

ROSEVILLE OFFICE

2901 Douglas Boulevard, Suite 290
Roseville, CA 95661
TEL 916 774-4208
FAX 916 774-4230



ATTACHMENT F

SACRAMENTO OFFICE

2515 Venture Oaks Way, Suite 135
Sacramento, CA 95833
TEL 916 929-0540
FAX 916 929-0541

**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 June 30, 2007. 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 7, 2006. The City's ordinance sets the tax rate at 0.50 percent (0.0050) and became operative on April 1, 2007.
2. Total revenues received from April 1, 2007, through June 30, 2007, were \$146,201
3. An analysis of expenditures is as follows:

Expenditures

| | |
|-------------------------------------|------------------|
| Salary and Benefits | \$ 51,055 |
| Board of Equalization Set-Up Charge | 24,657 |
| Safety Clothing | 1,385 |
| | <u>\$ 77,097</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.

PRINCIPALS

Chris A. Mann, CPA, CFP ♦ John R. Urrutia, CPA ♦ Michelle O. Nelson, CPA, CFE, CVA ♦ Christine L. Collins, EA ♦ Kriss Ann Mann, CPA, CCPS

Results of Procedures

1. The Measure S transactions were accounted for separately in the Measure S Fund of the City except for the overtime salary expense of firefighters. Personnel expenses related to the overtime salary expense of firefighters are required to be allocated to the Measure S Fund. We recommend that a manual journal entry be made quarterly as part of the quarterly payroll reconciliation to record the firefighter's overtime expense to the measure S Fund.
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 April 1, 2007 through June 30, 2007, 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 7, 2006.

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.

Man, Urrutia, Nelson CPAs

Sacramento, California
October 26, 2007