

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, 2022





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, 2022. 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, 2022. 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, 2022.
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, 2022.
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 the City Finance department staff, the "Project Activity listing" by project for the fiscal year ended June 30, 2022 and compared the 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 is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
January 30, 2023

City of Stockton
Measure A and B Schedule of Sources and Uses
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Year End Actual</u>	<u>Variance</u>
Revenues			
Measure A Transaction and Use Tax	\$ 36,132,000	\$ 45,412,129	\$ 9,280,129
Total Revenues	<u>36,132,000</u>	<u>45,412,129</u>	<u>9,280,129</u>
Uses/Expenditures			
Police			
Salary & Benefits			
Sworn	22,715,023	18,420,634	4,294,389
Non-Sworn	4,144,699	3,055,935	1,088,764
Vacancy Savings	(936,054)	-	(936,054)
Other Services	3,035,090	2,838,027	197,063
Materials & Supplies			-
Fuel	281,265	359,709	(78,444)
Other Supplies	454,007	204,581	249,426
Other Expenses	-	9,515	(9,515)
Training	595,000	520,287	74,713
Capital outlay	77,254	-	77,254
	<u>30,366,284</u>	<u>25,408,688</u>	<u>4,957,596</u>
Office of Violence Prevention			
Salary & Benefits			
Non-Sworn	899,409	618,937	280,472
Other Services	400,706	191,624	209,082
Fuel	3,182	3,933	(751)
Other Supplies	59,999	35,067	24,932
Office Equipment	3,979	914	3,065
Other Expenses	20,000	637	19,363
	<u>1,387,275</u>	<u>851,112</u>	<u>536,163</u>
Basic Adjustment			
Encumbrances (included in Final Budget)	-	344,973	(344,973)
Total Measure B Expenditures	<u>31,753,559</u>	<u>26,604,773</u>	<u>5,148,786</u>
Crime Prevention (Measure B) expenditures as a % of annual Measure A revenues	88%	59%	
Other City Services			
General Fund Available Fund Balance	<u>4,378,441</u>	<u>18,807,356</u>	<u>(14,428,915)</u>
Total Uses/Expenditures	<u>\$ 36,132,000</u>	<u>\$ 45,412,129</u>	<u>\$ (9,280,129)</u>