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**CALIFORNIA CITIES FOR SELF RELIANCE JOINT POWERS AUTHORITY**  
**REGULAR SCHEDULED MEETING**

**THIS MEETING WILL BE CONDUCTED IN PERSON, TELEPHONICALLY AND ELECTRONICALLY AT THE FOLLOWING:**

**CITY OF CUDAHY  
COUNCIL CHAMBERS / BEDWELL HALL  
5240 SANTA ANA STREET  
CUDAHY, CA 90201**

**TELECONFERENCE PHONE NUMBER: (669) 900-6833, 6476620089#**

**ELECTRONICALLY AT ZOOM MEETING ID: 647 662 0089**

**WEDNESDAY, APRIL 19, 2023**

**10:00 A.M.**

**A G E N D A**

**CALL TO ORDER & ROLL CALL**

Board Members:     Alejandra Cortez, Vice Chair - *Bell Gardens*  
                              Hugo Argumedo, Chair – *Commerce*  
                              Emma Sharif, Treasurer – *Compton*  
                              Martin Fuentes, Member – *Cudahy*  
                              Victor Farfan, Secretary – *Hawaiian Gardens*

**PUBLIC PARTICIPATION**

***Public participation is now open. The members of the audience now have the right to speak on agenda items and any item under the jurisdiction of the Authority. This***

***period will be limited to thirty minutes, with no more than three minutes for each speaker. Anyone desiring to speak during the public comment period must submit an email request [juan@sixheron.com](mailto:juan@sixheron.com), or to the Authority Secretary via Zoom prior to the close of public participation. Due to policy and Brown Act requirements, action will not be taken on any issues not on the Agenda.***

*Please state your name and address clearly.*

### **NEW BUSINESS – OPEN SESSION**

1. Consideration and possible action to approve the Minutes of the March 15, 2023 Regular Meeting of the Board.
2. Consideration and possible action to receive and file Financial Summary and Warrant Register dated April 19, 2023.
3. Consideration and possible action to receive and file California Cities for Self-Reliance Joint Powers Authority Audited Financial Statements (As of and for the Years Ended June 30, 2020, and 2019) Report.
4. Consideration and possible action regarding FY 2023-2024 Annual Budget.
5. Status update & report from California Advocacy, LLC with respect to legislative matters.
6. Report of General Counsel  
  
Pursuant to Government Code § 54954.2 (a)(3) – A report to the Board of Directors and the public on General Counsel's activities, including compliance efforts, approval of contracts as to form, receipt of notices, and requests to place matters on subsequent agendas (excluding any matters qualifying for closed session consideration).
7. Executive Director Report/Summary

### **NEW BUSINESS - CLOSED SESSION**

8. None

### **CHAIRMAN AND BOARD MEMBER REPORTS**

***This is the time and place for the Chairman and Board Members to report on any other items of interest. Upon request by an individual Board Member, the Authority may choose to take action on any of the subject matters listed below.***

California Cities for Self-Reliance Joint Powers Authority  
Regular Meeting of April 19, 2023

Vice Chair Cortez (Bell Gardens)

Chair Argumedo (Commerce)

Treasurer Sharif (Compton)

Member Fuentes (Cudahy)

Secretary Farfan (Hawaiian Gardens)

**ADJOURN**

The next regular meeting of the California Cities for Self-Reliance Joint Powers Authority will be held at 10:00 a.m. on Wednesday, May 17, 2023, in the City of Hawaiian Gardens.



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**CALIFORNIA CITIES FOR SELF-RELIANCE JOINT POWERS AUTHORITY  
REGULAR SCHEDULED MEETING**

**CITY OF COMPTON  
DOUGLAS F. DOLLARHIDE COMMUNITY CENTER  
301 N. TAMARIND AVENUE, ROOM 217  
COMPTON, CA 90220**

**WEDNESDAY, MARCH 15, 2023**

**10:15 AM**

**MINUTES**

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**ROLL CALL**

Board Members Present:

Hugo Argumedo, *Chair – Commerce*  
Alejandra Cortez, *Vice Chair – Bell Gardens* **(ABSENT)**  
Victor Farfan, *Secretary – Hawaiian Gardens*  
Lillie Darden, *Alternate Member – Compton*  
Martin Fuentes, *Member – Cudahy*

**PUBLIC ATTENDING MEETING**

Shanice McKinley Reed, Stephanie Arechiga, Marvin Pineda, Juan Garza

**PUBLIC PARTICIPATION**

None.

