

City of Hercules

Hercules, California

Independent Accountants' Report on Applying Agreed-Upon Procedures on Measures B Transactions and Use Tax Revenues

For the Year Ended June 30, 2020



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the City of Hercules, California (the "City") on the City's Measure B revenues received for the fiscal year ending June 30, 2020. The City of Hercules' management is responsible for receipt of Measure B - Transactions and Use Tax revenues and deposit of such proceeds into the City's General Fund. The sufficiency of these procedures is solely the responsibility of the City 's management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. We confirmed Measure B payments with the California State Board of Equalization and calculated variances to the receipts summarized per the general ledger of the City for the year ended June 30, 2020.

Findings:

Date Posted to G/L	Receipts per G/L	Payments per BOE	Variance
07/30/19*	\$ 100,603	\$ 100,603	-
09/03/19*	36,782	36,782	-
10/01/19	166,028	166,028	-
01/29/19	100,049	100,049	-
12/04/19	81,492	81,492	-
01/07/20	148,812	148,812	-
02/05/20	95,820	95,820	-
03/03/20	98,998	98,998	-
03/31/20	133,930	133,930	-
06/02/20	30,782	30,782	-
06/30/20	220,831	220,831	-
06/30/20**	259,786	259,786	-
	<u>\$ 1,473,913</u>	<u>\$ 1,473,913</u>	

*The City accrued \$137,385 for the fiscal year ended June 30, 2019. These payments apply to that accrual.

**California Department of Tax and Fee Administration (CDTFA) confirmed that \$96,448 was paid towards accrual in July and \$163,339 in August, subsequent to the yearend.

2. 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: Proceeds of taxes levied and confirmed under Measure B were paid into the City's General Fund for use by the City with no exceptions.

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 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 revenues. 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.

This report is intended solely for the information and use of the City of Hercules and the management of the City of Hercules 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
December 31, 2020