

City of Stockton

Stockton, California

Independent Accountants' Report on Applying Agreed-Upon Procedures on Measures A and B Transaction and Use Tax

For the Year Ended June 30, 2021



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES
ON MEASURE A AND B TRANSACTION AND USE TAX**

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

We have performed the procedures enumerated below on the Measure A and B Schedule of Sources and Uses of the City of Stockton (the "City") for the year ended June 30, 2021. City's management is responsible for the Measure A and B Schedule of Sources and Uses.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether Transaction and Use Tax of the City were collected in accordance with Measure A and expenditures were spent in accordance with provisions of Measure B for the year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all 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 associated findings are as follows:

1. We obtained understanding of the compliance requirements of Measure A, B, and the Marshall Plan on Crime.

Findings: No exceptions were noted.

2. We obtained the Measure A and B Schedule of Sources and Uses included in the Comprehensive Annual Financial Report of the City for the fiscal year ended June 30, 2021.

Findings: No exceptions were noted.

3. We obtained reports from the California Department of Tax and Fee Administration (CDTFA) and trace the quarterly cash receipts for the fiscal year ended June 30, 2021.

Findings: No exceptions were noted.

4. We selected 40 expenditure transactions spent in Marshall Plan on Crime and determine whether they were spent in accordance with approved Marshall Plan uses

Findings: No exceptions were noted.

5. We obtained from City Finance department staff the "Project Activity listing" by project for the fiscal year ended June 30, 2021 and compare allocation of Measure A funding to the expenditure to date for Mission Critical Spending.

Findings: No exceptions were noted.

To the Honorable Mayor and Members of City Council
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We were engaged by the City 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 and B Schedule of Sources and Uses. 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 the City and to meet our 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 City Council and City management and Assured Guaranty Municipal Corp. and is not intended to be and should not be used by anyone other than these specified parties.

The PwC Group, LLP

Santa Ana, California
March 4, 2022

City of Stockton
Measure A and B Schedule of Sources and Uses
For the Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Year End Actual</u>	<u>Variance</u>
Revenues			
Measure A Transaction and Use Tax	\$ 28,472,000	\$ 40,810,516	\$ 12,338,516
Total Revenues	<u>28,472,000</u>	<u>40,810,516</u>	<u>12,338,516</u>
Uses/Expenditures			
Police			
Salary & Benefits			
Sworn	21,413,141	19,316,382	2,096,759
Non-Sworn	3,800,419	3,164,294	636,125
Vacancy Savings	(993,017)	-	(993,017)
Other Services	2,920,889	2,675,205	245,684
Materials & Supplies			
Fuel	348,096	285,767	62,329
Other Supplies	431,091	189,377	241,714
Other Expenses			
Training	620,018	617,265	2,753
	<u>28,540,637</u>	<u>26,248,290</u>	<u>2,292,347</u>
Office of Violence Prevention			
Salary & Benefits			
Non-Sworn	863,143	766,268	96,876
Other Services	312,856	174,886	137,971
Fuel	6,231	6,243	(12)
Other Supplies	35,000	5,369	29,631
Office Equipment	3,979	665	3,314
Other Expenses	19,850	1,086	18,764
	<u>1,241,059</u>	<u>954,516</u>	<u>286,543</u>
Basic Adjustment			
Encumbrances (included in Final Budget)	-	171,220	(171,220)
Total Measure B Expenditures	<u>29,781,696</u>	<u>27,374,026</u>	<u>2,407,670</u>
Crime Prevention (Measure B) expenditures as a % of annual Measure A revenues	105%	67%	
Other City Services			
Prior Year - Mission Critical Projects	-	-	-
General Fund Available Fund Balance	(1,309,696)	13,436,490	(14,746,186)
Basic Adjustment			
Encumbrances (included in Final Budget)	-	-	-
Total Measure B Expenditures	<u>(1,309,696)</u>	<u>13,436,490</u>	<u>(14,746,186)</u>
Total Uses/Expenditures	<u>\$ 28,472,000</u>	<u>\$ 40,810,516</u>	<u>\$ (12,338,516)</u>