

CITY OF SANTA ANA, CALIFORNIA

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

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

YEAR ENDED JUNE 30, 2022



**CITY OF SANTA ANA, CALIFORNIA
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**INDEPENDENT ACCOUNTANTS' REPORT
ON EXAMINATION OF 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, 2022 is accurate and that the City's uses/expenditures of Measure X funds complied with the requirements of Measure X ballot language ("the specified requirements"). 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2022 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

Irvine, California
December 2, 2022

CITY OF SANTA ANA
SCHEDULE OF MEASURE X REVENUES AND USES/EXPENDITURES
YEAR ENDED JUNE 30, 2022

	<u>Amount</u>
Measure X Revenue:	
July 2020	\$ 6,788,501
August 2020	7,184,416
September 2020	6,896,311
October 2020	6,380,666
November 2020	6,066,076
December 2020	9,393,421
January 2021	5,969,453
February 2021	5,719,456
March 2021	8,795,649
April 2021	6,675,711
May 2021	7,103,723
June 2021	9,029,618
Total Measure X Revenue	<u>\$ 86,003,001</u>
	<u>Amount</u>
Measure X Uses/Expenditures:	
Maintain Effective 911 Response	\$ 7,803,546
Retaining Firefighters	7,217,460
Retaining Police Officers	7,318,061
Addressing Homelessness	10,924,955
Fixing Streets	1,402,596
Maintaining Parks	4,509,450
Youth Services	2,210,274
Unrestricted General Revenue Purpose	22,650,165
Total Measure X Uses/Expenditures	<u>\$ 64,036,507</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
YEAR ENDED JUNE 30, 2022

NOTE 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 2021-22 was \$86,003,001.

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 2021-22 were \$77,897,427, including amounts carried forward to fiscal year 2022-23. The largest program expense was unrestricted general revenue purposes totaling \$22,650,165, which included the following:

- Addressing prior year deficits and employee compensation increases for non-Safety employees totaling \$11.7 million
 - \$10.2 million - deficit
 - \$1.5 million - planned savings
- Santa Ana Regional Transportation Center Subsidy and Maintenance - \$3.0 million
- Business Interruption Fund Program - \$0.8 million
- Subsidy to Support Downtown Business Activity with Free Parking - \$0.8 million
- Streetlight retrofit Debt Service - \$0.8 million
- Vehicle Incentive Program - \$0.7 million
- Other Programs (various) - \$4.8 million

The revenues are higher than uses/expenditures reported for the period, however management has designated the excess of approximately \$22 million as an addition to reserves for the year ended June 30, 2022.

CITY OF SANTA ANA
NOTES TO SCHEDULE OF MEASURE X REVENUES AND USES/EXPENDITURES
YEAR ENDED JUNE 30, 2022

NOTE 1 REVENUES AND USES/EXPENDITURES (CONTINUED)

The following is a recap of the activity for fiscal year 2021-22:

	Amount
Total Measure X Revenue	<u>\$ 86,003,001</u>
Total Measure X Uses/Expenditures	\$ 64,036,507
Additions to Reserves	<u>21,966,494</u>
Subtotal	<u>\$ 86,003,001</u>

Included in additions to reserves are \$13,860,920 of budget carryovers for amounts that have been committed but not yet expended as of June 30, 2022.



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