

**CITY OF SAN BUENAVENTURA, CALIFORNIA**

**MEASURE O TRANSACTION AND  
USE TAX SPECIAL REVENUE FUND**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

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**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MEASURE O TRANSACTION AND USE TAX SPECIAL REVENUE FUND  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council  
City of San Buenaventura  
San Buenaventura, California

We have audited the accompanying financial statements of the Measure O Transaction and Use Tax Special Revenue Fund (the Fund) of the City of San Buenaventura, California (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion 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. 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 auditors' 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 opinion.

The Honorable Mayor and Members of the City Council  
City of San Buenaventura

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund of the City of San Buenaventura, California as of June30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Fund and do not purport to and do not present fairly the financial position of the City of San Buenaventura as of June30, 2021, or the changes in financial position 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.

**Other Matter**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the basic financial statements. Such information, 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 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 required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, on our consideration of the Fund'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 the effectiveness of 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 the financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
December 10, 2021

**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

As management of the City of San Buenaventura's Measure O Fund, we present Management's Discussion and Analysis of the Fund's financial performance for the fiscal year ended June 30, 2021.

Measure O is a transaction and use tax approved by City voters on November 8, 2016. This revenue tax represents a 25-year, one-half percent transaction and use tax. Measure O provides funding for various community needs such as addressing aging infrastructure, maintaining public safety, and providing programming for seniors and youth. The Citizens Oversight Committee meets quarterly and is composed of seven members with four-year terms.

The following analysis primarily focuses on the Measure O Fund's current year results in comparison with the prior year. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

**Financial Highlights**

- The Measure O Fund's total net Fund Balance on June 30, 2021 increased by \$2.3 million, or 17.9% compared to the prior fiscal year. This resulted from a significant growth in revenues against generally unchanged expenditure levels versus the prior year.
- Revenues increased by \$2.2 million, primarily due to higher tax collections as the economy recovered from COVID-19 shutdowns, as well as an increased share of sales tax receipts from on-line purchases. Additionally, the Measure O Fund received a full year of appropriations from Ventura County for Mercy House expenses related to the ARCH homeless shelter, which was established in January of 2020. Mercy House operates a variety of services in Ventura County, including emergency shelters and re-housing services for unsheltered individuals.
- Overall expenses of \$13.7 million were generally consistent with the prior fiscal year and did not increase concurrently with revenues. The level of expenditures for Measure O in any given year is dependent upon the cyclical nature of construction projects and the resulting allocation of personnel and Capital Improvement Plan (CIP) funding. Certain projects planned for fiscal year 2020-2021 were deferred into the following fiscal year. These projects relate to unitary public restrooms "Portland Loos", building maintenance, traffic signal system upgrades, sidewalk repairs, and stormwater management.
- Cash and investments increased by \$2 million, or 18.9% versus the prior fiscal period, primarily due to the impact of the revenue increase. The increase in cash lagged the increase in revenues due to timing of collections related to the rapid growth in receivables.

**Overview of the Measure O Financial Statements**

This Discussion and Analysis intends to serve as an introduction to the basic financial statements. The financial statements include only the activities of the Measure O Fund. These financial statements are not intended to present the activities of the City of San Buenaventura.

The Measure O Fund's basic financial statements consist of two components:

- 1) Balance Sheet
- 2) Statement of Revenues, Expenditures and Changes in Fund Balance

**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

The Balance Sheet presents information on the Measure O Fund's assets and liabilities, with the difference between the two reported as *Fund Balance*. Over time, continued increases or decreases in Fund Balance may serve as a useful indicator of whether the Fund's financial condition is improving or deteriorating.

A summary of Measure O's Balance Sheet, compared to prior year, is presented below.

