

Reports of Independent Auditors  
and Financial Statements  
with Required Supplementary Information

**City of Corcoran**  
**Transportation Development Act Funds**  
**Local Transportation Funds**

June 30, 2023 and 2022

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## **Report of Independent Auditors**

The City Council  
City of Corcoran, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the Transportation Development Act Funds as recorded in the Local Transportation Fund – Special Revenue Fund and Local Transportation Fund – Enterprise Fund of the City of Corcoran, California (the City), pertaining to Article 8 Section 99400(a) of the Public Utilities Code as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Local Transportation Fund – Special Revenue Fund and Local Transportation Fund – Enterprise Fund of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter – Financial Reporting Entity***

As discussed in Note 1, the financial statements present only Local Transportation Fund – Special Revenue Fund and Local Transportation Fund – Enterprise Fund and do not purport to, and do not, present fairly the financial position of the City of Corcoran, California, as of June 30, 2023, 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.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedule of the Enterprise Fund's Proportionate Share of the Net Pension Liability and the Schedule of the Enterprise Fund's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the 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 the 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.

### **Other Matter**

#### *Auditor's Report on the June 30, 2022 Financial Statements*

The financial statements of the Transportation Development Act Funds as recorded in the Local Transportation Fund – Special Revenue Fund and Local Transportation Fund – Enterprise Fund of the City of Corcoran, California for the year ended June 30, 2022 were audited by another auditor whose report dated January 24, 2025, expressed an unmodified opinion on those financial statements.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025, on our consideration of the City'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 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.

*Baker Tilly US, LLP*  
Medford, Oregon  
June 5, 2025

## **Financial Statements**

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**City of Corcoran**  
**Transportation Development Act Funds**  
**Balance Sheets**  
**Local Transportation Fund – Special Revenue Fund**  
**June 30, 2023 and 2022**

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	2023	2022
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and investments	\$ 264,415	\$ 260,974
Due from County of Kings Local Transportation Fund	223,873	223,873
Due from Other Funds	68,757	68,757
Interest receivable	276	451
<b>TOTAL ASSETS</b>	<b>\$ 557,321</b>	<b>\$ 554,055</b>
<b>FUND BALANCE</b>		
FUND BALANCE		
Restricted	\$ 557,321	\$ 554,055
<b>TOTAL FUND BALANCE</b>	<b>\$ 557,321</b>	<b>\$ 554,055</b>

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See accompanying notes.

**City of Corcoran**  
**Transportation Development Act Funds**  
**Statements of Revenues, Expenditures, and Changes in Fund Balance**  
**Local Transportation Fund – Special Revenue Fund**  
**Years Ended June 30, 2023 and 2022**

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	<u>2023</u>	<u>2022</u>
REVENUES		
Allocation from County of Kings Local Transportation fund	\$ -	\$ 223,873
Interest	<u>3,266</u>	<u>1,357</u>
Total revenues	<u>3,266</u>	<u>225,230</u>
EXPENDITURES		
Street and road maintenance	<u>-</u>	<u>379,115</u>
Total expenditures	<u>-</u>	<u>379,115</u>
NET CHANGE IN FUND BALANCE	3,266	(153,885)
FUND BALANCE, beginning of year	<u>554,055</u>	<u>707,940</u>
FUND BALANCE, end of year	<u><u>\$ 557,321</u></u>	<u><u>\$ 554,055</u></u>

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See accompanying notes.

