

**CITY OF ADELANTO, CALIFORNIA**

Measure I Funds

Financial Statements

Fiscal Year Ended June 30, 2021

# CITY OF ADELANTO, CALIFORNIA

## Measure I Funds

Fiscal Year Ended June 30, 2021

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Board of Directors  
San Bernardino County Transportation Authority  
San Bernardino, California

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Measure I Fund 1990-2010 and Measure I Fund 2010-2040 (Measure I Funds) of the City of Adelanto, 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.

### Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure I Funds of the City, as of June 30, 2021, and the change in financial position of the Measure I Funds of the City for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As discussed in Note 1, the financial statements present only the Measure I Funds of the City and do not purport to, and do not present fairly, the financial position of the City as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows 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 Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis for the Measure I Funds that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Measure I Funds of the City. The Schedule of Status of Funds by Project, listed as supplemental data in the table of contents, is presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Allocations Received and Expended, by Project Year is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements for the Measure I Funds of the City. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Allocations Received and Expended, by Project Year is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2024 on our consideration of the City's internal control over financial reporting for the Measure I Funds and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 on the effectiveness of the 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 financial reporting and compliance.



Lake Forest, California  
June 11, 2024

**CITY OF ADELANTO, CALIFORNIA**

Measure I Funds

Balance Sheets

June 30, 2021

	Measure I Fund	Measure I Fund
	<u>1990-2010</u>	<u>2010-2040</u>
<u>Assets</u>		
Cash and investments (Note 3)	\$ 359,931	\$ 1,881,770
Due from other governments (Note 4)	-	303,350
Other receivables	<u>190</u>	<u>924</u>
 Total assets	 <u>\$ 360,121</u>	 <u>\$ 2,186,044</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 288</u>
Deferred Inflows of Resources		
Unavailable revenue	<u>-</u>	<u>303,350</u>
Fund balance - restricted	<u>360,121</u>	<u>1,882,406</u>
 Liabilities, deferred inflows of resources and fund balance	 <u>\$ 360,121</u>	 <u>\$ 2,186,044</u>

See accompanying notes to financial statements

# CITY OF ADELANTO, CALIFORNIA

## Measure I Funds

### Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance

Fiscal Year Ended June 30, 2021

	Measure I Fund <u>1990-2010</u>	Measure I Fund <u>2010-2040</u>
Revenues:		
Measure I sales tax	\$ -	\$ 790,849
Interest income	<u>1,358</u>	<u>6,749</u>
Total revenues	<u>1,358</u>	<u>797,598</u>
Expenditures:		
Current		
Administrative cost	93	169
Street maintenance projects	<u>-</u>	<u>20,218</u>
Total expenditures	<u>93</u>	<u>20,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,265</u>	<u>777,211</u>
Fund balance at beginning of year	<u>358,856</u>	<u>1,105,195</u>
Fund balance at end of year	<u>\$ 360,121</u>	<u>\$ 1,882,406</u>

See accompanying notes to financial statements

# CITY OF ADELANTO, CALIFORNIA

## Measure I Funds

### Notes to Financial Statements

Fiscal Year Ended June 30, 2021

#### (1) **General Information**

##### **Reporting Entity**

The financial statements are intended to reflect the financial position and changes in financial position of the Measure I Fund 1990-2010 and Measure I Fund 2010-2040 (Measure I Funds) of the City of Adelanto, California (the "City") only. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the City, as of June 30, 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.

##### **Measure I**

Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In 2004, San Bernardino County voters approved the extension of the Measure I sales tax through 2040. See Note 5 for a detailed description of the Measure.

#### (2) **Summary of Significant Accounting Policies**

The accounting policies of the Measure I Funds of the City conform to accounting policies generally accepted in the United States of America. The following is a summary of significant accounting policies.

##### **Fund Accounting**

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The City accounts for the Measure I activities within its Measure I Special Revenue Fund.

Special revenue funds are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes.

##### **Measurement Focus and Basis of Accounting**

The special revenue funds of the City are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources.