Increase/(Decrease)	2021	2020	\$ Change	% Change
<b>Assets:</b>				
Cash and Investments	\$ 12,855,384	\$ 10,815,311	\$ 2,040,073	18.9%
Accounts Receivable, Net	220,324	307,566	(87,242)	-28.4%
Interest Receivable	18,980	7,975	11,005	138.0%
Due from Other Governments	3,115,488	2,432,088	683,400	28.1%
<b>Total Assets</b>	<b>\$ 16,210,176</b>	<b>\$ 13,562,940</b>	<b>\$ 2,647,236</b>	<b>19.5%</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 967,013	\$ 632,801	\$ 334,212	52.8%
<b>Total Liabilities</b>	<b>\$ 967,013</b>	<b>\$ 632,801</b>	<b>\$ 334,212</b>	<b>52.8%</b>
<b>Fund Balance:</b>	<b>\$ 15,243,163</b>	<b>\$ 12,930,139</b>	<b>\$ 2,313,024</b>	<b>17.9%</b>

A summary of the changes in Measure O's Fund Balance, compared to prior year, is presented below.

**Statement of Revenues, Expenditures and Changes in Fund Balance Increase/(Decrease)**

	2021	2020	\$ Change	% Change
<b>Revenues:</b>				
Taxes	\$15,226,667	\$13,150,844	\$2,075,823	
Use of Money and Property	60,609	240,675	(180,066)	
Other Revenues	679,198	365,233	313,965	
<b>Total Revenues</b>	<b>\$15,966,474</b>	<b>\$13,756,752</b>	<b>\$2,209,722</b>	<b>16.1%</b>
<b>Expenditures:</b>				
General Government	\$1,021,889	\$1,941,872	(\$919,986)	
Community Development	120,000	0	120,000	
Parks and Recreation	2,645,682	1,708,401	937,284	
Public Safety – Police	3,902,689	3,488,070	414,615	
Public Safety – Fire	2,436,695	1,848,385	588,312	
Public Works	1,478,538	3,606,276	(2,127,737)	
Capital Outlay	2,047,957	1,195,230	852,728	
<b>Total Expenditures</b>	<b>\$13,653,450</b>	<b>\$13,788,234</b>	<b>(\$134,784)</b>	<b>-1.0%</b>
<b>Other Financing Sources (uses):</b>				
Transfers In	\$0	\$0	\$0	
Transfers Out	0	7,543	(7,543)	
<b>Total Financing Sources</b>	<b>\$0</b>	<b>\$7,543</b>	<b>(\$7,543)</b>	<b>-100.0%</b>
Changes in Fund Balance	\$ 2,313,024	\$ (39,025)	\$2,352,049	
Fund Balance Beginning of Year	12,930,139	12,969,164	(39,025)	
<b>Fund Balance End of Year</b>	<b>\$15,243,163</b>	<b>\$12,930,139</b>	<b>\$2,313,024</b>	<b>17.9%</b>

**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Measure O  
Balance Sheet  
As of June 30, 2021**

<b>Assets:</b>	
Cash and Investments	\$ 12,855,384
Accounts Receivable, Net	220,324
Interest Receivable	18,980
Due from Other Governments	3,115,488
<b>Total Assets</b>	<b>\$ 16,210,176</b>
<b>Liabilities:</b>	
Accounts Payable	\$ 967,013
<b>Total Liabilities</b>	<b>\$ 967,013</b>
<b>Fund Balance:</b>	<b>\$ 15,243,163</b>

**Measure O  
Statement of Revenues, Expenditures and Changes in Fund Balance  
As of June 30, 2021**

<b>Revenues:</b>	
Taxes	\$15,226,667
Use of Money and Property	60,609
Other Revenue	679,198
<b>Total Revenues</b>	<b>\$15,966,474</b>
<b>Expenditures:</b>	
General Government	\$ 1,021,889
Community Development	120,000
Parks and Recreation	2,645,682
Public Safety – Police	3,902,689
Public Safety – Fire	2,436,695
Public Works	1,478,538
Capital Outlay	2,047,957
<b>Total Expenditures</b>	<b>\$13,653,450</b>
Changes in Fund Balance	\$ 2,313,024
Fund Balance Beginning of Year	12,930,139
<b>Fund Balance End of Year</b>	<b>\$15,243,163</b>

**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Budgetary Information**

The Annual Budget serves the fiscal period July 1 to June 30 and is a vehicle that accurately and openly communicates the priorities to the community, businesses, vendors, employees, and other public agencies. The Annual Budget is recommended by the Citizens Oversight Committee and approved by City Council. It is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations expire at the end of the year. Capital projects funds adopt project-length plans.