**City of Corcoran**  
**Transportation Development Act Funds**  
**Statements of Net Position**  
**Local Transportation Fund – Enterprise Fund**  
**Years Ended June 30, 2023 and 2022**

	2023	2022
<b>CURRENT ASSETS</b>		
Cash and investments, unrestricted	\$ 2,439,606	\$ 1,995,375
Cash and investments, restricted	199,328	129,921
Accounts receivable	699,802	503,481
Interest receivable	16,555	2,906
Prepaid expenses	39,096	39,096
Total current assets	3,394,387	2,670,779
<b>CAPITAL ASSETS, net</b>	1,566,675	1,803,657
<b>TOTAL ASSETS</b>	4,961,062	4,474,436
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	476,007	554,398
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	54,002	56,743
Due to other funds	68,757	68,757
Advances to other funds	534,956	536,955
Advances – grant funding	163,228	181,976
Lease liability	-	161
Total current liabilities	820,943	844,592
<b>NONCURRENT LIABILITIES</b>		
Net pension liability	418,387	367,535
<b>TOTAL LIABILITIES</b>	1,239,330	1,212,127
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	457,547	352,279
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	457,547	352,279
<b>NET POSITION</b>		
Net Investment in capital assets	1,566,675	1,803,496
Restricted	58,087	44,665
Unrestricted	2,115,430	1,616,267
<b>TOTAL NET POSITION</b>	\$ 3,740,192	\$ 3,464,428

See accompanying notes.

**City of Corcoran**  
**Transportation Development Act Funds**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Local Transportation Fund – Enterprise Fund**  
**Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Public transportation fares	\$ 54,266	\$ 32,448
Miscellaneous	3,600	(6,461)
	<u>57,866</u>	<u>25,987</u>
OPERATING EXPENSES		
Transit operations	1,199,710	1,079,571
Depreciation	179,321	202,326
	<u>1,379,031</u>	<u>1,281,897</u>
OPERATING INCOME (LOSS)	<u>(1,321,165)</u>	<u>(1,255,910)</u>
NON-OPERATING REVENUES		
Allocation from County of Kings		
Local transportation fund	985,339	604,040
State transit assistance fund	301,168	224,083
PTMISEA funds	-	51,237
Grant revenue	217,436	24,735
Gain on asset disposal	-	2,125
Investment income (loss)	45,735	(977)
Transfers in	47,251	45,634
	<u>1,596,929</u>	<u>950,877</u>
CHANGE IN NET POSITION	275,764	(305,033)
NET POSITION, beginning of year	<u>3,464,428</u>	<u>3,769,461</u>
NET POSITION, end of year	<u>\$ 3,740,192</u>	<u>\$ 3,464,428</u>

See accompanying notes.

**City of Corcoran**  
**Transportation Development Act Funds**  
**Statements of Cash Flows**  
**Local Transportation Fund – Enterprise Fund**  
**Years Ended June 30, 2023 and 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 57,866	\$ 380,268
Payments to employees (salaries and benefits)	(545,061)	(281,585)
Payments to suppliers	(365,218)	(991,779)
	<u>(852,413)</u>	<u>(893,096)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of assets	-	2,125
Capital grants revenue	1,275,225	1,091,016
Transfers In	45,252	45,634
Purchase of capital assets	-	(35,000)
Principal payments on lease liability	(161)	(644)
Interest paid on lease liability	-	(1)
	<u>1,320,316</u>	<u>1,103,130</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest (loss) on investments	45,735	(2,676)
	<u>45,735</u>	<u>(2,676)</u>
<b>NET CHANGE IN CASH AND CASH INVESTMENTS</b>	513,638	207,358
<b>CASH AND INVESTMENTS, beginning of year</b>	<u>2,125,296</u>	<u>1,917,938</u>
<b>CASH AND INVESTMENTS, end of year</b>	<u>\$ 2,638,934</u>	<u>\$ 2,125,296</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (1,321,165)	\$ (1,255,910)
Depreciation	179,321	202,326
Loss on disposal of capital assets	57,661	-
Changes in operating assets and liabilities		
Prepaid expenses	-	(39,096)
Accounts payable	(2,741)	16,910
Advances to other funds	-	536,955
Net pension liability and related deferred outflows/inflows of resources	234,511	(354,281)
Total adjustments	<u>468,752</u>	<u>362,814</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (852,413)</u>	<u>\$ (893,096)</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Right-to-use asset obtained through a lease liability	<u>\$ -</u>	<u>\$ 805</u>

See accompanying notes.

