

City of Stockton

Stockton, California

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

For the Year Ended June 30, 2023





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, California (the "City") for the year ended June 30, 2023. The City's management is responsible for the Measure A and B Schedule of Sources and Uses (the "Schedule").

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, 2023. 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 described 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 Annual Comprehensive Financial Report of the City for the fiscal year ended June 30, 2023.

Findings: No exceptions were noted.

3. We obtained reports from the California Department of Tax and Fee Administration (CDTFA) and traced the quarterly cash receipts for the fiscal year ended June 30, 2023.

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.

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 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 13, 2024

City of Stockton
Measure A and B Schedule of Sources and Uses
For the Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Year End Actual</u>	<u>Variance</u>
Revenues			
Measure A Transaction and Use Tax	\$ 42,080,000	\$ 49,703,488	\$ 7,623,488
Total Revenues	<u>42,080,000</u>	<u>49,703,488</u>	<u>7,623,488</u>
Uses/Expenditures			
Police			
Salary & Benefits			
Sworn	24,965,558	22,471,737	2,493,821
Non-Sworn	3,892,835	3,312,145	580,690
Vacancy Savings	(1,696,203)	-	(1,696,203)
Other Services	3,496,480	3,379,931	116,549
Materials & Supplies			-
Fuel	346,141	414,694	(68,553)
Other Supplies	1,132,271	510,188	622,083
Other Expenses			
Training	595,000	584,222	10,778
Capital outlay	277,254	77,254	200,000
	<u>33,009,336</u>	<u>30,750,171</u>	<u>2,259,165</u>
Office of Violence Prevention			
Salary & Benefits			
Non-Sworn	926,130	774,769	151,361
Other Services	317,033	285,544	31,489
Fuel	7,750	8,078	(328)
Other Supplies	36,553	27,036	9,517
Office Equipment	3,979	-	3,979
Other Expenses	20,000	9,638	10,362
	<u>1,311,445</u>	<u>1,105,065</u>	<u>206,380</u>
Basic Adjustment			
Encumbrances (included in Final Budget)	-	199,163	(199,163)
Total Measure B Expenditures	<u>34,320,781</u>	<u>32,054,399</u>	<u>2,266,382</u>
Crime Prevention (Measure B) expenditures as a % of annual Measure A revenues	82%	64%	
Other City Services			
General Fund Available Fund Balance	7,759,219	17,649,089	(9,889,870)
Total Uses/Expenditures	<u>\$ 42,080,000</u>	<u>\$ 49,703,488</u>	<u>\$ (7,623,488)</u>