The Finance and Technology Department, working with all operating departments and the City Manager, develops a preliminary budget. On or before May 1 each year, the City Manager transmits the proposed budget to the City Council. The proposed budget includes both the sources and types of funds for the proposed expenditures. The City Council conducts public hearings on the proposed budget prior to June 30. On or before July 1, the budget is adopted and enacted by the City Council.

The appropriated budget is prepared by fund, department, and division. City department heads may make transfers of appropriations within their departments. All transfers between departments require approval of the City Council. The legal level of budgetary control is at the fund level for all governmental funds.

Encumbrance accounting is employed in Governmental Funds, such as the Measure O Fund. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assigned or restricted fund balances and do not constitute expenditures or liabilities. The commitments will be re-appropriated and honored in the subsequent year.

On the following page is the Measure O Fund Budget to Actual comparison for fiscal year 2020-2021. The unspent appropriations are primarily for ongoing projects (i.e., park maintenance, Portland Loo restroom, building maintenance, traffic signal system upgrade, sidewalks, and stormwater management) and the funding will be carried over into the next budget year.

Highlights of the budget to actual performance include:

- Total revenues exceeded the budget by \$3.0 million, due to the significant increase in tax collected as previously discussed. The budgeted figure of \$12.9 million was conservatively estimated based upon the expectation of continued economic uncertainty due to the prolonged impacts of COVID-19.
- Expenditures were \$1.9 million under the final budgeted amounts, due to the deferment of capital projects as previously indicated.
- These factors contributed to a Fund Balance budgetary surplus of \$5 million for fiscal year 2020-2021. This \$5 million is comprised of \$2.3 million of total resources in excess of expenses, and \$2.7 million of savings against the projected use of Fund Balance, which was not required.



**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Fiscal Year 2021 Budget to Actuals**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Fund balance, July 1, 2020</b>	<b>\$ 12,930,139</b>	<b>\$ 12,930,139</b>	<b>\$ 12,930,139</b>	<b>\$ -</b>
<b>Revenues (inflows):</b>				
Taxes	12,165,262	12,165,262	15,226,667	3,061,405
Use of money and property	117,930	117,930	60,609	(57,321)
Other revenue	622,500	642,500	679,198	36,698
Prior year resources	2,457,508	2,652,137		(2,652,137)
<b>Total revenues</b>	<b>\$ 15,363,200</b>	<b>\$ 15,577,829</b>	<b>\$ 15,966,474</b>	<b>\$ 388,645</b>
<b>Charges to appropriations (outflows):</b>				
General Government	\$ 1,184,564	\$ 1,187,152	\$ 1,021,886	\$ 165,266
Community Development	120,000	120,000	120,000	-
Parks and Recreation	3,364,640	3,366,461	2,645,685	720,776
Public Safety-Police	3,509,884	3,551,723	3,902,685	(350,962)
Public Safety-Fire	2,502,815	2,502,815	2,436,697	66,118
Public Works	1,225,028	1,316,379	1,478,539	(162,160)
Capital outlay	3,456,269	3,533,299	2,047,958	1,485,341
<b>Total charges to appropriations</b>	<b>\$ 15,363,200</b>	<b>\$ 15,577,829</b>	<b>\$ 13,653,450</b>	<b>\$ 1,924,379</b>
<b>Excess of resources over (under) charges for appropriations</b>	<b>-</b>	<b>-</b>	<b>2,313,024</b>	<b>2,313,024</b>
Prior year resources	(2,457,508)	(2,652,137)	-	2,652,137
<b>Fund balance, June 30, 2021</b>	<b>\$ 10,472,631</b>	<b>\$ 10,278,002</b>	<b>\$ 15,243,163</b>	<b>\$ 4,965,161</b>

