

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
MEASURE K
COLLECTION, MANAGEMENT AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2016**



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FOR THE YEAR ENDED JUNE 30, 2016**

Honorable Mayor and Members
of the City Council
City of San Pablo, California

We have performed the procedures described below, which were agreed to by the City of San Pablo solely to assist you with respect to the collection, management and expenditure of Measure K revenues for the year ended June 30, 2016. This engagement is solely to assist the City in complying with the requirements of Section 3.26.140 of Ordinance 2014-007. Management is responsible for the collection, management and expenditure of Measure K revenues. 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 the City. 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 findings are as follows:

1. We obtained Ordinance 2014-007 imposing the Measure K transaction and use tax and noted that "...all revenue from the tax shall be restricted revenue used solely to fund emergency medical services (EMS) for the City of San Pablo."
2. We obtained a confirmation of Measure K transaction and use tax remittances of \$740,566 for the fiscal year from the State Controller's Office and reconciled it to revenues recorded in the general ledger Measure K account (201-0000-31301) of \$754,366. The difference of \$13,800 was due to the difference between \$103,100, accrual of the June 2015 remittance which was accrued in the general ledger in FY14/15 but was included in the 2016 State Controller's Office confirmation, and \$116,900, accrual of June 2016 remittance which as accrued in the general ledger in FY15/16, but not included on the State Controller's Office confirmation due to timing.
3. Ordinance 2014-007 indicates the same citizens' oversight committee established in February 2013 for the oversight of Measure Q could be used for the oversight of Measure K. Therefore, we obtained and read Resolution No. 2013-025 that established the Measure Q citizens' oversight committee in February 2013. The Committee met once during the fiscal year (June 8, 2016) for a presentation by staff to review fiscal year 2015 revenues and expenditures of Measure K funds, activities and effectiveness of Measure Q programs, and to receive the fiscal year 2015 Measure K Annual Report.
4. We inquired of City management whether there were any City Council directives adopted during the fiscal year affecting Measure K revenues and were informed there were none.
5. We obtained the general ledger detail of expenditures of Measure K revenues for the year ended June 30, 2016.

6. Below is a summary of the expenditures of the Measure K funds obtained in procedure #5 by type and purpose:

a. Contra Costa County Fire Protection District contract for Supplemental EMS Squad at Station 70	<u>\$1,200,000</u>
Total Measure K Expenditures	<u>\$1,200,000</u>

7. We obtained and reviewed the supporting documentation for the Measure K expenditures listed in #6 above, which consisted of the following:

- a. Contra Costa County Fire Protection District contract for supplemental EMS squad at Station 70:
 - i. Check #'s 114965, 115759, 116680 and 117631, dated October 22, 2015, January 14, 2016, April 14, 2016 and July 14, 2016, each in the amount of \$300,000, are payments for Fire Station 70 enhanced EMS services for the months of July 2015 through June 2016.

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 internal controls. 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 City and the oversight committee and is not intended to be and should not be used by anyone other than those specified parties.

Maze & Associates

Pleasant Hill, California
December 19, 2016