**City of Corcoran**  
**Transportation Development Act Funds**  
**Local Transportation Funds**  
**Notes to Financial Statements**

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**Note 1 – Summary of Significant Accounting Policies**

**Reporting entity** – Article 4 and Article 8 allocations under Public Utilities Code Section 99260, 99233.1, 99402 and 99400(a) of the Transportation Development Act (TDA); State Transit Assistance funds under Public Utilities Code Section 99313; and Article 6.5 State Transit Assistance California Administrative Code Public Utilities Code Sections 6734 and 6735 received by the City of Corcoran, California, (the City) are recorded in the Local Transportation Funds (LTF) (Fund No.140 and 145) of the City. The financial statements included in this report are intended to present the financial position and results of operations of only the transactions of the LTF Funds of the City. They are not intended to present the financial position and the results of operations of the City taken as a whole. For additional information regarding the City, please refer to the Annual Financial Report available from the City.

**Measurement focus, basis of accounting, and financial statement presentation** – The financial statements of the LTF Funds of the City are prepared on the basis of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – Management Discussion and Analysis – for State and Local Governments, and related standards.

The Local Transportation Special Revenue Fund of the City is accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Local Transportation Special Revenue Fund of the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting.

The Local Transportation Enterprise Fund is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The LTF Funds of the City reports the following major governmental fund:

The Special Revenue Fund accounts for monies received and spent under Article 8, Section 99400(a) of the TDA.

The LTF Funds of the City reports the following Enterprise Fund:

The Enterprise Fund accounts for monies received under Article 4; State Transit Assistance funds under Public Utilities Code Section 99313; and Article 6.5 State Transit Assistance California Administrative Code Public Utilities Code Sections 6734 and 6735.

**City of Corcoran**  
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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for bus fares, sales, and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Cash and investments** – The LTF Funds of the City maintains its cash accounts with the City of Corcoran Treasury as part of the common investment pool. The City is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

State statutes and the City's investment policy authorize the City Treasury to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchase agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments held by the City Treasury are stated at fair value. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The balance available for withdrawal is based on the accounting records maintained by the City Treasury.

Credit quality ratings are not available for the LTF Funds of the City investments as all cash is invested as part of the common investment pool of the City. The LTF Funds of the City do not have any deposits with financial institutions as of June 30, 2023 and 2022.

**Accounts receivable** – The LTF Funds of the City utilizes the allowance method of accounting for and reporting uncollectible or doubtful accounts. At June 30, 2023 and 2022, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

**Non-exchange transactions** – Non-exchange transactions, in which the LTF Funds of the City gives or receives value without directly receiving or giving equal value in exchange, include Article 4 and Article 8 allocations under Public Utilities Code Section 99260, 99233.1, 99402 and 99400(a) of the Transportation Development Act (TDA); State Transit Assistance funds under Public Utilities Code Section 99313; and Article 6.5 State Transit Assistance California Administrative Code Public Utilities Code Sections 6734 and 6735 of the TDA. With the accrual basis of accounting, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Transfers in** – Transfers in consist of amounts transferred from the various funds of the City-wide financial statements to the LTF Funds of the City. Transfers in are presented as non-operating revenues in the enterprise fund and a transfer out within the City-wide financial statements.

**City of Corcoran**  
**Transportation Development Act Funds**  
**Local Transportation Funds**  
**Notes to Financial Statements**

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**Deferred outflows and inflows of resources** – Pursuant to GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, the City recognizes deferred outflows and inflows of resources.

In addition to assets, the Balance Sheets and Statements of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net assets by the LTF Funds of the City that is applicable to a future reporting period.

In addition to liabilities, the Balance Sheets and Statements of Net Positions will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net assets by the LTF Funds of the City that is applicable to a future reporting period.

