and allow for safe effective transportation to and from work.



**CITY OF FOWLER, CALIFORNIA  
MEASURE C FUNDS  
LOCAL TRANSPORTATION PROGRAM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**A. Reporting Entity** (Continued)

• **Regional Public Transit Program** (Continued)

♦ *Farmworker Car/Van Pools* (Continued)

The Measure C Carpool program is an incentive program to the County residents to carpool with at least one other person, two days per week. The program offers incentives in the form of cash prizes and services from participating vendors and grand prize of a hybrid vehicle.

The Measure C Van Pool program offers a variety of subsidies and reimbursements to help ensure that commuters reach their destinations safely by using a cost-effective alternative to a single occupant vehicle.

• **Local Transportation Program** – will go towards the local transportation program projects such as filling potholes, re-paving streets, improving sidewalks, catering to pedestrians and maintaining trails and bicycle systems.

♦ *Local Allocation*

Street Maintenance – A mandated 50% of the local transportation program must be earmarked for street maintenance/rehabilitation such as pothole repair, patching or overlay projects. An agency may reserve these funds for no more than five years to fund a large street maintenance project.

ADA Compliance – These funds are set aside for the local agencies to meet the current requirements of the Americans with Disabilities Act. Jurisdictions that receive less than \$200,000 annually from the total local transportation program would be exempt from this provision.

Flexible Funding – The flexible funding sub-program allows the local agency to utilize these funds on transportation related projects.

♦ *Pedestrian/Trails – Urban (Clovis and Fresno Sphere of Influence) and Rural*

Approximately 3% of Measure C is provided to fund significant improvements to the existing planned pedestrian and trail system. The funds can also be used for needs such as signage, striping and master plan updates. Jurisdictions with a population threshold less than 25,000 would be exempt from this provision and receive these funds in the Flexible Funding program.

♦ *Bicycle Facilities*

Approximately 1% of Measure C is provided to fund significant improvements to the existing and planned bicycle facilities and/or systems. Bicycle Trail funds may be used for Class II bicycle facilities, signage and striping and for the development of the master plan. Jurisdictions with a population threshold less than 25,000 would be exempt from this provision and receive these funds in the Flexible Funding program.

• **Regional Transportation Program** – will fund projects centered on improving and making changes to the freeway land and commuter corridors. This fund will also cover road safety measures.

• **Alternative Transportation Program** – will be used towards safety measures for emergency vehicle and school routes, reducing traffic congestion and facilitating new underpasses or overpasses.

• **Environmental Enhancement Program** – will accommodate the school bus replacement programs and deal with other transit-related development.

• **Administration/Planning Program** – will help to prepare updates for the expenditures plan and develop and administer other planning related activities.

**CITY OF FOWLER, CALIFORNIA  
MEASURE C FUNDS  
LOCAL TRANSPORTATION PROGRAM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**B. Basis of Presentation**

The City of Fowler uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The operations of the Measure C Funds of the City are accounted for in a separate set of self-balancing accounts that comprise the funds' assets, liabilities, fund balance, revenues and expenditures.

The Measure C Funds of the City are accounted for in the City's Local Transportation Fund special revenue fund type within the governmental category using the modified accrual basis of accounting whereby revenues are recognized when they become measurable and available, and expenditures are recognized when the liabilities are incurred. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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, are revocable only for failure to meet prescribed compliance requirements and are reflected as revenues at the time of receipt or earlier, if they meet the availability criterion.

**C. 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

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

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. The fund balance for the City's Measure C Funds is classified as restricted, which represents amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributions, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

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.

**CITY OF FOWLER, CALIFORNIA  
MEASURE C FUNDS  
LOCAL TRANSPORTATION PROGRAM  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**C. Fund Balance Classification** (Continued)

Assigned

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

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 committed 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**

Cash is pooled with the City's cash and investments. Income from the investment of pooled cash is allocated based upon the actual balance of the fund as a percentage of the total pooled cash balance. 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, and that follows the guidelines of the State of California Government Code.

City-wide information concerning cash and investments for the year ended June 30, 2020, including authorized investments, custodial credit risk 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 annual financial report.

## SUPPLEMENTARY INFORMATION

**CITY OF FOWLER, CALIFORNIA  
 MEASURE C FUNDS  
 LOCAL TRANSPORTATION PROGRAM  
 BALANCE SHEET BY FUNDING SOURCE  
 JUNE 30, 2020**

	Street Maintenance	ADA Compliance	Flexible Funding	Measure C Total
<b>ASSETS</b>				
Cash and investments	\$ 412,508	\$ 22,212	\$ 731,858	\$ 1,166,578
Intergovernmental receivable	5,454	178	6,731	12,363
Total assets	\$ 417,962	\$ 22,390	\$ 738,589	\$ 1,178,941
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 2,725	\$ 2,725
Total liabilities	-	-	2,725	2,725
<b>FUND BALANCES</b>				
Restricted	417,962	22,390	735,864	1,176,216
Total fund balances	417,962	22,390	735,864	1,176,216
Total liabilities and fund balances	\$ 417,962	\$ 22,390	\$ 738,589	\$ 1,178,941

**CITY OF FOWLER, CALIFORNIA  
MEASURE C FUNDS  
LOCAL TRANSPORTATION PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES BY FUNDING SOURCE  
FOR THE YEAR ENDED JUNE 30, 2020**

	Street Maintenance	ADA Compliance	Flexible Funding	Measure C Total
<b>REVENUES</b>				
Intergovernmental revenue	\$ 118,439	\$ 4,271	\$ 133,930	\$ 256,640
Use of money and property	<u>46</u>	<u>2</u>	<u>81</u>	<u>129</u>
Total revenues	<u>118,485</u>	<u>4,273</u>	<u>134,011</u>	<u>256,769</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>-</u>	<u>-</u>	<u>2,993</u>	<u>2,993</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>2,993</u>	<u>2,993</u>
Net change in fund balances	118,485	4,273	131,018	253,776
Fund balances - beginning	<u>299,477</u>	<u>18,117</u>	<u>604,846</u>	<u>922,440</u>
Fund balances - ending	<u>\$ 417,962</u>	<u>\$ 22,390</u>	<u>\$ 735,864</u>	<u>\$ 1,176,216</u>

## COMPLIANCE REPORT



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 C ENABLING LEGISLATION

To the Board of Directors  
Fresno County Transportation Authority  
Fresno, 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 Fresno County Transportation Authority's pass-through Measure C Funds (Measure C Funds) of the City of Fowler, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated May 8, 2023.

**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 (internal control), as it relates to the Measure C Funds, as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's Measure C Funds 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 C Funds 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 financial statements. 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* or the Measure C Enabling Legislation.

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**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 C Funds. 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 Page & Company*

Clovis, California  
May 8, 2023