

**City of Chula Vista
2016 Measure P Sales Tax Fund**

**Report on Compliance with the Infrastructure,
Facilities and Equipment Expenditure Plan**

June 30, 2024

City of Chula Vista
2016 Measure P Sales Tax Fund

**Report on Compliance with the Infrastructure,
Facilities and Equipment Expenditure Plan**

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Chula Vista
Chula Vista, California

Report on Compliance 2016 Measure P Sales Tax Fund

Opinion on the 2016 Measure P Sales Tax Fund

We have audited the compliance of the 2016 Measure P Sales Tax Fund of the City of Chula Vista, California (the City) with the requirements described in Ordinance No. 3371 (the Ordinance) and the Infrastructure, Facilities and Equipment Expenditure Plan (the Spending Plan) for the year ending June 30, 2024.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the 2016 Measure P Sales Tax Fund for the year ended June 30, 2024.

Basis for Opinion on the 2016 Measure P Sales Tax Fund

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the requirements described in the Ordinance and the Spending Plan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Ordinance and the Spending Plan. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Ordinance and the Spending Plan.

Other Matter

The schedules present only the Measure P Sales Tax Fund and do not purport to, and do not present fairly the financial position of the City of Chula Vista, California, as of June 30, 2024, the changes in its financial position, or where applicable, its cash flows for the years 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, the Ordinance, and the Spending Plan will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Ordinance and the Spending Plan as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Ordinance and the Spending Plan, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Ordinance and the Spending Plan, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements described in the Ordinance and the Spending Plan. Accordingly, this report is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 11, 2024

**City of Chula Vista
2016 Measure P Sales Tax Fund**

**Balance Sheet Schedule
June 30, 2024**

Assets

Pooled cash and investments	\$ 31,639,033
Receivables, net:	
Accrued	77,605
Interest	174,865
Due from other funds	5,219,443
Prepaid expenses	<u>170,238</u>
 Total assets	 <u><u>\$ 37,281,184</u></u>

Liabilities and Fund Balance

Liabilities	
Accounts payable	\$ 1,784,544
Retentions payable	<u>581,268</u>
 Total liabilities	 <u><u>2,365,812</u></u>

Fund balance

Nonspendable - prepaid costs	170,238
Assigned for Measure P Sales Tax	<u>34,745,134</u>
 Total fund balance	 <u><u>34,915,372</u></u>
 Total liabilities and fund balance	 <u><u>\$ 37,281,184</u></u>

City of Chula Vista
2016 Measure P Sales Tax Fund

Schedule of Revenues, Expenditures, and Fund Balance
For the year ended June 30, 2024

Revenues

Local sales and use tax	\$ 29,183,789
Use of money and property	1,272,158
Miscellaneous	108,745
Total revenues	<u>30,564,692</u>

Expenditures

Contracted services	3,626
Equipment and shared infrastructure costs	188,365
Capital outlay	11,688,604
Debt service	
Principal	1,384,526
Interest and fiscal charges	104,503
Total expenditures	<u>13,369,624</u>

Excess of revenues over expenditures	17,195,068
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Other Financing Source (Uses)

Transfer out - Municipal Financing Authority Fund	<u>(7,518,029)</u>
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Change in fund balance	9,677,039
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Fund Balance

Beginning of year	<u>25,238,333</u>
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End of year	<u><u>\$ 34,915,372</u></u>
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