*Use of estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Right-to-use asset* – The LTF Funds of the City have recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are intangible capital assets and are amortized on a straight-line basis over the life of the related lease.

*Lease liability* – The LTF Funds of the City's lease liability is measured at the present value of payments expected to be made by the LTF Funds of the City during the lease term. As lease payments are made the LTF Funds of the City will reduce the liability (principal portion of payment) and recognize interest expense.

*Fund balance* – In the fund financial statements, in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the LTF Funds of the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable* – Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**City of Corcoran**  
**Transportation Development Act Funds**  
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**Notes to Financial Statements**

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- *Committed* – Amounts constrained to specific purposes by the LTF Funds of the City itself, using its highest level of decision-making authority (City Council). To be reported as committed, amounts cannot be used for any other purpose unless the LTF Funds of the City takes the same highest level action to remove or change the constraint.
- *Assigned* – Amounts the LTF Funds of the City intends to use for a specific purpose. Intent can be expressed by the LTF Funds of the City or by an official or body to which the City Council delegates the authority.
- *Unassigned* – Amounts that are available for any purpose. Positive amounts are reported only in the General Fund of the City.

The LTF Funds of the City establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved contracts. Assigned fund balance is established by the LTF Funds of the City through adoption or amendment of the budget, or future year budget, plan as intended for a specific purpose.

The LTF Funds of the City's policy is to first apply restricted, committed or assigned resources when an expense is incurred for purposes for which both restricted, committed or assigned and unassigned fund balance is available.

Net Position: Net position represents the residual interest of all assets after liabilities are deducted. In accordance with GASB Statement No. 34, the fund balance section on the Statements of Net Position was combined to report total net position and present it in three broad components: net investment in capital assets, restricted, and unrestricted. Net position, net investment in capital assets includes capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net position is unrestricted. The LTF Funds of the City policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Budgeting Procedures: Each year management of the LTF Funds of the City prepare a proposed budget, which is presented to the City Council. The annual budget is then legally enacted through adoption of a budget resolution.

An operating budget is adopted each fiscal year on the modified accrual basis of accounting. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Operating budgets that have not been encumbered lapse at the end of the fiscal year.

**Governmental Accounting Standards Update** – During the year ending June 30, 2023, the LTF Funds of the City implemented the following standards with no financial impact:

*GASB Statement No. 91 – Conduit Debt Obligations* – The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2021.

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**Notes to Financial Statements**

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*GASB Statement No. 93 – Replacement of Interbank Offered Rates* – The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Subsequent to issuance, GASB Statement No. 95 postponed the certain requirements of this statement to reporting periods beginning after June 15, 2022.

*GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

*GASB Statement No. 96 – Subscription-Based Information Technology Arrangements* – The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

*GASB Statement No. 99 – Omnibus 2022* – The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

Released GASB Statements to be implemented in future financial statements are as follows:

*GASB Statement No. 100 – Accounting Changes and Error Corrections* – The requirements of this statement are effective for reporting periods beginning after June 15, 2023.

*GASB Statement No. 101 – Compensated Absences* – The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

**Reclassifications** – Certain items from the prior year financial statements have been reclassified to conform to the current year presentation. The reclassifications have no effect on previously reported change in fund balance or change in net position.

**Note 2 – Cash and Investments**

Cash and investments as of June 30, 2023 and 2022, consist of the following:

	2023	2022
Cash in City of Corcoran Treasury	\$ 2,903,349	\$ 2,386,270
Total interest and investment earnings from City of Corcoran	\$ 49,001	\$ 380

See the City of Corcoran Annual Financial Report for disclosures related to risks and fair value measurements in accordance with GASB Statements.