**NEW BUSINESS – OPEN SESSION**

1. Welcome – City of Compton

Councilmember Lillie Darden of the City of Compton welcomed the JPA Board and staff to the City and their Dollarhide Community Center Facility.

2. Consideration and possible action to approve the Minutes of the February 15, 2023 Regular Meeting of the Board.

Secretary Farfan moved and Member Fuentes seconded to approve the Minutes.

The motion was approved by the following vote:

Bell Gardens	Absent
Commerce	Yes
Compton	Abstain
Cudahy	Yes
Hawaiian Gardens	Yes

3. Consideration and possible action to receive and file Financial Summary and Warrant Register dated March 15, 2023.

Secretary Farfan moved and Member Fuentes seconded to receive and file Financial Summary and Warrant Register.

The motion was approved by the following vote:

Bell Gardens	Absent
Commerce	Yes
Compton	Abstain
Cudahy	Yes
Hawaiian Gardens	Yes

4. Status update & report from California Advocacy, LLC with respect to legislative matters.

Mr, Marvin Pineda provided a comprehensive report on moratorium legislation, recent proposed yet rescinded Private Right of Action legislation, potential for Attorney General Rob Bonta to consider regulations on player rotation, and an update on the state's budget.

Secretary Farfan moved and Member Fuentes seconded to receive and file the report.

The motion was approved by the following vote:

Bell Gardens	Absent
Commerce	Yes
Compton	Yes
Cudahy	Yes
Hawaiian Gardens	Yes

5. Report of General Counsel

No report.

6. Executive Director Report/Summary

Executive Director Garza reported on:

- 1) COVID-19 Status in CA & LA County
- 2) Statewide Cardroom Moratorium Discussions
- 3) 03/10/23 – Cardroom Tour for Legislators
- 4) Annual Form 700 Reporting Updates – Due April 3

Secretary Farfan moved and Member Fuentes seconded to receive and file the report.

The motion was approved by the following vote:

Bell Gardens	Absent
Commerce	Yes
Compton	Yes
Cudahy	Yes
Hawaiian Gardens	Yes

**NEW BUSINESS - CLOSED SESSION**

7. None

**CHAIRMAN AND BOARD MEMBER REPORTS**

***This is the time and place for the Chairman and Board Members to report on any other items of interest. Upon request by an individual Board Member, the Authority may choose to take action on any of the subject matters listed below.***

Member Fuentes (Cudahy)

Chair Argumedo (Commerce)

Secretary Farfan (Hawaiian Gardens)

Alternate Member Darden (Compton)

**ADJOURN (10:55 AM)**

The next regular meeting of the California Cities for Self-Reliance Joint Powers Authority will be held at 10:00 am on Wednesday, April 19, 2023, in the City of Cudahy.

\_\_\_\_\_  
Hugo Argumedo, Chair

ATTEST:

\_\_\_\_\_  
Victor Farfan, Secretary



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**CALIFORNIA CITIES FOR SELF-RELIANCE  
JOINT POWERS AUTHORITY**

**WARRANT REPORT AND FINANCIAL  
SUMMARY – MARCH 2023**

**WEDNESDAY, APRIL 19, 2023.**

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**BALANCE SHEET**

04/19/2023 JPA MEETING

Page: 1

4/12/2023

10:47 am

City of Hawaiian Gardens

As of: 3/31/2023

Balances

Fund: 50 - CA CITIES FOR SELF RELIANCE

Assets

1000.0000 CASH

111,348.41

Total Assets

111,348.41

Liabilities

2100.0000 ACCOUNTS PAYABLE

14,666.00

2182.0000 UNEARNED REVENUE

0.01

Total Liabilities

14,666.01

Reserves/Balances

2900.0000 FUND BALANCE-UNASSIGNED

73,542.25

2920.0000 CHANGE IN FUND BALANCE

23,140.15

Total Reserves/Balances

96,682.40

Total Liabilities & Balances

111,348.41

## Edit List of Invoices - Summary

04/19/2023 JPA MEETING

Date: 04/12/2023

Time: 10:48 am

Page: 1

City of Hawaiian Gardens

Ref. No.	Vendor Name	Invoice No.	Posting Date	PONumber	Invoice Date	Invoice Description	Invoice Amount
170515	HUGO ARGUMEDO	2023-03-15	03/15/2023		03/15/2023	03.15.23 MTG STIPEND	250.00
						Vendor Total:	250.00
170516	LILLIE P DARDEN	2023-03-15	03/15/2023		03/15/2023	03.15.23 MTG STIPEND	250.00
						Vendor Total:	250.00
170517	VICTOR FARFAN	2023-03-15	03/15/2023		03/15/2023	03.15.23 MTG STIPEND	250.00
						Vendor Total:	250.00
170518	MARTIN U FUENTES	2023-03-15	03/15/2023		03/15/2023	03.15.23 MTG STIPEND	250.00
						Vendor Total:	250.00
170519	CHRISTOPHER GARCIA	CRJPAMI1224	03/31/2023		04/03/2023	MAR 2023 SVCS	1,200.00
						Vendor Total:	1,200.00
170520	JUAN GARZA	2023-03-31	03/31/2023		03/31/2023	MAR 2023 SALARY	5,000.00
						Vendor Total:	5,000.00
170521	OLIVAREZ MADRUGA LAW	21775	03/31/2023		03/31/2023	MAR 2023 SVCS - GENERAL	220.00
170522	OLIVAREZ MADRUGA LAW	21776	03/31/2023		03/31/2023	MAR 2023 SVCS - BOARD MEETIN	580.00
						Vendor Total:	800.00
170523	EVELYN PINEDA	2023-03-01	03/01/2023		03/01/2023	MAR 2023 SVCS	6,666.00
						Vendor Total:	6,666.00
Grand Total:							14,666.00
Less Credit Memos:							0.00
Net Total:							14,666.00
Less Hand Check Total:							0.00
Outstanding Invoice Total:							14,666.00
Total Invoices: 9							

**REVENUE/EXPENDITURE REPORT**  
04/19/2023 JPA MEETING

City of Hawaiian Gardens

For the Period: 7/1/2022 to 3/31/2023	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund Type: SR SPECIAL REVENUE FUNDS							
<b>Fund: 50 - CA CITIES FOR SELF RELIANCE</b>							
Revenues							
Function:							
Dept: 0000 ASSETS							
Acct Class: REV REVENUE							
3742.0050 JPA MEMBERSHIP FUNDING	135,000.00	135,000.00	105,000.00	0.00	0.00	30,000.00	77.8
3742.0052 CASINO DONATIONS	100,000.00	100,000.00	52,500.00	10,000.00	0.00	47,500.00	52.5
REVENUE	235,000.00	235,000.00	157,500.00	10,000.00	0.00	77,500.00	67.0
ASSETS	235,000.00	235,000.00	157,500.00	10,000.00	0.00	77,500.00	67.0
Function:	235,000.00	235,000.00	157,500.00	10,000.00	0.00	77,500.00	67.0
Revenues	235,000.00	235,000.00	157,500.00	10,000.00	0.00	77,500.00	67.0
Expenditures							
Function:							
Dept: 4908 JOINT POWERS AUTHORITY							
Acct Class: OPER OPERATING COSTS							
4200.0050 CONTRACT SVC-EX DIR JPA	80,925.00	80,925.00	45,000.00	5,000.00	0.00	35,925.00	55.6
4200.0052 COMMUNICATIONS	10,200.00	10,200.00	10,800.00	1,200.00	0.00	-600.00	105.9
4202.0000 AUDIT SERVICES	8,000.00	8,000.00	700.00	0.00	0.00	7,300.00	8.8
4211.0000 MEETING STIPENDS	16,875.00	16,875.00	9,500.00	1,000.00	0.00	7,375.00	56.3
4213.0000 OTHER OPERATING COSTS	9,000.00	9,000.00	54.85	0.00	0.00	8,945.15	0.6
4250.0001 LEGISLATIVE ADVOCATE/JPA	80,000.00	80,000.00	59,994.00	6,666.00	0.00	20,006.00	75.0
4252.0000 SPECIAL COUNSEL - CONTRACT	30,000.00	30,000.00	8,311.00	800.00	0.00	21,689.00	27.7
OPERATING COSTS	235,000.00	235,000.00	134,359.85	14,666.00	0.00	100,640.15	57.2
JOINT POWERS AUTHORITY	235,000.00	235,000.00	134,359.85	14,666.00	0.00	100,640.15	57.2
Function:	235,000.00	235,000.00	134,359.85	14,666.00	0.00	100,640.15	57.2
Expenditures	235,000.00	235,000.00	134,359.85	14,666.00	0.00	100,640.15	57.2
Net Effect for CA CITIES FOR SELF RELIANCE	0.00	0.00	23,140.15	-4,666.00	0.00	-23,140.15	0.0
Change in Fund Balance:			23,140.15				
Net Effect for SPECIAL REVENUE FUNDS	0.00	0.00	23,140.15	-4,666.00	0.00	-23,140.15	
Grand Total Net Effect:	0.00	0.00	23,140.15	-4,666.00	0.00	-23,140.15	