# CITY OF ADELANTO, CALIFORNIA

## Measure I Funds

### Notes to Financial Statements

Fiscal Year Ended June 30, 2021

## (2) **Summary of Significant Accounting Policies (Continued)**

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### Revenue Recognition

Recognition of revenues arising from nonexchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the City. For the City, funds received under Measure I possess the characteristic of a voluntary nonexchange transaction similar to a grant. Revenues under Measure I are recognized in the period when all eligibility requirements have been met.

### Fund Balance

The components of the fund balances of governmental funds reflect the component classifications described below.

- Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – includes amounts that can be used only for the specific purposes determined by a formal action of the City.
- Assigned Fund Balance – includes amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- Unassigned Fund Balance – includes any deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When restricted and unrestricted resources are available for expenditure for the same purpose, the City expends restricted resources before unrestricted resources. Within unrestricted resources, the fund balance is depleted in the order of committed, assigned, and unassigned.

# CITY OF ADELANTO, CALIFORNIA

## Measure I Funds

### Notes to Financial Statements

Fiscal Year Ended June 30, 2021

#### (2) **Summary of Significant Accounting Policies (Continued)**

##### Maintenance of Effort

In accordance with California Public Utilities Code 190300 and Ordinance No. 04-01 of the San Bernardino County Transportation Authority ("SBCTA"), Local Street Program funds shall not be used to supplant existing local discretionary funds being used for street and highway purposes. The maintenance of effort ("MOE") base year level was determined based upon the discretionary General Fund expenditures for transportation-related construction and maintenance activities in fiscal year 2008/2009. The MOE base year level as approved by the SBCTA Board of Directors shall remain in effect until the expiration of Measure I 2010-2040. General Fund expenditures in excess of the MOE base year level will carry over to subsequent fiscal years and can be applied in a future year to offset the amount the local agency may need to meet the MOE requirement. The City's determined MOE base level is \$168,321.

##### Deferred Inflows of Resources

Deferred inflows of resources-unavailable revenues represent revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available. Deferred inflows of resources in the financial statements represent amounts due from other governments at year-end, and not collected with a timeframe to finance current year expenditures.

#### (3) **Cash and Investments**

Cash and investments are pooled by the City to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds including the Measure I Funds based upon the average cash balance. The investment policies and the risks related to cash and investments, applicable to the Measure I Funds, are those of the City and are disclosed in the City's basic financial statements. The City's basic financial statements can be obtained at City Hall.

The Measure I Funds' cash and investments are reported at fair value. The fair value measurements are based on the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Measure I Funds' deposits and withdrawals in the City Investment Pool are made on the basis of \$1 and not fair value. Accordingly, the Measure I Funds' investment in the City Investment Pool is measured based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

The Measure I Funds' cash and investments as of June 30, 2021, was \$359,931 and \$1,881,770 for the Measure I 1990-2010 and Measure I 2010-2040 Funds, respectively.

# CITY OF ADELANTO, CALIFORNIA

## Measure I Funds

### Notes to Financial Statements

Fiscal Year Ended June 30, 2021

**(4) Due from Other Governments**

Receivables represent the Measure I sales tax revenues for the fiscal year received from SBCTA after June 30, 2021, in the amount of \$303,350 for the Measure I 2010-2040 Fund.

**(5) Measure I Funds**

The California State Legislature authorized county transportation authorities to enact local option sales tax measures for transportation improvements in the late 1980s, under provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code. In November 1989, San Bernardino County voters approved passage of Measure I, authorizing SBCTA to impose a half-cent retail transactions and use tax applicable in the incorporated and unincorporated areas of the County of San Bernardino for the 20-year period between April 1, 1990 and March 31, 2010. SBCTA is authorized to administer the programs described in the Measure. Early in the second decade of Measure I, it became apparent that continuation of the half cent sales tax would be critical to maintaining funding for transportation in San Bernardino County. SBCTA member jurisdictions and transportation stakeholders worked to identify transportation needs, and an expenditure plan was developed to serve as a basis for the renewal of Measure I. Ordinance No. 04-01 was placed before voters in November 2004, and Measure I was renewed. The new Measure I extends the half cent sales tax for 30 years, from April 1, 2010 through March 31, 2040. The new Measure is referred to as Measure I 2010-2040 to distinguish it from the first Measure I. The City accounts for these funding sources in separate Funds which are referred to as Measure I Funds 1990-2010 and Measure I Funds 2010-2040 in these financial statements.

Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plan.

Measure I 2010-2040 has a return-to-source provision that states that funds shall be allocated to subareas in accordance with the actual revenue collected in each subarea. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated in each subarea are to be expended on projects of direct benefit to that subarea. Revenues are accounted for separately for each subarea and then allocated to specified project categories in each subarea. These project categories are termed "programs" in the Strategic Plan. Decisions on how revenues are expended within the subareas are made by the SBCTA Board of Directors based upon recommendations of local subarea representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea can be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea. A proportional share of projected state and federal transportation funds is to be reserved for use solely within the Valley subarea and individual Mountain/Desert (Colorado River, Morongo Basin, Mountains, North Desert and Victor Valley) subareas.

# CITY OF ADELANTO, CALIFORNIA

## Measure I Funds

### Notes to Financial Statements

Fiscal Year Ended June 30, 2021

#### (5) **Measure I Funds (Continued)**

In the San Bernardino Valley subarea, Measure I 2010-2040 contains the following programs:

- Freeway Program
- Freeway Interchange Program
- Major Street Program
- Local Street Program
- Metrolink/Rail Program
- Express Bus/Bus Rapid Transit Program
- Senior and Disabled Transit Program
- Traffic Management Systems Program

In each of the Mountain/Desert subareas, Measure I 2010-2040 contains the following programs:

- Local Street Program
- Major Local Highway Program
- Senior and Disabled Transit Program

#### (6) **Restrictions**

Funds received pursuant to the Measure I Ordinance 04-01 and the Expenditure Plan, adopted by SBCTA relating to the expenditure of Measure I revenue may only be used for transportation improvement and traffic management programs authorized in the Measure I Five Year Capital Improvement Program.

#### (7) **Contingencies**

See the City's basic financial statements for disclosures related to contingencies including those relating to various legal actions, administrative proceedings, or claims in the ordinary course of operations.

**CITY OF ADELANTO, CALIFORNIA**

Measure I Funds

Notes to Financial Statements

Fiscal Year Ended June 30, 2021

**(8) Budgetary Data**

The City adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

## Required Supplementary Information

**CITY OF ADELANTO, CALIFORNIA**

Measure I 1990-2010 Fund

Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 1,358	\$ 1,358
Total revenues	<u>-</u>	<u>-</u>	<u>1,358</u>	<u>1,358</u>
Expenditures:				
Current				
Administrative cost	<u>-</u>	<u>-</u>	<u>93</u>	<u>(93)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>93</u>	<u>(93)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,265	<u>\$ 1,265</u>
Fund balance at beginning of year			<u>358,856</u>	
Fund balance at end of year			<u>\$ 360,121</u>	

**CITY OF ADELANTO, CALIFORNIA**

Measure I 2010-2040 Fund

Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual

Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Measure I sales tax	\$ 540,000	\$ 540,000	\$ 790,849	\$ 250,849
Interest income	-	-	6,749	6,749
	<u>540,000</u>	<u>540,000</u>	<u>797,598</u>	<u>257,598</u>
Expenditures:				
Current				
Administrative cost	-	65,000	169	64,831
Street Maintenance projects	250,000	250,000	20,218	229,782
	<u>250,000</u>	<u>315,000</u>	<u>20,387</u>	<u>294,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 290,000</u>	<u>\$ 225,000</u>	777,211	<u>\$ 552,211</u>
Fund balance at beginning of year			<u>1,105,195</u>	
Fund balance at end of year			<u>\$ 1,882,406</u>	



## Other Information

## CITY OF ADELANTO, CALIFORNIA

### Measure I Funds

Program Status: Comparison of 5 Year Plan Project Budget to Current Year Expenditures

Fiscal Year Ended June 30, 2021

The Measure I Five Year Capital Improvement Plan for local streets was adopted by Council Resolution No. 20-57. Of the funds allocated under the Measure I Five Year Capital Improvement Plan, the following programs were affected during the current fiscal year:

Local Projects	5-Year Plan Project Estimate	Current Fiscal Year Expenditures	(Over)/Under Estimate
<b>Named Projects:</b>			
City Wide Pavement Management System	\$ 725,000	\$ 16,241	\$ 708,759
City Wide Street landscaping, Signage & Striping and Pedestrian Maintenance	700,000	4,239	695,761
		<u>\$ 20,480</u>	
Total expenditures reported in the Measure I 1990-2010 Fund		\$ 93	
Total expenditures reported in the Measure I 2010-2040 Fund		<u>20,387</u>	
Total expenditures at June 30, 2021		<u>\$ 20,480</u>	

## CITY OF ADELANTO, CALIFORNIA

### Measure I Funds

#### Maintenance of Effort: Comparison of Base Level Amount to Annual Expenditures

Fiscal Year Ended June 30, 2021

The maintenance of effort base level amount was determined based upon fiscal year 2008/09 spending levels. Excess/(deficient) amounts are carried forward in accordance with the Measure I Strategic Plan. Actual amounts expended in relation to the base level amount in each year subsequent to the base year are as follows:

Fiscal Year Ending June 30,	General Fund Street and Highway Funds Utilized	Base Level Amount	Excess/ (Deficiency)	Cumulative Excess/ (Deficiency)
2010	\$ 889,864	\$ (168,321)	\$ 721,543	\$ 721,543
2011	962,438	(168,321)	794,117	1,515,660
2012	1,023,984	(168,321)	855,663	2,371,323
2013	1,069,894	(168,321)	901,573	3,272,896
2014	1,123,626	(168,321)	955,305	4,228,201
2015	1,073,907	(168,321)	905,586	5,133,787
2016	1,040,610	(168,321)	872,289	6,006,076
2017	1,100,361	(168,321)	932,040	6,938,116
2018	1,652,271	(168,321)	1,483,950	8,422,066
2019	623,205	(168,321)	454,884	8,876,950
2020	494,212	(168,321)	325,891	9,202,841



Board of Directors  
San Bernardino County Transportation Authority  
San Bernardino, California

**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**

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 I Fund 1990-2010 and Measure I Fund 2010-2040 (Measure I Funds) of the City of Adelanto, 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 June 11, 2024. Our report included an emphasis of matter stating that the financial statements of the Measure I Funds do not purport to, and do not, present fairly the financial position of the City as of June 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, 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 I Fund 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal

control, described in the accompanying schedule of findings and responses as item **2021-01** to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements of the Measure I Funds of the City are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including §6666 of Part 21 of the California Code of Regulations, 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*, including §6666 of Part 21 of the California Code of Regulations.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lake Forest, California  
June 11, 2024

# CITY OF ADELANTO, CALIFORNIA

Measure I Funds

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2021

## **2021-01 Bank Account Reconciliation Material Weakness**

### ***Criteria:***

Management is responsible for ensuring financial activity is recorded accurately and on a timely basis. Bank account reconciliations should be performed monthly and reviewed and approved in a timely manner.

### ***Condition:***

During procedures over cash and investments, we noted the City's bank account reconciliation for June 2021 was not prepared until October 2023.

### ***Cause:***

The City did not perform a timely bank account reconciliation due to the City's lack of monthly closing procedures.

### ***Effect:***

The FY 2021 audit was delayed.

### ***Recommendation:***

We recommend that the City review the timing of its reconciliation procedures.

### ***View of Responsible Officials:***

The City agrees with the finding. The City has hired a team of accounting consultants in order to assist with monthly closing and other accounting services.

**CITY OF ADELANTO, CALIFORNIA**

Measure I Funds

Summary Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2021

The status of the prior year findings for fiscal year ended June 30, 2020, are below.

<b><u>Finding No.</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
2020-001	Financial Closing and Reporting Controls	Implemented
2020-002	Stale Checks	Implemented
2020-003	Timeliness of Bank Account Reconciliation	Not Implemented, refer to Finding 2021-01