**City of Corcoran**  
**Transportation Development Act Funds**  
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**Notes to Financial Statements**

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**Note 3 – Capital Assets**

Capital assets activity for the year ended June 30, 2023, is as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Adjustments/ Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets, not being depreciated				
Construction in progress	\$ 57,500	\$ -	\$ (57,500)	\$ -
Total capital assets, not being depreciated	<u>57,500</u>	<u>-</u>	<u>(57,500)</u>	<u>-</u>
Capital assets, being depreciated				
Buildings and improvements	2,367,997	-	-	2,367,997
Vehicles	1,158,376	-	-	1,158,376
Machinery and equipment	873,886	-	(161)	873,725
Total capital assets, being depreciated	<u>4,400,259</u>	<u>-</u>	<u>(161)</u>	<u>4,400,098</u>
Less accumulated depreciation				
Buildings and improvements	(1,105,407)	(75,639)	-	(1,181,046)
Vehicles	(1,103,593)	(34,233)	-	(1,137,826)
Equipment	(445,102)	(69,449)	-	(514,551)
Total accumulated depreciation	<u>(2,654,102)</u>	<u>(179,321)</u>	<u>-</u>	<u>(2,833,423)</u>
Total capital assets, being depreciated, net	<u>1,746,157</u>	<u>(179,321)</u>	<u>(161)</u>	<u>1,566,675</u>
Business-type activities capital assets, net	<u>\$ 1,803,657</u>	<u>\$ (179,321)</u>	<u>\$ (57,661)</u>	<u>\$ 1,566,675</u>

**City of Corcoran**  
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Capital assets activity for the year ended June 30, 2022, is as follows:

	Balance June 30, 2021	Additions	Adjustments/ Deductions	Balance June 30, 2022
Capital assets, not being depreciated				
Construction in progress	\$ 57,500	\$ -	\$ -	\$ 57,500
Total capital assets, not being depreciated	<u>57,500</u>	<u>-</u>	<u>-</u>	<u>57,500</u>
Capital assets, being depreciated				
Buildings and improvements	2,367,997	-	-	2,367,997
Vehicles	1,208,315	-	(49,939)	1,158,376
Machinery and equipment	838,725	35,161	-	873,886
Total capital assets, being depreciated	<u>4,415,037</u>	<u>35,161</u>	<u>(49,939)</u>	<u>4,400,259</u>
Less accumulated depreciation				
Buildings and improvements	(1,029,768)	(75,639)	-	(1,105,407)
Vehicles	(1,099,921)	(53,611)	49,939	(1,103,593)
Equipment	(372,026)	(73,076)	-	(445,102)
Total accumulated depreciation	<u>(2,501,715)</u>	<u>(202,326)</u>	<u>49,939</u>	<u>(2,654,102)</u>
Total capital assets, being depreciated, net	<u>1,913,322</u>	<u>(167,165)</u>	<u>-</u>	<u>1,746,157</u>
Business-type activities capital assets, net	<u>\$ 1,970,822</u>	<u>\$ (167,165)</u>	<u>\$ -</u>	<u>\$ 1,803,657</u>

Depreciation expense for the years ending June 30, 2023 and 2022, was \$179,321 and \$202,326, respectively.

**Note 4 – Transportation Development Act Allocations**

The City receives TDA funds from the County of Kings LTF in accordance with resolutions by the Kings County Association of Governments. The amounts identified are to be expended in accordance with Public Utilities Code Section 99400(a).

**City of Corcoran  
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**Note 5 – State Transit Assistance Program Allocations**

The City receives State Transit Assistance Program allocations from the County of Kings State Transit Assistance Fund. State Transit Assistance funds are to be used for transit operations. Funds shall not be allocated for operating purposes pursuant to Sections 99313 and 99314 to an operator unless the operator meets efficiency standards as described in Section 99314.6. The City is in compliance in the current year as the decrease in the operating cost per service hour is less than the prior year's cost per hour taking into account the Consumer Price Index (CPI). The City's average total operating cost per vehicle service hour in the three years preceding the current 2023 fiscal year multiplied by the CPI for the same period is above and thus not in compliance, as shown below:

	2022/23	2021/22	2020/21	2019/20	CPI	Three-Year Average	Preceding Three-Year Average Adjusted by CPI
Total operating cost	\$ 883,203	\$ 1,002,281	\$ 622,624	\$ 721,067	3.00%	\$ 836,036	\$ 805,450
Total vehicle service hours	3,961	2,923	2,473	4,289		3,119	3,228
Operating cost per vehicle service hours	<u>\$ 223</u>	<u>\$ 343</u>	<u>\$ 252</u>	<u>\$ 168</u>		<u>\$ 268</u>	<u>\$ 249</u>

**Note 6 – Transportation Department Administration – Fare Ratios**

The City qualifies for TDA funding as a transit operator under PUC Section 99268.4. Under this code, the City must maintain, for the fiscal year, a ratio of fare revenues to operating cost (as defined by PUC Section 99247) at least equal to 10%. The ratios for fiscal years ended June 30, 2023 and 2022, were 3.45% and 2.59%, respectively. Since the current year ratio is below the 10% requirement, the City is not in compliance under PUC Section 99268.4.

	2023	2022
Fare revenue	<u>\$ 30,495</u>	<u>\$ 25,987</u>
Total operating expenses	\$ 1,379,031	\$ 1,281,897
Allowable TDA adjustments		
Exclusion/exemptions	316,507	76,645
Depreciation	<u>179,321</u>	<u>202,326</u>
Net operating expenses	<u>\$ 883,203</u>	<u>\$ 1,002,926</u>
Fare revenue ratio	<u>3.45%</u>	<u>2.59%</u>

**City of Corcoran**  
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**Note 7 – Advances – TDA and Grant Funding**

**Advances** – TDA and Grant Funding for the LTF Funds of the City for the years ended June 30, 2023 and 2022, are as follows:

Local Transportation Fund - Enterprise Fund		
Advances - Grant funding, beginning of year	\$ 181,976	\$ 267,790
Grant funds allocated	-	(9,842)
Grant funds earned	<u>(18,748)</u>	<u>(75,972)</u>
Advances - grant funding, end of year	<u>\$ 163,228</u>	<u>\$ 181,976</u>

**Note 8 – Transfers In**

Transfers in are presented as non-operating revenues in the enterprise fund and a transfer out within the City-wide financial statements. Transfers in for the years ended June 30, 2023 and 2022, were as follows:

	Transfers In	
	<u>2023</u>	<u>2022</u>
City General Fund	<u>\$ 47,251</u>	<u>\$ 45,634</u>
Total transfers in	<u>\$ 47,251</u>	<u>\$ 45,634</u>

**Note 9 – Defined Benefit Pension Plan**

**Plan descriptions** – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits provided** – All LTF Funds employees are covered by the benefit terms of the Miscellaneous Benefit Plan of the City of Corcoran. See the City of Corcoran Annual Financial Report for more information regarding total employees covered and benefits provided.

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1<sup>st</sup> following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**City of Corcoran**  
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The City of Corcoran is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**Net pension liability** – The LTF Funds net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability for the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

*Actuarial assumptions* – The total pension liabilities in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	Varies by age and service
Investment Rate of Return	6.90%
Mortality Rate Table	Derived using CalPERS' Membership Data for all funds

The mortality table used was developed based on CalPERS' specific data. The table includes 18 years of mortality improvement using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the CalPERS website.

**Change of Assumptions** – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

**Discount rate** – The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10*
Global equity - cap-weighted	30.00%	4.45%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100%	

\* An expected inflation of 2.30% used for this period

\* Figures are based on the 2021-22 Asset Liability Management study.

**Changes in the net pension liability** – See the City of Corcoran's Annual Financial Report for a full schedule of changes in the Net Pension Liability.

