



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 HAWAIIAN GARDENS
CITY HALL CONFERENCE ROOM
21815 PIONEER BLVD
HAWAIIAN GARDENS, CA 90716**

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

ELECTRONICALLY AT ZOOM MEETING ID: 647 662 0089

WEDNESDAY, OCTOBER 18, 2023

10:00 A.M.

A G E N D A

CALL TO ORDER & ROLL CALL

Board Members: Francis De Leon Sanchez, Treasurer - *Bell Gardens*
Hugo Argumedo, Member – *Commerce*
Emma Sharif, *Vice Chair* – *Compton*
Martin Fuentes, Secretary – *Cudahy*
Victor Farfan, Chair – *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, 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 September 20, 2023 Regular Meeting of the Board.
2. Consideration and possible action to receive and file Financial Summary and Warrant Register dated October 18, 2023.
3. Status update & report from California Advocacy, LLC with respect to legislative & regulatory matters.
4. 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, 2022, and 2021) Report.
5. 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).
6. Executive Director Report/Summary

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.

Treasurer De Leon Sanchez (Bell Gardens)

California Cities for Self-Reliance Joint Powers Authority
Regular Meeting of October 18, 2023

Member Argumedo (Commerce)

Vice Chair Sharif (Compton)

Secretary Fuentes (Cudahy)

Chair 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, November 15, 2023, in the City of Bell Gardens.



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

**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, SEPTEMBER 20, 2023

10:12 AM

MINUTES

ROLL CALL

Board Members Present:

- Victor Farfan, *Chair – Hawaiian Gardens*
- Emma Sharif, *Vice Chair – Compton* (**AB 2449 VIRTUAL PARTICIPATION – JUST CAUSE – Travel While on Official Business of Local Agency**)
- Martin Fuentes, *Secretary – Cudahy* (**AB 2449 VIRTUAL PARTICIPATION – JUST CAUSE – Travel While on Official Business of Local Agency**)
- Marco Barcena, *Alternate Representative – Bell Gardens*
- Hugo Argumedo, *Member – Commerce*

PUBLIC ATTENDING MEETING

Linda Hollinsworth, Adrian De Leon, Ernesto Marquez, Estefania Zamora, Juan Garza

PUBLIC PARTICIPATION

None.

NEW BUSINESS – OPEN SESSION

1. Consideration and possible action to approve the Minutes of the August 16, 2023 Regular Meeting of the Board.

Member Argumedo moved and Chair Farfan seconded to approve the Minutes.

The motion was approved by the following vote:

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

2. Consideration and possible action to receive and file Financial Summary and Warrant Register dated September 20, 2023.

Member Argumedo moved and Alternate Member Barcena seconded to receive and file Financial Summary and Warrant Register.

The motion was approved by the following vote:

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

3. Year-end report regarding FY 2022-2023 Annual Budget.

Financial Director Hollinsworth and Executive Director Garza provided a comprehensive year-end report.

In Revenues, 'Casino Donations' line item ended \$30,000 under budget due to the unexpected loss of prior support from the Bicycle Casino. All other line items met budget.

In Expenses, the fiscal year resulted in overall savings due to efforts to control expenditures by the Board and staff. All line items resulted in lower expenditures except for 'Communications' due to a mid-year increase in vendor costs.

Overall, the JPA ended the fiscal year with total liabilities & balances totaling \$116,011.66. Of that amount, \$73,542.25 was held in the JPA's reserve account, an increase of \$32,690.33 from the prior year.

Member Argumedo moved and Alternate Member Barcena seconded to receive and file the year-end annual budget report.

The motion was approved by the following vote:

Bell Gardens	Yes
Commerce	Yes
Compton	Yes
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 the recently released Bureau of Gambling Control Concept Regulations on Blackjack & Rotation Impacts. Its public vetting and review process will take approximately two years starting with a initial draft public scoping review that will include an impact analysis. All cardrooms are still assessing the proposed regulations' impacts, the anticipated larger impact on smaller cardrooms, and comments to be considered for submittal by cities.