**California Cities for Self-Reliance Joint Powers Authority**  
**Audited Financial Statements**  
*As of and for the Years Ended June 30, 2020 and 2019*  
*with Independent Auditor's Report*

**California Cities for Self-Reliance Joint Powers Authority**  
**Audited Financial Statements**  
***As of and for the Years Ended June 30, 2020 and 2019***  
***with Independent Auditor's Report***

**California Cities for Self-Reliance Joint Powers Authority**  
**Table of Contents**

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	<u>PAGE</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	4
Statements of Revenues, Expenses and Changes in Net Position	5
Statements of Cash Flows	6
Notes to Financial Statements	7



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LOS ANGELES  
SAN DIEGO  
IRVINE  
SACRAMENTO  
FRESNO  
PHOENIX  
LAS VEGAS  
MANILA, PH

## Independent Auditor's Report

To the Board of Directors of  
California Cities for Self-Reliance Joint Powers Authority

Report on the Audited Financial Statements

### *Opinion*

We have audited the financial statements of California Cities for Self-Reliance Joint Powers Authority (the Authority), which comprise the statements of financial position as of June 30, 2020 and 2019, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of California Cities for Self-Reliance Joint Powers Authority as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Qualified Opinion*

The financial statements include board stipend expenses of \$7,500 over which limited controls exist prior to the payments being recorded in the Authority's accounting records. There were no practical procedures available for us to confirm the existence and accuracy of the board stipend expenses, and accordingly, we were unable to obtain sufficient audit evidence in this regard. Consequently, we were unable to determine whether any adjustment to the recorded amounts for board stipend expenses was necessary.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### ***Responsibilities of Management for the Financial Statements***

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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, 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 Authority'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.





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.

*Vasquez & Company LLP*

Glendale, California  
February 28, 2023

**California Cities for Self-Reliance Joint Powers Authority  
Statements of Financial Position**

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		June 30	
		2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$	128,115	\$ 250,682
Dues receivables		-	33,000
	<b>Total assets</b>	<b>\$ 128,115</b>	<b>\$ 283,682</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable		11,274	73,628
Unearned special assessment revenues		54,632	139,243
	<b>Total liabilities</b>	<b>65,906</b>	<b>212,871</b>
<b>NET POSITION</b>			
<b>Unrestricted</b>		<b>62,209</b>	70,811
	<b>Total net position</b>	<b>62,209</b>	<b>70,811</b>
	<b>Total liabilities and net position</b>	<b>\$ 128,115</b>	<b>\$ 283,682</b>

*See notes to financial statements.*

**California Cities for Self-Reliance Joint Powers Authority**  
**Statements of Revenues, Expenses and Changes in Net Position**