The LTF Fund's proportionate share of the total City of Corcoran's Net Pension Liability, \$418,387, for the year ending June 30, 2023 was 8.05%. This was calculated based on total contributions made on behalf of the LTF Funds during the year as a proportionate share of the total contributions made by the City of Corcoran.

**City of Corcoran**  
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**Sensitivity of the net pension liability to changes in the discount rate** – See the City of Corcoran's Annual Financial Report for a full schedule of sensitivity of the net pension liability to changes in the discount rate.

**Pension plan fiduciary net position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the pension plan** – As of June 30, 2023 and 2022, there was no outstanding amount of contributions to the pension plan required.

**Pension income, expenses and deferred outflows/inflows of resources related to pensions** – For the year ended June 30, 2023, the LTF Funds recognized pension expense of \$298,777. At June 30, 2023, the LTF Funds reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 45,103	\$ -
Difference between actual and expected experience	12,100	5,178
Net differences between projected and actual earnings	72,253	-
Change in assumptions	42,588	
Change in employer's proportion	14,130	443,809
Differences between the employer's actual contributions and the employer's proportionate share of contributions	309,628	8,560
Total	\$ 495,802	\$ 457,547

Deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension income as follows:

Years Ending	
June 30,	
2024	\$ (14,055)
2025	(19,163)
2026	(16,539)
2027	42,909
Total	\$ (6,848)

**City of Corcoran**  
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**Notes to Financial Statements**

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**Note 10 – Risk Management**

The LTF Funds are 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 LTF Funds provides coverage for these losses through commercial insurance policies and/or through participation in conjunction with the City's participation in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority. Refer to the City of Corcoran Annual Financial Report for additional information.

**Note 11 – Economic Dependency**

The LTF Funds of the City receive a substantial amount of their support from a statewide retail sales tax from the Local Transportation and State Transit Assistance Fund created by the TDA. A significant reduction in the level of this support, if this was to occur, may have a significant impact on the LTF Funds activity.

**Note 12 – State Of Good Repair Funds**

The Local Transportation Fund - Enterprise Fund of the TDA receives State of Good Repair (SGR) Funds from the State of California SB1, under PUC 93313 and PUC 93314. During the years ended June 30, 2023 and 2022, the Local Transportation Fund – Fund of the TDA had expended \$8,111 and \$0, respectively of the SGR Funds, leaving \$92,652 and \$65,418 as unspent as of June 30, 2023 and 2022, respectively.

## **Required Supplementary Information**

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**City of Corcoran**  
**Transportation Development Act Funds**  
**Local Transportation Funds**  
**Schedule of the Enterprise Fund's Proportionate Share of the Net Pension Liability**  
**Last 10 Years\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Miscellaneous Plan									
Enterprise Fund's proportion percentage of the net pension liability	8.05%	6.75%	6.75%	5.91%	5.28%	5.42%	5.87%	5.00%	4.11%
Enterprise Fund's proportionate share of the net pension liability	\$ 418,387	\$ 367,535	\$ 630,243	\$ 510,067	\$ 422,411	\$ 442,315	\$ 418,712	\$ 278,294	\$ 229,709
Enterprise Fund's covered payroll	\$ 248,335	\$ 279,989	\$ 261,498	\$ 217,016	\$ 182,575	\$ 190,482	\$ 198,099	\$ 245,328	\$ 235,567
Enterprise Fund's proportionate share of the net pension liability as a percentage of their covered payroll	168.48%	131.27%	241.01%	235.04%	231.36%	232.21%	211.36%	113.44%	97.51%
Plan fiduciary net position as a percentage of the total pension liability	86.84%	85.29%	73.92%	75.08%	75.76%	74.05%	75.11%	79.05%	77.90%

Notes to Schedule:

Changes in benefit terms: There were no changes in benefits.

Changes in assumptions: In 2022, the discount rate was changed from 7.15 percent to 6.90 percent. There were no changes in 2021 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and review of Actuarial Assumptions December 2017. In 2016, The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense. In 2017, the discount rate was changed from 7.65 percent to 7.15 percent.