He also reported on SB 549 (Newman) failing to have moved from Assembly Rules Committee by the legislative established deadline and its status now as a 2-year bill available to be reconsidered next year.

Member Argumedo moved and Alternate Member Barcena seconded to receive and file the report, and have a thank you letter submitted to our support in the legislature.

The motion was approved by the following vote:

Bell Gardens	Yes
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) SB 549 (Newman) – Tribal Rotation Bill Efforts/Next Steps
- 2) Attorney General Bonta Proposed Regulations – Industry Effects, Process & Next Steps
- 3) UPDATE: Fall JPA Conference Concept being approved by our cardroom partners for support to take effect next Fall 2024, and next steps.

Member Argumedo moved and Alternate Member Barcena seconded to receive and file the report.

The motion was approved by the following vote:

Bell Gardens	Yes
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 Argumedo (Commerce)

Alternate Member Barcena (Bell Gardens)

Secretary Fuentes (Cudahy)

Vice Chair Sharif (Compton)

Chair Farfan (Hawaiian Gardens)

ADJOURN (11:19 AM)

The next regular meeting of the California Cities for Self-Reliance Joint Powers Authority will be held at 10:00 am on Wednesday, October 18, 2023, in the City of Hawaiian Gardens.

Victor Farfan, Chair

ATTEST:

Martin Fuentes, Secretary



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

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

WEDNESDAY, OCTOBER 18, 2023.

BALANCE SHEET

10/18/2023 JPA MEETING

Page: 1

10/16/2023

12:46 pm

City of Hawaiian Gardens

As of: 9/30/2023

Balances

Fund: 50 - CA CITIES FOR SELF RELIANCE

Assets

1000.0000 CASH

249,084.57

Total Assets

249,084.57

Liabilities

2100.0000 ACCOUNTS PAYABLE

14,816.00

Total Liabilities

14,816.00

Reserves/Balances

2900.0000 FUND BALANCE-UNASSIGNED

101,191.32

2920.0000 CHANGE IN FUND BALANCE

133,077.25

Total Reserves/Balances

234,268.57

Total Liabilities & Balances

249,084.57

Edit List of Invoices - Summary

10/18/2023 JPA MEETING

Date: 10/16/2023

Time: 12:37 pm

Page: 1

City of Hawaiian Gardens

Ref. No.	Vendor Name	Invoice No.	Posting Date	PONumber	Invoice Date	Invoice Description	Invoice Amount
173445	HUGO ARGUMEDO	2023-09-20	09/20/2023		09/20/2023	09.20.23 MTG STIPEND	250.00
						Vendor Total:	250.00
173446	MARCO BARCENA	2023-09-20	09/20/2023		09/20/2023	09.20.23 MTG STIPEND	250.00
						Vendor Total:	250.00
173447	VICTOR FARFAN	2023-09-20	09/20/2023		09/20/2023	09.20.23 MTG STIPEND	250.00
						Vendor Total:	250.00
173448	MARTIN U FUENTES	2023-09-20	09/20/2023		09/20/2023	09.20.23 MTG STIPEND	250.00
						Vendor Total:	250.00
173450	JUAN GARZA	2023-09-30	09/30/2023		09/30/2023	SEP 2023 SALARY	5,000.00
						Vendor Total:	5,000.00
173451	OLIVAREZ MADRUGA LAW	23315	09/30/2023		09/30/2023	SEP 2023 SVCS - GENERAL	1,640.00
173452	OLIVAREZ MADRUGA LAW	23316	09/30/2023		09/30/2023	SEP 2023 SVCS - BOARD MEETIN	180.00
173453	OLIVAREZ MADRUGA LAW	23317	09/30/2023		09/30/2023	SEP 2023 SVCS - PRA	80.00
						Vendor Total:	1,900.00
173454	EVELYN PINEDA	2023-10-09	09/30/2023		10/09/2023	SEP 2023 SVCS	6,666.00
						Vendor Total:	6,666.00
173449	EMMA SHARIF	2023-09-20	09/20/2023		09/20/2023	09.20.23 MTG STIPEND	250.00
						Vendor Total:	250.00

