

CITY OF SANTA ANA, CALIFORNIA

**SCHEDULE OF MEASURE X
REVENUES AND USES/EXPENDITURES**

**WITH INDEPENDENT ACCOUNTANTS' REPORT ON
EXAMINATION REPORT ON MANAGEMENT'S ASSERTIONS
ABOUT THE CITY'S COMPLIANCE WITH MEASURE X**

FOR THE YEAR ENDED JUNE 30, 2021



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**INDEPENDENT ACCOUNTANTS' REPORT
ON EXAMINATION REPORT ON MANAGEMENT'S ASSERTIONS
ABOUT THE CITY'S COMPLIANCE WITH MEASURE X**

Measure X Citizen Oversight Committee
and Members of City Council
of the City of Santa Ana
Santa Ana, California

We have examined management of the City of Santa Ana, California's, (City) assertion that the accompanying schedule of Measure X revenues and uses/expenditures (Schedule) for the fiscal year ended June 30, 2021 is accurate and that the City's uses/expenditures of Measure X funds complied with the requirements of Measure X ballot language. The City's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, management's assertion that the accompanying Schedule for the fiscal year ended June 30, 2021 is accurate and that the City's uses/expenditures of Measure X funds complied with the requirements of Measure X ballot language, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Measure X Citizen Oversight Committee, City Council, and management of the City of Santa Ana and is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
December 8, 2021



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CITY OF SANTA ANA

SCHEDULE OF MEASURE X REVENUES AND USES/EXPENDITURES

For the year ended June 30, 2021

	<u>Amount</u>
Measure X Revenue:	
July 2020	\$ 5,601,898
August 2020	6,202,769
September 2020	6,534,067
October 2020	5,456,277
November 2020	5,429,911
December 2020	6,838,766
January 2021	5,261,676
February 2021	5,285,860
March 2021	7,082,727
April 2021	6,201,273
May 2021	7,482,901
June 2021	7,716,211
Total Measure X Revenue	<u>\$ 75,094,336</u>

	<u>Amount</u>
Measure X Uses/Expenditures:	
Maintain Effective 911 Response	\$ 9,117,912
Retaining Firefighters	1,967,002
Retaining Police Officers	6,661,169
Addressing Homelessness	9,006,346
Fixing Streets	2,150,394
Maintaining Parks	7,515,887
Youth Services	1,206,897
Unrestricted General Revenue Purpose	23,795,336
Total Measure X Uses/Expenditures	<u>\$ 61,420,943</u>

See accompanying notes to the Schedule of Measure X Revenues and Uses/Expenditures.

CITY OF SANTA ANA

NOTES TO SCHEDULE OF MEASURE X REVENUES AND USES/EXPENDITURES

For the year ended June 30, 2021

1. REVENUES AND USES/EXPENDITURES:

Measure X revenues consist of the 1.5 cent transactions and use (i.e. sales) tax approved by the voters of Santa Ana on November 6, 2018 and became effective April 1, 2019. Total revenue collected in fiscal year 2020-21 was \$75,094,336.

Measure X is a general-purpose tax, which means the revenues received from the tax go into the City's General Fund to maintain or enhance any lawful City program, improvement, or service such as maintain effective 9-1-1 response; retaining firefighters and police officers; addressing homelessness; fixing streets; maintaining parks; and unrestricted general revenue purposes.

To determine Measure X expenditures, the City performs an analysis comparing expenditures between the current year and the base year. The base year has been identified as fiscal year 2018-19, representing the year of Measure X's passage. When completing the analysis, the City determines; (1) the amount of the increase of expenditures when compared to the base year, (2) significant contractual increases, and (3) increase in expenditures between cost centers or programs. The accompanying Schedule of Measure X Revenues and Uses/Expenditures presents the increase in expenditure by ballot category.

Total Measure X uses/expenditures for fiscal year 2020-21 were \$61,420,943. The largest program expense was unrestricted general revenue purposes totaling approximately \$23,795,336, which included the following:

- Addressing prior year deficits and employee compensation increases for non-Safety employees totaling \$18.9 million
 - \$10.2 million - deficit
 - \$1.5 million - planned savings
 - \$3.7 million - employee pension
 - \$3.5 million - budget increases
- Santa Ana Regional Transportation Center Subsidy and Maintenance - \$1.3 million
- Vehicle Incentive Program - \$0.9 million
- Streetlight retrofit Debt Service - \$0.8 million
- Street Tree Maintenance - \$0.4 million
- Other Programs (various) - \$1.4 million

The revenues are higher than uses/expenditures reported for the period, however management has designated the excess as follows:

- Additions to Reserves - \$13.7 million

CITY OF SANTA ANA

NOTES TO SCHEDULE OF MEASURE X REVENUES AND USES/EXPENDITURES (CONTINUED)

For the year ended June 30, 2021

The following is a recap of the activity for fiscal year 2020-21:

	Amount
Total Measure X Revenue	<u>\$ 75,094,336</u>
Total Measure X Uses/Expenditures	\$ 61,420,943
Additions to Reserves	<u>13,673,393</u>
Subtotal	<u>\$ 75,094,336</u>

Included in additions to reserves are approximately \$3,752,000 of carryovers for amounts that have been committed but not yet expended as of June 30, 2021.

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