

**CITY OF COACHELLA, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to Measure A – Local Streets and Roads

Fiscal Year Ended June 30, 2025



## **Independent Accountant's Report On Applying Agreed-Upon Procedures**

The Board of Commissioners  
Riverside County Transportation Commission  
Riverside, California

We have performed the procedures enumerated below on Measure A - Local Streets and Roads Program of the City of Coachella, California ("City") as of and for the year ended June 30, 2025.

Riverside County Transportation Commission ("RCTC") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose whether the City was in compliance with the Measure A - Local Streets and Roads Program grant terms and conditions for the year ended June 30, 2025. Additionally, RCTC and the City have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related findings are as follows:

1. Review the 2009 Measure A (Ordinance 02-001) compliance requirements. Western County jurisdictions are required to participate in the Transportation Uniform Mitigation Fee ("TUMF") program and in the Multiple Species Habitat Conservation Plan ("MSHCP"), which are administered by the Western Riverside Council of Governments ("WRCOG") and the Western Riverside County Regional Conservation Authority ("RCA"), respectively. Coachella Valley jurisdictions are required to participate in the TUMF program administered by the Coachella Valley Association of Governments ("CVAG"). Indicate participation in TUMF and/or MSHCP programs.

Finding: The City participates in the TUMF program administered by CVAG. No exceptions were noted as a result of applying this procedure.

2. Obtain from RCTC the approved Five-Year Capital Improvement Plan ("CIP") for the fiscal year.

Finding: No exceptions were noted as a result of applying this procedure.

3. Obtain from the jurisdiction a detail general ledger and balance sheet for the fiscal year.
  - a. Identify the amount of Measure A cash and investments recorded at the end of the fiscal year. Compare amount to Measure A fund balance and provide an explanation for any differences greater than 25% of fund balance.

Finding: Measure A cash and investments were \$801,993 at June 30, 2025. The difference between Measure A cash and investments of \$801,993 and fund balance of \$916,759 is \$114,766 or 13% of the fund balance.

- b. Identify any amounts due from other funds.

Finding: There were no amounts due from other funds at June 30, 2025.

- c. Identify the components of ending fund balance for Measure A activity (e.g., nonspendable, restricted, assigned, committed, unassigned).

Finding: Ending fund balance for Measure A activity was restricted in the amount of \$916,759 at June 30, 2025.

- i. Identify the existence of any restatement of Measure A fund balance; inquire of management as to the reason for any restatement and provide a summary of the restatement items.

Finding: There were no restatements noted for June 30, 2024.

- ii. Compare ending fund balance to total revenues for the current year and prior two years. If ending fund balance is greater than the sum of total revenues for the three-year period, inquire of management as to the reason(s) for the accumulation of fund balance (e.g., status of specific projects included in the 5-Year CIP).

Finding: No exceptions were noted as a result of applying this procedure. The City's ending fund balance did not exceed the cumulative total revenues for the 3-year period as illustrated below.

Revenue for year ended June 30, 2025	\$	869,613
Revenue for year ended June 30, 2024		849,182
Revenue for year ended June 30, 2023		855,018
 Total Revenue for the 3-year period	 \$	 <u>2,573,813</u>
 Fund balance for year ended June 30, 2025	 \$	 <u>916,759</u>

- 4. Obtain an operating statement for Measure A activity for the fiscal year, including budget amounts; include the operating statement as an exhibit to the report.

- a. Review the revenues in the operating statement.

- i. Inquire of management as to what fund is used to record Measure A revenues received from RCTC and identify what the total revenues were for the fiscal year.

Finding: The City accounts for Measure A revenue in its Local Transportation Fund – Measure A (“Fund #117”). The City recorded total revenues in the amount of \$869,613 for the fiscal year ended June 30, 2025.

- ii. Obtain from RCTC a listing of Measure A payments to the jurisdiction.
  1. Compare the Measure A revenues recorded by the jurisdiction to the listing of payments made by RCTC.

Finding: We identified no variances between the Measure A revenues recorded by the City and the RCTC Measure A payment schedule, which totaled \$811,814.

- iii. Obtain from the jurisdiction an interest allocation schedule for the fiscal year.
  1. Identify the allocation amount of interest income to Measure A activity and what the amount of interest income was for the fiscal year. If no interest was allocated, inquire of management as to the reason for not allocating interest income.

Finding: The City allocated interest in the amount of \$57,799 to the Measure A activity for the fiscal year ended June 30, 2025.