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	Years ended June 30,	
	2020	2019
<b>Revenues</b>		
Membership dues and contributions	\$ 150,000	\$ 215,990
Special assessment revenues	75,506	91,757
<b>Total revenues</b>	<b>225,506</b>	307,747
<b>Expenses</b>		
Consulting	127,506	167,757
Board stipends	20,250	23,000
Legal fees	12,392	90,133
Finance and audit services	16,555	20,165
Legislative lobbying	25,000	-
Operational expenses	32,404	28,286
<b>Total expenses</b>	<b>234,107</b>	329,341
<b>Change in net position</b>	<b>(8,601)</b>	<b>(21,594)</b>
<b>Net position - beginning of year</b>	<b>70,811</b>	92,405
<b>Net position - end of year</b>	<b>\$ 62,210</b>	\$ 70,811

*See notes to financial statements.*

**California Cities for Self-Reliance Joint Powers Authority**  
**Statements of Cash Flows**

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	Years ended June 30	
	2020	2019
<b>Cash flows from operating activities</b>		
Membership dues and contributions	\$ 173,895	\$ 413,990
Cash paid to suppliers for goods and services	(296,462)	(274,680)
<b>Net cash (used in) provided by operating activities</b>	<b>(122,567)</b>	139,310
 <b>Change in cash</b>	 <b>(122,567)</b>	 139,310
 <b>Cash - beginning of year</b>	 <b>250,682</b>	 111,372
<b>Cash - end of year</b>	<b>\$ 128,115</b>	\$ 250,682
 Cash and cash equivalents	 <b>\$ 128,115</b>	 \$ 250,682

*See notes to financial statements.*

**NOTE 1 ORGANIZATION AND ACTIVITIES**

The California Cities for Self-Reliance Joint Powers Authority (the Authority) was created in July 2001 pursuant to the California Government Code. The Authority was created to promote and protect the card club gaming economy of the State of California and its member cities in order to enhance the economic climate and improve the quality of life for the residents in the Southern California region. On August 19, 2015, the agreement was amended to extend the Authority's initial term to July 10, 2017. Thereafter, the initial term shall be extended for successive terms of two (2) years each ("extended term") unless any member gives written notice of non-renewal to each of the other members six (6) months prior to the expiration of the initial term or any extended term. In the event a member gives notice of non-renewal, the term will renew for a successive term of two (2) years, but the member giving such notice shall cease to be a member of the Authority. Any member shall have the ability to withdraw from the Authority by giving each member thirty (30) days written notice of its intention to withdraw.

The Authority is governed by a Board of Directors composed of five appointed directors: one by the City of Bell Gardens, one by the City of Commerce, one by the City of Compton, one by the City of Hawaiian Gardens, and one by the City of Cudahy. The Authority is legally separate and fiscally independent from each of the member entities. This means it can incur debt, set and modify its own budget and fees, enter into contracts, and sue and be sued in its own name. However, the Authority does not have the power to issue bonds or other forms of indebtedness authorized by law.

The Authority's organizational documents consist of a joint powers agreement and a set of by-laws. Among other things, these organizational documents establish a governing board to conduct the affairs of the Authority. The legislative body of each member agency selects one of its members to be the agency's representative to the Authority's governing board, and another of its members to be the agency's alternative representative.

In August and September of 2019, there were some changes to the organization and membership in the Authority. The City of Inglewood and the City of Gardena withdrew from the Authority. These withdrawals were the result of their respective City Council decisions that they no longer wished to participate in the Authority. The remaining five (5) member Cities of Bell Gardens, Commerce, Compton, Cudahy, and Hawaiian Gardens made appropriate changes to the Authority's by-laws and agreements.

The accompanying financial statements reflect the financial activities of the Authority. The Authority has no component units.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles as applied to governmental agencies and have been consistently applied in the preparation of the financial statements.

**Basis of Accounting and Measurement Focus**

The Authority is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the economic measurement focus and the accrual basis of accounting. Under this basis of accounting and measurement focus, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Authority's financial statements are presented in accordance with the provisions of GASB Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments* as amended by GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants. Statement Nos. 34 and 63 established standards for external financial reporting for all state and local governmental entities. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
  
- *Restricted* – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
  
- *Unrestricted* – This component of net position consists of resources that do not meet the definition of "restricted" or "net investment in capital assets".

