

# **City of Stockton**

Stockton, California

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

*For the Year Ended June 30, 2020*





**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES  
ON MEASURE A 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, which were agreed to by the City of Stockton, California (the "City") on assisting you in evaluating whether Transaction and Use Tax of the City were collected in accordance with the Measure A and expenditures were spent in accordance with the provisions of Measure B for the year ended June 30, 2020. The City management is responsible for the Measure A and B Schedule of Sources and Uses. The sufficiency of the procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the agreed upon procedures report has been requested or for any other purpose.

The procedures performed are described below:

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, 2020.

**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, 2020.

**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, 2020 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  
of the City of Stockton  
Stockton, California  
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This agreed-upon procedures engagement was conducted 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, the object of which would be the expression of an opinion or conclusion, respectively, on the Measure A and B compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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*

Walnut Creek, California  
December 8, 2020

**City of Stockton**  
**Measure A and B Schedule of Sources and Uses**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Year End Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Measure A Transaction and Use Tax	\$ 32,508,651	\$ 34,329,713	\$ 1,821,062
<b>Total Revenues</b>	<u>32,508,651</u>	<u>34,329,713</u>	<u>1,821,062</u>
<b>Uses/Expenditures</b>			
<b>Police</b>			
Salary & Benefits			
Sworn	20,525,184	18,424,245	2,100,939
Non-Sworn	3,671,391	3,052,913	618,478
Vacancy Savings	(904,411)	-	(904,411)
Other Services	2,345,422	2,239,423	105,999
Materials & Supplies			
Fuel	348,377	269,189	79,188
Other Supplies	375,246	285,686	89,560
Other Expenses			
Training	658,347	654,522	3,825
	<u>27,019,556</u>	<u>24,925,978</u>	<u>2,093,578</u>
<b>Office of Violence Prevention</b>			
Salary & Benefits			
Non-Sworn	657,203	680,195	(22,992)
Other Services	378,790	299,386	79,404
Fuel	5,752	3,190	2,562
Other Supplies	10,620	15,781	(5,161)
Office Equipment	3,979	1,379	2,600
Other Expenses	11,572	11,572	-
	<u>1,067,916</u>	<u>1,011,503</u>	<u>56,413</u>
<b>Basic Adjustment</b>			
Encumbrances (included in Final Budget)	-	136,347	(136,347)
<b>Total Measure B Expenditures</b>	<u>28,087,472</u>	<u>26,073,828</u>	<u>2,013,644</u>
Crime Prevention (Measure B) expenditures as a % of annual Measure A revenues	86%	76%	
<b>Other City Services</b>			
Prior Year - Mission Critical Projects	-	-	-
General Fund Available Fund Balance	4,421,179	8,255,886	(3,834,707)
<b>Basic Adjustment</b>			
Encumbrances (included in Final Budget)	-	-	-
<b>Total Measure B Expenditures</b>	<u>4,421,179</u>	<u>8,255,886</u>	<u>(3,834,707)</u>
<b>Total Uses/Expenditures</b>	<u>\$ 32,508,651</u>	<u>\$ 34,329,714</u>	<u>\$ (1,821,063)</u>