

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, 2020



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

To the 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, 2020 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.

We have been informed that, under the City's interpretation of Measure X requirements, the funds collected during the fiscal year ended June 30, 2020 were used in compliance with Measure X towards program expenses and unrestricted general revenue purposes. We agreed the Measure X revenues and uses/expenditures identified by the City to the supporting documentation.

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, 2020 is accurate and that the City's uses/expenditures of Measure X funds complied with the requirements of Measure X, 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 10, 2020

CITY OF SANTA ANA

SCHEDULE OF MEASURE X REVENUES AND USES/EXPENDITURES

For the year ended June 30, 2020

	<u>Amount</u>
Measure X Revenue:	
July 2019	\$ 5,598,021
August 2019	6,110,120
September 2019	4,200,402
October 2019	6,009,318
November 2019	5,823,402
December 2019	5,804,754
January 2020	5,821,148
February 2020	5,010,139
March 2020	1,287,394
April 2020	4,526,084
May 2020	5,584,567
June 2020	6,021,608
Total Measure X Revenue	<u>\$ 61,796,957</u>

	<u>Amount</u>
Measure X Uses/Expenditures:	
Maintain Effective 911 Response	\$ 4,495,822
Retaining Firefighters	3,096,098
Retaining Police Officers	9,707,941
Addressing Homelessness	732,049
Fixing Streets	238,163
Maintaining Parks	2,540,408
Unrestricted General Revenue Purpose	28,201,426
Total Measure X Uses/Expenditures	<u>\$ 49,011,908</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, 2020

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 2019-20 was \$61,796,957.

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. Total Measure X uses/expenditures for fiscal year 2019-20 were \$49,011,908. The largest program expense was unrestricted general revenue purposes totaling approximately \$28,201,426, which included the following:

- Addressing prior year deficits and employee compensation increases for non-Safety employees totaling \$21.0 million
- Street Tree Maintenance - \$3.7 million
- Vehicle Incentive Program - \$0.7 million
- Streetlight retrofit Debt Service - \$0.8 million
- Building Roof repair and replacement - \$0.7 million
- Other Programs (various) - \$1.3 million

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

- Additions to Reserves - \$5.7 million
- Carryovers into Fiscal Year 2020-21 - \$7.0 million

The following is a recap of the activity for fiscal year 2019-20:

	<u>Amount</u>
Total Measure X Revenue	<u>\$ 61,796,957</u>
Total Measure X Uses/Expenditures	\$ 49,011,908
Additions to Reserves	5,745,288
Carryovers into Fiscal Year 2020-21	<u>7,039,761</u>
Subtotal	<u>\$ 61,796,957</u>