

**CITY OF SUISUN CITY
CALIFORNIA**

**MEASURE S
GENERAL TRANSACTIONS AND
USE TAX AUDIT
(ORDINANCE NO. 742)**

For the Year Ended June 30, 2023

* * *



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**CITY OF SUISUN CITY
CALIFORNIA**

**MEASURE S GENERAL TRANSACTION AND USE TAX
ORDINANCE No. 742**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
City Council of the City of Suisun City
City of Suisun City, California

Report on the Financial Statements

Opinions

We have audited the accompanying Measure S statement of revenues and expenditures of the City of Suisun City's (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statement, which comprises the Measure S statement of revenues and expenditures for the City.

In our opinion, the Measure S financial statement referred to above presents fairly, in all material respects, the statement of revenues and expenditures of the City of Suisun City's Measure S, as of June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Information

The accompanying statement was prepared to present the revenues and expenditures pursuant to Measure S and Ordinance No. 742 as described in the Notes and is not intended to be a complete presentation of the City's revenues and expenditures. It does not purport to, and does not, fairly present the financial statements of the City as of June 30, 2023, and its changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Responsibilities of Management for the Financial Statements

City management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2024, on our consideration of the City'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 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 on 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 financial reporting and compliance.

C & A LLP

February 3, 2024
Morgan Hill, California

**CITY OF SUISUN CITY
CALIFORNIA**

MEASURE S GENERAL TRANSACTIONS AND USE TAX
ORDINANCE NO. 742

STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/(Negative)
REVENUES				
Sales & Use Tax	\$ 3,573,350	\$ 3,773,433	3,815,759	\$ 42,326
Net Investment Income (Loss)	5,000	5,000	20,160	15,160
Total Revenues	<u>3,578,350</u>	<u>3,778,433</u>	<u>3,835,919</u>	<u>57,486</u>
EXPENDITURES				
Ongoing Expenditures:				
Police Department				
Police General Operation	311,111	255,648	1,135,894	(880,246)
Police Officer	596,685	596,685	-	596,685
Dispatcher	327,443	327,443	327,443	-
Community Services Officer	116,249	116,249	-	116,249
Total Ongoing Police Department Expenditures	<u>1,351,488</u>	<u>1,296,025</u>	<u>1,463,337</u>	<u>(167,312)</u>
Fire Department				
Fire General Operation	311,111	255,648	1,135,893	(880,245)
Fire Engineer	195,291	433,400	-	433,400
Fire Marshall	245,860	195,291	-	195,291
Fire Division Chief	495,480	245,860	-	245,860
Fire Captain	125,573	495,480	-	495,480
Total Ongoing Fire Department Expenditures	<u>1,373,315</u>	<u>1,625,679</u>	<u>1,135,893</u>	<u>489,786</u>
Information Technology				
Computer Technician	-	125,573	125,573	-
Othe Genreal Fund Support	-	-	322,474	(322,474)
Total Ongoing Expenditures	<u>2,724,803</u>	<u>3,047,277</u>	<u>3,047,277</u>	<u>-</u>
Capital Projects				
Fire Type 5- Vehicle	-	123,000	25,613	97,387
Fire Bathroom Remodel	165,000	165,000	-	165,000
SR12 Clean CA Grant	578,547	215,000	-	215,000
Public Safety Communication System	225,000	225,000	225,000	-
Street Repair Program	-	616,000	129,423	486,577
Business Mgmt-Phase 1	50,000	70,000	33,389	36,611
Total Capital Projects	<u>1,018,547</u>	<u>1,414,000</u>	<u>413,425</u>	<u>1,000,575</u>
Total Expenditures	<u>3,743,350</u>	<u>4,461,277</u>	<u>3,460,702</u>	<u>1,000,575</u>
Excess (Deficiency) of Revenues over Expenditures	(165,000)	(682,844)	375,217	1,058,061
Measure S Balance Beginning	165,000	682,844	682,844	-
Measure S Balance Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058,061</u>	<u>\$ 1,058,061</u>

The notes to the financial statement are an integral part of this statement.

**CITY OF SUISUN CITY
CALIFORNIA**

MEASURE S GENERAL TRANSACTIONS AND USE TAX
ORDINANCE No. 742

NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. Description of Reporting Entity

The statement represents the revenues and expenditures for the Measure S General Transactions and use tax under Ordinance No. 742 of City of Suisun City (the “City”) for the year ended June 30, 2023. The accompanying statement of revenues and expenditures presents only the activities from the expenditure of Measure S taxes is not intended to present the financial position and result of operation of the City in conformity with accounting principles generally accepted in the United States of America.

2. Description of Measure S

Measure S is a 1% local tax applied to gross receipts of any retailer within the city and collected similarly to sales and use tax. It was passed by a majority of the voters in November of 2016 through City Ordinance No. 742.

3. Statement of Grant Revenues and Expenditures

The statement of revenues and expenditures presents the eligible costs charged to Measure S by the City and the revenues received from general transactions and use tax from the sale of tangible personal property at retail within the City.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the statement. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The City used the modified accrual basis of accounting. Revenues are recognized when collection of the amounts can be reasonably estimated to be received in the near future, typically 60 days after year end. Expenditures are generally recognized in the period in which goods and services are received or a liability is incurred.

5. Budgeting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. The City submits requests for appropriations to the City Manager so that a budget may be prepared. The proposed budget is presented to the City Council for review. The Council holds public hearings and adopts a final budget.

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between funds require the approval of the City Council. The legal level of budgetary control is the fund level.



**INDEPENDENT AUDITOR’S 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***

To the Honorable Mayor and Members of the
City Council of the City of Suisun City
City of Suisun City, California

We have audited, in accordance with 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 Measure S statement of revenues and expenditures of the City of Suisun City (the “City”) as of and for the year ended June 30, 2023, and the related notes to the Measure S financial statement, which comprises City’s Measure S statement of revenues and expenditures, and have issued our report thereon dated February 3, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the Measure S financial statement, we considered the City’s internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Measure S financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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 City’s Measure S financial statement 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure S financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable statutes, rules and regulations of Measure S and City Ordinance No. 742, noncompliance with which could have a direct and material effect on the determination of Measure S financial statement amounts. Unless otherwise noted our separate compliance opinion related to Measure S, 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

February 3, 2024
Morgan Hill, California



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MEASURE S
GENERAL TRANSACTIONS AND USE TAX
IN ACCORDANCE WITH CITY ORDINANCE NO. 742**

To the Honorable Mayor and Members of the
City Council of the City of Suisun City
City of Suisun City, California

Report in Compliance

Opinion

We have audited the City of Suisun City’s (the City) compliance of the Measure S revenues and expenditures with the types of compliance requirements described in Measure S General Transactions and Use Tax and Ordinance No. 742, as of and for the fiscal year ended June 30, 2023.

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 Measure S revenues and expenditures for the fiscal year ended June 30, 2023.

Basis for Opinion

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*). 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 City of Suisun City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Measure S compliance. Our audit does not provide a legal determination of City of Suisun City’s compliance with the compliance requirements referred to above.

Management’s Responsibility

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 Measure S.



Auditor's Responsibility

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 City of Suisun 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*, 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 City of Suisun City's compliance with the requirements of Measure S.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, 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 City of Suisun 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 City of Suisun 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, but not for the purpose of expressing an opinion on the effectiveness of City of Suisun 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above 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.



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 of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 of a federal program 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 above 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.

This report is intended solely for the information and use of City Council and management and is not intended to be and should not be used by anyone other than these specified parties.

C & A LLP

February 3, 2024
Morgan Hill, California