- b. Review the expenditures in the operating statement.
  - i. Inquire of management as to what fund is used to record Measure A expenditures and what the total expenditures were for the fiscal year.

Finding: The City accounts for Measure A expenditures in its Local Transportation Fund – Measure A (“Fund #117”). The City recorded total expenditures in the amount of \$1,573,808 for the fiscal year ended June 30, 2025.

- ii. Select expenditures for testing that comprise at least 20% of the total expenditures.

Finding: The City recorded Measure A expenditures in the amount of \$1,573,808. We selected \$392,785 or 25% for testing.

1. For the expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation.

Finding: No exceptions were noted as a result of applying this procedure.

2. For the expenditures selected for testing, review the 5-Year CIP and note if the project is included in the 5-Year CIP and is an allowable cost.

Finding: Expenditures selected for testing were included in the 5-Year CIP and were allowable costs. No exceptions were noted as a result of applying this procedure.

- iii. Inquire of management as to the nature of any transfers in or out recorded in the Measure A fund. For any transfers out, determine if nature of transfer out was included in the 5-Year CIP.

Finding: We noted no transfers in or out recorded in the Measure A fund. No exceptions were noted as a result of applying this procedure.

- iv. Inquire of management as to the amount of general or non-project-related indirect costs, if any, included in expenditures. If indirect costs exceed 8% of Measure A revenue, inquire of management as to the basis for indirect costs charged to Measure A. If indirect costs are identified, determine if such costs are included in the 5-Year CIP.

Finding: Per discussion with the City management, there were no indirect costs recorded for the fiscal year ended June 30, 2025.

- v. Inquire of management as to the amount of debt service expenditures recorded in the Measure A fund and determine if such costs are included in the 5-Year CIP.

Finding: There were no debt service expenditures recorded in the Measure A Fund that were noted as a result of applying this procedure.

1. Compare the debt service expenditures to prior year amount. If debt service expenditures have increased or decreased at least 25%, inquire of management as to the reason for the change in debt service expenditures.

Finding: There were no debt service expenditures recorded in the Measure A Fund that were noted as a result of applying this procedure.

5. Obtain from RCTC a listing of jurisdictions that participate in the Western County or Coachella Valley TUMF programs.
  - a. If the jurisdiction is a participant in the TUMF program, select at least one disbursement for validation as to the amount remitted to WRCOG or CVAG, as applicable.

Finding: We selected one disbursement of \$27,400 for validation. The payment selected for testing indicated that the TUMF was collected and remitted to CVAG as required.

- b. Indicate the total amount of TUMF fees collected and remitted during the fiscal year.

Finding: The total amount of TUMF collected and remitted during the fiscal year ended June 30, 2025 was \$483,628.

6. Obtain from RCTC a listing of jurisdictions that participate in the Western County MSHCP program.
  - a. If the jurisdiction is a participant in the MSHCP program, select at least one disbursement for validation as to the amount remitted to RCA, as applicable.

Finding: The City is not a participant in the Western County MSHCP program.

- b. Inquire of management as to the existence of any fees collected in prior years and not remitted to RCA as of the end the fiscal year.

Finding: The City is not a participant in the Western County MSHCP program.

- c. Indicate the total amount of MSHCP fees collected and remitted during the fiscal year.

Finding: The City is not a participant in the Western County MSHCP program.

7. Obtain from RCTC the MOE base year requirement, including supporting detail of the calculations for its city, and the carryover amount allowed as of the beginning of the fiscal year.

- a. Obtain from the city a calculation of its current year MOE amount in the format similar to its base year calculation. See Exhibit B.

Finding: No exceptions were noted as a result of applying this procedure.

- b. Compare the current year MOE amounts from the General Fund to the general ledger.

Finding: No exceptions were noted as a result of applying this procedure.

- c. Review the General Fund general ledger to determine if there were any transfers in to fund any MOE amounts.

Finding: No transfers in were noted as a result of applying this procedure.

- d. Compare the amount of current year MOE expenditures to the MOE base requirement and add any excess to, or subtract any deficiency from, the carryover amount.

Finding: We noted that current year MOE expenditures of \$4,322,427 were greater than the MOE base requirement of \$92,205 resulting in an excess of \$4,230,222 for the fiscal year ended June 30, 2025.

- e. If the amount of discretionary funds spent is less than the MOE base requirement (MOE deficiency), determine the amount of any prior year MOE carryover using the information obtained from RCTC and reduce the MOE deficiency by any available MOE carryover to determine an adjusted current year expenditure amount.