**CITY OF SAN BUENAVENTURA, CALIFORNIA**  
**MEASURE O TRANSACTION AND USE TAX SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2021**

**ASSETS**

Cash and Investments	\$ 12,855,384
Interest Receivable	18,980
Accounts Receivable	220,324
Due from Other Governments	<u>3,115,488</u>

Total Assets \$ 16,210,176

**LIABILITIES**

Accounts Payable	\$ 967,013
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**FUND BALANCE**

Restricted for Special Projects	<u>15,243,163</u>
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Total Liabilities and Fund Balance \$ 16,210,176

*See accompanying Notes to Financial Statements.*

**CITY OF SAN BUENAVENTURA, CALIFORNIA  
 MEASURE O TRANSACTION AND USE TAX SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 YEAR ENDED JUNE 30, 2021**

**REVENUES**

Taxes	\$ 15,226,667
Use of Money and Property	60,609
Other Revenues	<u>679,198</u>
Total Revenues	<u>15,966,474</u>

**EXPENDITURES**

Current:	
General Government	1,021,889
Community Development	120,000
Parks and Recreation	2,645,682
Public Safety - Police	3,902,689
Public Safety - Fire	2,436,695
Public Works	1,478,538
Capital Outlay	<u>2,047,957</u>
Total Expenditures	<u>13,653,450</u>

<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	<u>2,313,024</u>
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<b>NET CHANGE IN FUND BALANCE</b>	2,313,024
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Fund Balance - Beginning of Year	<u>12,930,139</u>
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<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 15,243,163</u></u>
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*See accompanying Notes to Financial Statements.*

**CITY OF SAN BUENAVENTURA, CALIFORNIA**  
**MEASURE O TRANSACTION AND USE TAX SPECIAL REVENUE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The accompanying financial statements are intended to reflect the fund balance and net changes in fund balance attributable to the Measure O Transaction and Use Tax Special Revenue Fund (the Fund) of the City of San Buenaventura, California (the City). These financial statements are exclusively for the Fund and do not purport to, and do not, present fairly the financial position and changes in the financial position of the City.

The Fund is used to account for the collection and use of Measure O transaction and use tax revenue. Measure O is the City of San Buenaventura's 25-year, 1/2 cent transaction and use tax that was passed by voters on November 8, 2016. Measure O was codified into Division 4, "Revenue and Finance," Chapter 4.129, "San Buenaventura City Clean Water/Beaches/Street Repairs/Safety Measure General Transactions and Use Tax" of the City's Municipal Code. The Measure O revenue is to be used to support essential, necessary and appropriate general City services including such things as police, fire, paramedic and emergency response, public transit, services for disabled, public safety and homeless programs, and environmental and library programs.

**Basis of Presentation**

The Fund financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 90 days after year-end) are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**CITY OF SAN BUENAVENTURA, CALIFORNIA**  
**MEASURE O TRANSACTION AND USE TAX SPECIAL REVENUE FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Investments**

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as use of money and property for that fiscal year. Use of money and property includes interest earnings, changes in fair value (realized/unrealized), gains or losses realized upon the liquidation, and maturity or sale of investments.

Cash and investments are pooled with other City funds for investment purposes, with interest being allocated monthly to various funds based on each fund's prior month-end cash and investment balance.

**Fund Balance**

Restricted Fund balance includes amounts that are constrained on the use of resources by enabling legislation.

**Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 CASH AND INVESTMENTS**

**Equity in the Cash and Investment Pool of the City of San Buenaventura**

The Fund has no separate bank accounts or investments other than its equity in the cash and investment pool managed by the City. The Fund is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The Fund has not adopted an investment policy separate from that of the City. The fair value of the Fund's investment in this pool is reported in the accompanying financial statements at amounts based upon the Fund's pro rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded at the estimated fair value.

