

# **City of Hercules**

Hercules, California

## **Independent Accountant's Report on Applying Agreed-Upon Procedures on Measure B Transactions and Use Tax Revenues**

*For the Year Ended June 30, 2025*



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the City of Hercules, California (the "City") in evaluating whether the Measure B – Transactions and Use Tax Revenues is in accordance with the provisions of this measure for the year ended June 30, 2025. The City's management is responsible for receipt of Measure B - Transactions and Use Tax Revenues and deposit of such proceeds into the City's General Fund, and the City is responsible for compliance with the Measure B – Transactions and Use Tax.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether the Measure B – Transactions and Use Tax revenues is in accordance with the provisions of this measure. The City's management has agreed to and acknowledged that the procedures performed are appropriate for its purposes. 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 ends 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 confirmed Measure B payments with the California State Board of Equalization ("BOE") through online confirmation and calculated variances to the receipts summarized per the general ledger of the City for the year ended June 30, 2025.
2. We traced from the BOE on-line confirmation to the City's general ledger with no variance noted as detailed below:

Date Posted to G/L	Receipts per G/L	Payments per BOE	Variance
07/03/2024 *	\$ 187,424	\$ 187,424	\$ -
08/01/2024 *	147,868	147,868	-
08/27/2024 *	121,228	121,228	-
10/3/2024	208,870	208,870	-
10/31/2024	117,907	117,907	-
12/5/2024	140,164	140,164	-
1/2/2025	208,681	208,681	-
1/30/2025	123,253	123,253	-
03/06/2025	174,719	174,719	-
03/27/2025	183,321	183,321	-
5/1/2025	116,762	116,762	-
06/05/2025	130,474	130,474	-
6/26/2025	195,404	195,404	-
6/30/2025**	274,657	274,657	-
	<u>\$ 2,330,732</u>	<u>\$ 2,330,732</u>	<u>\$ -</u>

\* The City accrued \$456,520 for the fiscal year ended June 30, 2024. These payments apply to part of that accrual.

\*\* California Department of Tax and Fee Administration (CDTFA) confirmed \$151,293 and \$123,364 were paid towards accruals subsequent to the year end.

**Findings:** No findings were noted as a result of the above procedures.

3. We traced the proceeds of the tax levied and confirmed at procedure 1 to the City's General Fund for use by the City, in accordance with Ordinance 470 Sec 8-9.12 Use of Tax Proceeds and Ordinance 481 Sec 8-9.12 Use of Tax Proceeds (amends ordinance 470).

**Findings:** No findings were noted as a result of the above procedures.

4. We noted the proceeds of taxes levied and confirmed under Measure B were paid/deposited into the City's General Fund for use by the City.

**Findings:** No findings were noted as a result of the above procedures.

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 revenue received by the City from Measure B – Transactions and Use Tax. 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 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 City Council and the management of the City and is not intended to be and should not be used by anyone other than these specified parties.

*The Per Group, LLP*

Santa Ana, California  
December 18, 2025