\* Fiscal year 2015 was the first year of implementation; therefore, only nine years are shown. As time passes, additional years will be shown until a full ten-year history is available.

**City of Corcoran**  
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**Local Transportation Funds**  
**Schedule of the Enterprise Fund's Contributions**  
**Last 10 Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Miscellaneous Plan									
Contractually required contribution	\$ 45,103	\$ 83,127	\$ 84,581	\$ 65,580	\$ 50,345	\$ 44,982	\$ 40,369	\$ 30,575	\$ 26,088
Contributions in relation to the contractually required contribution	<u>45,103</u>	<u>83,127</u>	<u>84,581</u>	<u>65,580</u>	<u>50,345</u>	<u>44,982</u>	<u>40,369</u>	<u>30,575</u>	<u>26,088</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Enterprise Fund's covered payroll	\$ 252,002	\$ 248,335	\$ 279,989	\$ 261,498	\$ 217,016	\$ 182,575	\$ 190,482	\$ 198,099	\$ 245,328
Contributions as a percentage of covered payroll	17.90%	29.69%	32.34%	30.22%	27.58%	23.61%	20.38%	12.46%	11.07%

\* Fiscal year 2015 was the first year of implementation; therefore, only nine years are shown. As time passes, additional years will be shown until a full ten-year history is available.

## **Report of Independent Auditors 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***

The City Council  
City of Corcoran, California

We have audited, 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, the financial statements of the Transportation Development Act Funds as recorded in the Local Transportation Fund – Special Revenue Fund and Local Transportation Fund – Enterprise Fund of the City of Corcoran, California (the City), pertaining to Article 8 Section 99400(a) of the Public Utilities Code of (the “City”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 5, 2025.

### **Report on 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the TDA Fund of the City'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 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*.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 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*.

### **City of Corcoran, California's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

*Baker Tilly US, LLP*

Medford, Oregon

June 5, 2025

**City of Corcoran**  
**Transportation Development Act Funds**  
**Schedule of Findings and Responses**  
**June 30, 2023**

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***FINDING 2023-001 – Material Weakness in Internal Controls over Financial Reporting***

*Criteria:* Effective internal control over the financial close and reporting process requires that the City have adequately designed, implemented, and documented internal controls over the preparation of the financial statements being audited. Key components of an effective financial close and reporting process include timely preparation of reconciliations, review of reconciliations, review of manual journal entries prior to posting to the general ledger and timely review and preparation of draft financial statements including adoption of new accounting standards. An annual review of user access should also be completed to ensure access to financial reporting systems is appropriate.

*Condition/Context:* During the audit, management provided us with multiple trial balances reports. We noted the internal 2022 trial balance for the TDA Funds did not agree to the previously audited financial statements for 2022 with a report date of July 2023 due to journal entries that were posted to the trial balance during the City-wide audit that were not provided to the TDA auditors. As a result, the 2022 financial statements were updated to include the missing journal entries and the prior auditors re-issued their report in January 2025. The internal trial balance for Funds 140 and 145 do not include all prior audit adjustments, as a result, do not agree to the audited financial statements for 2022 or 2023. Lastly receivables and revenue are not reconciled at year end which resulted in an audit adjustment of \$141,680.

*Cause/Effect:* Due to the lack of fully designed, implemented, and documented financial close and reporting process the financial statement issuance was significantly delayed.

*Recommendation:* We recommend the City look for opportunities to continue to improve the financial close and reporting process including designing and implementing a documented financial close and reporting process. We also recommend reviewing the draft financial statements with the trial balance and make sure they are in agreement.

*Views of Responsible Officials and Planned Corrective Action:* Management agrees with this finding and will be correcting the trial balance to agree to the audited financial statements of the TDA funds and City-wide financial statements for the year ended June 30, 2024 audit, which is in progress.