Grand Total: 14,816.00

Less Credit Memos: 0.00

Net Total: 14,816.00

Less Hand Check Total: 0.00

Outstanding Invoice Total: 14,816.00

Total Invoices: 10

REVENUE/EXPENDITURE REPORT
10/18/2023 JPA MEETING

City of Hawaiian Gardens

For the Period: 7/1/2023 to 9/30/2023	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	Encumb. YTD	UnencBal	% Bud
Fund: 50 - CA CITIES FOR SELF RELIANCE							
Revenues							
Function:							
Dept: 0000 ASSETS							
Acct Class: REV REVENUE							
3742.0050 JPA MEMBERSHIP FUNDING	157,500.00	157,500.00	157,500.00	35,000.00	0.00	0.00	100.0
3742.0052 CASINO DONATIONS	70,000.00	70,000.00	17,500.00	0.00	0.00	52,500.00	25.0
REVENUE	227,500.00	227,500.00	175,000.00	35,000.00	0.00	52,500.00	76.9
ASSETS	227,500.00	227,500.00	175,000.00	35,000.00	0.00	52,500.00	76.9
Function:	227,500.00	227,500.00	175,000.00	35,000.00	0.00	52,500.00	76.9
Revenues	227,500.00	227,500.00	175,000.00	35,000.00	0.00	52,500.00	76.9
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	15,000.00	5,000.00	0.00	65,925.00	18.5
4200.0052 COMMUNICATIONS	14,400.00	14,400.00	0.00	0.00	0.00	14,400.00	0.0
4202.0000 AUDIT SERVICES	6,500.00	6,500.00	0.00	0.00	0.00	6,500.00	0.0
4211.0000 MEETING STIPENDS	17,250.00	17,250.00	3,250.00	1,250.00	0.00	14,000.00	18.8
4213.0000 OTHER OPERATING COSTS	9,000.00	9,000.00	0.00	0.00	0.00	9,000.00	0.0
4250.0001 LEGISLATIVE ADVOCATE/JPA	80,000.00	80,000.00	19,998.00	6,666.00	0.00	60,002.00	25.0
4252.0000 SPECIAL COUNSEL - CONTRACT	19,425.00	19,425.00	3,674.75	1,900.00	0.00	15,750.25	18.9
OPERATING COSTS	227,500.00	227,500.00	41,922.75	14,816.00	0.00	185,577.25	18.4
JOINT POWERS AUTHORITY	227,500.00	227,500.00	41,922.75	14,816.00	0.00	185,577.25	18.4
Function:	227,500.00	227,500.00	41,922.75	14,816.00	0.00	185,577.25	18.4
Expenditures	227,500.00	227,500.00	41,922.75	14,816.00	0.00	185,577.25	18.4
Grand Total Net Effect:	0.00	0.00	133,077.25	20,184.00	0.00	-133,077.25	



October 18, 2023

California Update: Agenda

1. Bureau of Gambling Control –Concept Regulations Proposed on September 11, 2023
2. SB 549 (Newman) – Tribal Declaratory Relief Act



**California Cities for Self-Reliance Joint Powers Authority Audited Financial Statements
*As of and for the Years Ended June 30, 2022 and 2021 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, 2022 and 2021
with Independent Auditor's Report*

California Cities for Self-Reliance Joint Powers Authority

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

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of California Cities for Self-Reliance Joint Powers Authority (the Authority), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, 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, 2022 and 2021, 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 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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.

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

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.

Other Matters

Required Supplementary Information

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

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California

September 18, 2023

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

	June 30	
	2022	2021
ASSETS		
Current assets:		
Cash	\$ 90,460	\$ 106,234
Total current assets	90,460	106,234
Total assets	90,460	106,234
LIABILITIES		
Current liabilities:		
Accounts payable	26,917	15,750
Unearned special assessment revenues	-	54,632
Total current liabilities	26,917	70,382
Total liabilities	26,917	70,382
NET POSITION		
Unrestricted	63,543	35,852
Total net position	\$ 63,543	\$ 35,852

See accompanying notes to the basic financial statements.