Finding: No exceptions were noted as a result of applying this procedure. The City's discretionary funds spent in the fiscal year ended June 30, 2025 exceeded the MOE base year requirement.

The City's MOE carryover at June 30, 2025 is calculated as follows:

MOE excess at July 1, 2024	\$ 13,266,670
Current year MOE expenditures	4,322,427
Less: MOE base requirement	<u>(92,205)</u>
Excess MOE for fiscal year ended June 30, 2025	<u>4,230,222</u>
MOE excess at June 30, 2025	<u>\$ 17,496,892</u>

We were engaged by RCTC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively on the Measure A - Local Streets and Roads Program compliance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of RCTC and the City to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Conrad LLP*

Lake Forest, California  
November 4, 2025

**CITY OF COACHELLA, CALIFORNIA**  
 Measure A Operating Statement  
 For the Fiscal Year Ended June 30, 2025  
 (Unaudited)

	<u>Budget</u>	<u>Actual</u>	Variance From Final Budget Favorable (Unfavorable)
Revenues:			
Measure A	\$ 834,000	\$ 811,814	\$ (22,186)
Interest income	<u>8,000</u>	<u>57,799</u>	<u>49,799</u>
Total revenues	<u>842,000</u>	<u>869,613</u>	<u>27,613</u>
Expenditures:			
Capital improvements	<u>2,018,809</u>	<u>1,573,808</u>	<u>445,001</u>
Total expenditures	<u>2,018,809</u>	<u>1,573,808</u>	<u>445,001</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>\$ (1,176,809)</u>	<u>\$ (704,195)</u>	<u>\$ 472,614</u>

CITY OF COACHELLA, CALIFORNIA

Measure A MOE Calculation  
 For the Fiscal Year Ended June 30, 2025  
 (Unaudited)

FY 2024/25 Construction and Maintenance Expenditures  
 (Round to nearest dollar)

Project Expenditures Included in General Ledger	Total Cost	General Fund	Measure A	Federal	State	City Funds	Other
<b>Construction:</b>							
ST-81 Avenue 50 Interchange-Prof Serc	\$ 53,440	\$ -	\$ -	\$ 19,505	\$ -	\$ 9,099	\$ 24,836
ST-93 Ave 50 Widening Project	3,649,749	-	593,206	-	-	-	3,056,543
ST-118 Street Pavement Rehab Ph 19	1,955,175	1,185,069	770,106	-	-	-	-
ST-128 Street Pavement Rehab Ph 20	210,496	-	210,496	-	-	-	-
ST-131 Avenue 48 Widening Preconstruction	141,562	-	-	-	-	-	141,562
ST-139 Ave 52 Pavement Rehab	280,290	280,290	-	-	-	-	-
ST-140 Coachella Valley Arts and Music L	353,291	-	-	-	-	-	353,291
ST-141 Airport Blvd Bridge	50,000	50,000	-	-	-	-	-
ST-145 Dillon Road Rehab	1,446,719	1,446,719	-	-	-	-	-
<b>Maintenance:</b>							
Salaries and benefits for street maintenance personnel	970,873	547,742	-	-	-	-	423,131
Professional services	543,867	276,697	-	-	-	-	267,170
Repairs and maintenance costs	25,715	14,198	-	-	-	-	11,517
Rentals	90,087	50,177	-	-	-	-	39,910
Energy charges	330,385	305,414	-	-	-	-	24,971
Supplies	226,521	153,931	-	-	-	-	72,590
Other	14,801	12,190	-	-	-	-	2,611
<b>Engineering/Administrative Overhead Not Allocated to Specific Projects:</b>							
<b>Expenditure Totals</b>	\$ 10,342,971	\$ 4,322,427	\$ 1,573,808	\$ 19,505	\$ -	\$ 9,099	\$ 4,418,132
<b>Deductions for Special Consideration (Deductions Must Also Be Included in Project Expenditures Above):</b>							
	<b>Total Project Cost</b>	<b>General Fund</b>	<b>State Reason Why Project Expenditure Should Be Deducted from MOE</b>				
<b>Construction:</b>	\$ -	\$ -					
<b>Maintenance:</b>							
<b>Engineering/Administrative Overhead Not Allocated to Specific Projects:</b>							
<b>Deduct Totals</b>	\$ -	\$ -					

<b>Total GF Expenditures</b>	\$ 4,322,427
<b>Minus Deductions</b>	-
<b>MOE Current Year</b>	\$ 4,322,427

Base Year Requirement (92,205)  
 MOE excess for fiscal year ended June 30, 2025 \$ 4,230,222