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

*Membership dues*

The Authority receives membership dues from the member cities on an annual basis and recognizes membership dues revenue when earned.

*Contributions*

The Authority receives contributions from its member cities. Contributions primarily include unconditional promises to give cash or other assets. Contributions, whether restricted or unrestricted, are recognized as revenue when they are received. Unconditional promises to give are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the conditions expire, whichever occurs first.

Contributions are reported as restricted support if they are received with donor stipulations that limit the use of cash or other assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. The Authority did not receive restricted contributions during the years ended June 30, 2020 and 2019.

**Stewardship and Accountability**

The Authority operates on a reimbursement basis. Each month, the Authority reports all expenses incurred to the member cities to obtain reimbursement. The member cities reimburse the Authority on a monthly basis.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months from the date of acquisition. At June 30, 2020 and 2019, cash and cash equivalents comprise bank deposits.

**Dues Receivable**

Dues receivable relate to membership dues and expense reimbursement from member cities and are expected to be fully collectible.

**Accounts Payable**

Accounts payable are recognized in the period in which the goods or services are received or when a legally enforceable claim against the Authority is established or when the corresponding assets or expenses are recognized. These are measured at fair value, normally equal to their nominal amount.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Unearned special assessment revenues**

Unearned special assessment revenues comprised of amounts collected from each member city for public relations services and lobbying services. Any unused amount would be refunded to the member city.

**NOTE 3      CASH AND CASH EQUIVALENTS**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2020 and 2019, the Authority's funds consist of deposits with financial institutions not exposed to interest rate risk.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2020 and 2019, the Authority's funds consist of deposits with financial institutions that are not rated.

**Concentration of Credit Risk**

Financial instruments, which potentially expose the Authority to concentration of credit risk, consist primarily of cash and cash equivalents. The Authority places its cash and cash equivalents with major financial institutions. The total cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At times during the years ended June 30, 2020 and 2019, balances on deposit in financial institutions exceeded Federal Deposit Insurance Corporation (FDIC) insured limits of \$250,000. The Authority has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in regard to cash.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2020 and 2019, none of the Authority's deposits or investments were exposed to custodial credit risk.



**NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Fair Value Measurement**

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the Authority categorizes its fair value measurement within the fair value hierarchy that is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2020 and 2019, the Authority's funds which consist of deposits with financial institutions are not subject to fair value measurement.

**NOTE 4 IMPACT OF COVID-19 ON THE AUTHORITY'S OPERATIONS**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Authority operates.

It is unknown how long these conditions will last and what the complete financial effect will be to the Authority. However, management does not expect the impact to be material to the Authority's June 30, 2020 financial statements.

**NOTE 5 SUBSEQUENT EVENTS**

The City of Cudahy temporarily withdraw from the Authority for FY 2020-2021 due to internal Cudahy City Council considerations with regard to overall membership priorities, but requested reinstatement into the Authority beginning in July 2021 as part of FY 2021-2022. They continue to be a member of the JPA to this day.

The Authority has evaluated subsequent events for recognition or disclosure through February 28, 2023, the date on which the financial statements were available to be issued. Other than the coronavirus pandemic disclosure and the matter described above, there were no other material subsequent events that required recognition or additional disclosures in the financial statements.



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**April19, 2023**

**California Update: Agenda**

1. AB 341 (Ramos) – Gambling Moratorium
2. Bureau of Gambling Control Regulations



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**TO:** Honorable Chair and Members of the Governing Board

**FROM:** Juan Garza, Executive Director

**SUBJECT:** **Executive Director Report/Summary**

**DATE:** April 19, 2023

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- 1) COVID-19 Status in CA & LA County
- 2) Statewide Cardroom Moratorium AB 341 – Next Tuesday, April 25
- 3) Recent Cardrooms Event – Supervisor Hahn
- 4) Annual Form 700 Reporting – Thank You