**Disclosures Relating to the Investment Policy, Interest Rate Risk, Credit Risk and Custodial Credit Risk**

Additional disclosures related to the investment policy, interest rate risk, credit risk and custodial credit risk are available in the City of San Buenaventura's Annual Comprehensive Financial Report.

**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MEASURE O TRANSACTION AND USE TAX SPECIAL REVENUE FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements**

The Fund is available in the City of San Buenaventura's Annual Comprehensive Financial Report.

The Fund's investment in the City investment pool is not subject to the fair value hierarchy.

**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MEASURE O TRANSACTION AND USE TAX SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>FUND BALANCE - BEGINNING OF YEAR</b>	\$ 12,930,139	\$ 12,930,139	\$ 12,930,139	\$ -
Resources (Inflows):				
Taxes	12,165,262	12,165,262	15,226,667	3,061,405
Use of Money and Property	117,930	117,930	60,609	(57,321)
Other Revenues	622,500	642,500	679,198	36,698
Prior Year Resources	<u>2,457,508</u>	<u>2,652,137</u>	<u>-</u>	<u>(2,652,137)</u>
Amount Available for Appropriations	15,363,200	15,577,829	15,966,474	388,645
Charges to Appropriations (Outflows):				
General Government	1,184,564	1,187,152	1,021,889	165,263
Community Development	120,000	120,000	120,000	-
Parks, Recreation, and Community	3,524,640	3,366,461	2,645,682	720,779
Public Safety - Police	3,509,884	3,551,723	3,902,689	(350,966)
Public Safety - Fire	2,502,815	2,502,815	2,436,695	66,120
Public Works	1,065,028	1,316,379	1,478,538	(162,159)
Capital Outlay	<u>3,456,269</u>	<u>3,533,299</u>	<u>2,047,957</u>	<u>1,485,342</u>
Total Charges to Appropriations	<u>15,363,200</u>	<u>15,577,829</u>	<u>13,653,450</u>	<u>1,924,379</u>
Excess of Resources Under Charges for Appropriations	-	-	2,313,024	2,313,024
Prior Year Resources	<u>(2,457,508)</u>	<u>(2,652,137)</u>	<u>-</u>	<u>2,652,137</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 10,472,631</u>	<u>\$ 10,278,002</u>	<u>\$ 15,243,163</u>	<u>\$ 4,965,161</u>

See accompanying Note to Required Supplementary Information.

**CITY OF SAN BUENAVENTURA, CALIFORNIA  
MEASURE O TRANSACTION AND USE TAX SPECIAL REVENUE FUND  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2021**

**BUDGETARY ACCOUNTING**

The budget for the Measure O Transaction and Use Tax Special Revenue Fund is formally adopted annually and is prepared in accordance with accounting principles generally accepted in the United States of America. The budget is monitored to ensure compliance with legal provisions embodied in the appropriated budget as approved or amended by the City Council throughout the year. Department heads are responsible for monitoring their department's appropriated budget. The legal level of budgetary control is at the fund level. The City's management may transfer resources between operating line items within a department in the same fund as they see appropriate. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are included in the restricted fund balance since they do not constitute expenditures or liabilities.





**REPORT 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**

Members of the City Council  
City of San Buenaventura  
San Buenaventura, California

We have audited, in accordance with the 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 Measure O Transaction and Use Tax Special Revenue Fund (the Fund) of the City of San Buenaventura, California (the City), as of and for the year ended June 30, 2021 and the related notes to the financial statements and have issued our report thereon dated December 10, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the Fund financial statements, we considered the City's internal control over financial reporting (internal control) as it relates to the Fund as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls related to the Fund. Accordingly, we do not express an opinion on the effectiveness of the City's internal control related to the Fund.

*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.

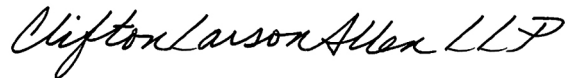
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**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 City’s internal control or on compliance related to the Fund. 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 related to the Fund. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Irvine, California  
December 10, 2021

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