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

	Years ended June 30,	
	2022	2021
OPERATING REVENUES:		
Membership dues and contributions	\$ 227,500	\$ 120,000
Total operating revenues	227,500	120,000
OPERATING EXPENSES:		
Consulting	65,000	73,200
Board stipends	12,875	10,000
Legal fees	28,731	-
Finance and audit services	2,900	3,100
Legislative lobbying	79,992	60,000
Operation expenses	10,311	58
Total operating expenses	199,809	146,358
Change in net position	27,691	(26,358)
Net position, beginning of year	35,852	62,210
Net position, end of year	\$ 63,543	\$ 35,852

See accompanying notes to the basic financial statements.

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

	Years ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from membership dues and contributions	\$ 172,868	\$ 120,000
Cash paid to suppliers for goods and services	<u>(188,642)</u>	<u>(141,881)</u>
Net cash provided (used by) operating activities	<u>(15,774)</u>	<u>(21,881)</u>
Net increase (decrease) in cash	(15,774)	(21,881)
Cash, beginning of year	<u>106,234</u>	<u>128,115</u>
Cash, end of year	<u>\$ 90,460</u>	<u>\$ 106,234</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 27,691	\$ (26,358)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Increase (decrease) in accounts payable	11,167	4,477
Increase (decrease) in unearned special assessment revenues	<u>(54,632)</u>	<u>-</u>
Total adjustments	<u>(43,465)</u>	<u>4,477</u>
Net cash provided (used) by operating activities	<u>\$ (15,774)</u>	<u>\$ (21,881)</u>

See accompanying notes to the basic financial statements.

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Years ended June 30, 2022 and 2021

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.

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Years ended June 30, 2022 and 2021

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".

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Years ended June 30, 2022 and 2021

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, 2022 and 2021.

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.

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Years ended June 30, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, none of the Authority's deposits or investments were exposed to custodial credit risk.

California Cities for Self-Reliance Joint Powers Authority
Notes to Financial Statements
Years ended June 30, 2022 and 2021

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, 2022 and 2021, the Authority's funds which consist of deposits with financial institutions are not subject to fair value measurement.

NOTE 4 SUBSEQUENT EVENTS

The Authority has evaluated subsequent events for recognition or disclosure through September 18, 2023, the date on which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in the financial statements.

CALIFORNIA CITIES FOR SELF-RELIANCE JOINT POWERS AUTHORITY
Hawaiian Gardens, California

Report On Communication
With Those Charged With Governance

June 30, 2022 and 2021



CALIFORNIA CITIES FOR SELF-RELIANCE JOINT POWERS AUTHORITY
Hawaiian Gardens, California

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California Cities for Self-Reliance Joint Powers Authority
Hawaiian Gardens, California

To the Members:

We have audited the financial statements of the government activities, each major fund, and the aggregate remaining fund information of the California Cities for Self-Reliance Joint Powers Authority, California (Authority) for the year ended June 30, 2022 and 2021, and have issued our report thereon dated September 18, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the engagement contract dated May 3, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. During fiscal years June 30, 2022 and 2021, there were no new accounting pronouncements that were applicable to the Authority. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates affecting the Authority's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no disclosures that were deemed to be particularly sensitive.

California Cities for Self-Reliance Joint Powers Authority
Members

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no significant adjustments as a result of our audit procedures. We were also not aware of any uncorrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 18, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

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

GRUBER AND LOPEZ, INC.

Gruber and Lopez, Inc.

Newport Beach, California
September 18, 2023



TO: Honorable Chair and Members of the Governing Board

FROM: Juan Garza, Executive Director

SUBJECT: **Executive Director Report/Summary**

DATE: October 18, 2023

- 1) Recent ED News Coverage
- 2) SB 549 (Newman) – Tribal Rotation Bill Efforts/Next Steps
- 3) Attorney General Bonta Proposed Regulations – JPA & Cities Engagement
- 4) UPDATE: Fall JPA Conference Concept
- 5) UPDATE; JPA Website