



**INDEPENDENT ACCOUNTANT’S REPORT  
 ON APPLYING AGREED-UPON PROCEDURES**

To The Honorable Mayor and Members of the City Council  
 City of Pinole  
 Pinole, California

We have performed the procedures listed below, which were agreed to by the City of Pinole, solely to assist you with respect to Measure S tax revenue of the City of Pinole as of and for the year ended June 30, 2017. The City of Pinole’s management is responsible for the Measure S tax revenue. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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.

**Financial Summary**

1. The City’s Local Transactions Tax (Measure “S”) was authorized at an election of the registered voters of the City held on November 4, 2014. The City’s ordinance sets the tax rate at 0.50 percent (0.0050) and became operative on April 1, 2015.
2. Total revenues from July 1, 2016, through June 30, 2017, were \$1,896,600.
3. A summary of expenditures for the year ended June 30, 2017 is as follows:

Expenditures		
Salary	\$	37,986
Benefits		10,686
Improvements		9,111
Insurance		6,098
Professional services		51,286
Equipment Replacement		136,679
Special		142,681
Office Expense		114
Other Uses		<u>841,364</u>
Total expenditures	\$	<u>1,236,005</u>

**Agreed – Upon Procedures Performed**

1. Verify that the Measure S transactions were accounted for separately in the accounting records to allow for accountability.
2. Verify that the Measure S revenue was deposited in total into the City’s accounts by obtaining remittance Advices from the State of California and amounts deposited into the Measure S Fund.
3. Review salary reports and expenditure details to verify that the funds expensed complied with the purpose that was specified to the registered voters of the City through election materials and City resolutions that were distributed to the voters.
4. Compare actual revenues and expenses to budgeted amounts to determine that variances were appropriate.

**Results of Procedures**

1. The Measure S transactions were accounted for separately in the Measure S Fund of the City.
2. The Measure S revenue was deposited into the appropriate accounts within the Measure S Fund.
3. Our review of the expenditures for the period of July 1, 2016 through June 30, 2017, did not reveal any items that were paid from the Measure S funds that did not comply with the purpose of Measure S that were approved by the registered voters of the City on November 4, 2014.
4. Actual revenue and expense variances compared to budgeted amounts were appropriate.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. 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 specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads "Maria Ines Nelson CPA". The signature is written in a cursive style with a large initial "M".

Sacramento, California  
March 12, 2018