

**CITY OF LIVINGSTON LOCAL TRANSPORTATION
DEVELOPMENT ACT FUND**

**INDEPENDENT AUDITOR'S REPORTS
AND
FINANCIAL STATEMENTS
JUNE 30, 2020**

C O N T E N T S

	<u>Page</u>
Independent Auditor's Report	1
Balance Sheets	2
Statement of Revenues, Expenditures and Changes in Fund Balance	3
Notes to Financial Statements	4 – 5
 SUPPLEMENTAL INFORMATION	
Independent Auditor's Report on Compliance with the Transportation Development Act Based on an Audit of Financial Statements	 6

INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor and City Council
City of Livingston, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Local Transportation Development Act Fund of the City of Livingston, California, as of and for the year ended June 30, 2020, 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.

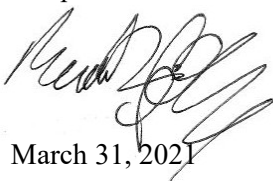
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Local Transportation Development Act Fund of the City of Livingston, California, as of June 30, 2020, and its revenues collected and the results of that fund’s operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 1 to the financial statements, the financial statements referred to above present only the Local Transportation Development Act Fund and are not intended to present the financial position of the City of Livingston, California, and the results of its operations, in conformity with accounting principles generally accepted in the United States of America.



March 31, 2021

**CITY OF LIVINGSTON
LOCAL TRANSPORTATION DEVELOPMENT ACT FUND**

**BALANCE SHEET
JUNE 30, 2020**

ASSETS

Cash and investments	\$	133,960
Due from other governments		8,130
Interest receivable		<u>224</u>
Total assets		<u><u>142,314</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable and accrued expense	\$	<u>13,508</u>
Total liabilities		<u>13,508</u>

Fund Balance

Restricted for street improvements		<u>128,806</u>
Total fund balance		<u>128,806</u>
Total liabilities and fund balance	\$	<u><u>142,314</u></u>

**CITY OF LIVINGSTON
LOCAL TRANSPORTATION DEVELOPMENT ACT FUND**

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2020**

REVENUE

Intergovernmental revenue-LTF Funds	\$	32,518
Use of money, interest earnings		<u>2,172</u>
Total revenue		34,690

EXPENDITURES

Current

Street maintenance		<u>78,608</u>
Total expenditures		<u>78,608</u>

Revenue over/(under) expenditures (43,918)

NET CHANGE IN FUND BALANCE (43,918)

FUND BALANCE

Beginning of year		<u>172,724</u>
End of year	\$	<u><u>128,806</u></u>

CITY OF LIVINGSTON

LOCAL TRANSPORTATION DEVELOPMENT ACT FUND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

Note 1 – Summary of Significant Accounting Policies

Financial Statement Presentation and Basis of Accounting – Article 8 allocations under Public Utilities Code Section 99400(a) of the Transportation Development Act are recorded in the LTF (SB325) Fund (Fund No. 1201) of the City of Livingston, California. The financial statements presented are prepared on the modified accrual basis whereby revenues are recognized when they become measurable and available and expenditures are recognized when liabilities are incurred.

The financial statements present only the accounts and financial transactions of the Local Transportation Development Act Fund of the City of Livingston. Accordingly, they do not present the financial position or results of operations of the City of Livingston, California.

Interest Income – Transportation Development Act funds are deposited into the City Treasury where they are invested in savings accounts or in investments by the City Treasurer under the City’s cash management program. Interest income is allocated to the Fund based on its average cash balance.

Note 2 – Cash and Investments

Cash and investments are carried at their cost or amortized cost, which approximates market value. The cash and investment balances represent the proportionate balance of the City’s pooled cash and investment accounts. At June 30, 2020, the cash and investments totaled \$133,960. Further details of the City’s cash and investment balances can be found in the City’s annual financial report.

Deposits – All pooled cash and certificates of deposit are entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure a local governmental agency’s deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency’s deposits. California law also allows financial institutions to secure an agency’s deposits by pledging first trust deed mortgage notes having a value of 150% of an agency’s total deposits. The agency may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation.

Authorized Investments – The City is authorized to make direct investments in local agency bonds, notes or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies/certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

**CITY OF LIVINGSTON
LOCAL TRANSPORTATION DEVELOPMENT ACT FUND**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 3 – Transportation Development Act Allocations

The City of Livingston receives Transportation Development Act Funds from the County of Merced Local Transportation Fund in accordance with resolutions adopted by the Merced County Association of Governments. The amounts identified are to be expended in accordance with Public Utilities Code Section 99400(a).

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE TRANSPORTATION DEVELOPMENT ACT BASED
ON AN AUDIT OF FINANCIAL STATEMENTS**

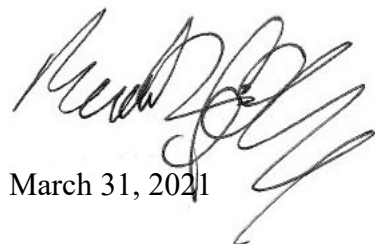
City Council
City of Livingston
Livingston, California

We have audited the financial statements of the Local Transportation Development Act Fund of the City of Livingston, California as of June 30, 2020 and for the year then ended, and have issued our report thereon dated March 31, 2021.

We conducted our audit in accordance with generally accepted auditing standards and the applicable provisions of the Transportation Development Act including Public Utilities Code Section 99245 as enacted and amended, and the allocation instructions and resolutions of the Transportation Planning Agency as required by Section 6666 of the California Administrative Code. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Fund's financial statements are free from material misstatement.

Compliance with laws, regulations contracts and grants applicable to the Local Transportation Development Act Fund of the City of Livingston, California, is the responsibility of the management of the City of Livingston, California. As part of obtaining reasonable assurance about whether the Local Transportation Development Act Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Additionally, we performed tests to determine that allocations made and expenditures paid by the Local Transportation Development Act Fund of the City of Livingston, California, were made in accordance with the allocation instructions and resolutions of the Merced County Association of Governments and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Section 6666 that are applicable to the Local Transportation Development Act Fund of the City of Livingston, California. In connection with our audit, nothing came to our attention that caused us to believe the Local Transportation Development Act Fund of the City of Livingston, California, failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act and the allocation instructions and resolutions of Merced County Association of Governments. 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.

This report is intended for the information of management, the Merced County Association of Governments and the State of California Department of Transportation and is not intended to be and should not be used by anyone other than these specified entities.



March 31, 2021