

# **City of Hemet**

Hemet, California

***Agreed-Upon Procedures Applied to  
City of Hemet***

***Measure U Revenues and Expenditures Analysis  
For the Period Ended June 30, 2019***



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

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To the City of Hemet  
Hemet, California

We have performed the procedures enumerated in the following pages, which were agreed to by management of the City of Hemet (the City), for the Measure U Citizens Oversight Committee of the City, to assist the City in evaluating components of Measure U Revenues and Expenditures for the year ended June 30, 2019. City management is responsible for accounting records pertaining to Measure U Revenues, Expenditures and related reporting. The sufficiency of these procedures is solely the responsibility of City management. Consequently, we make no representations regarding the sufficiency of the procedures enumerated either for the purpose for which the report has been requested or any other purpose.

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 opinions or conclusion on the Measure U Revenues and Expenses of the City for the year ended June 30, 2019. Accordingly, we do not express such opinions 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 use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*Rogers, Anderson, Malody & Scott, LLP.*

October 20, 2020



## **Procedures Performed and Findings**

### **Measure U Revenues**

Agreed Upon Procedure: Obtain and evaluate the summary revenue detail reports from the City's general ledger for the Measure U Public Safety Tax for the year ended June 30, 2019. Evaluate the supporting cash receipts to ensure the City properly recorded the receipts of the voter approved transaction and use tax. We will confirm ending revenue balances for Measure U with the State.

Procedures Performed: We obtained cash disbursement reports from the California Department of Tax and Fee Administration and reconciled the disbursement report totals to the amount recorded on the City's general ledger for the year.

#### 2018-2019 Transaction (Sales) and Use Tax

Cash Receipts	\$11,450,909
Accrual Change	285,943
Total Revenue	<u>\$11,736,852</u>

#### *Findings:*

No exceptions were noted. The revenue amounts collected under Measure U were properly accounted for in the City's general ledger.

### **Measure U Expenditures**

Agreed Upon Procedure: Evaluate the summary expenditure detail reports from the City's general ledger for the Measure U Public Safety Tax for the fiscal year listed above.

Procedures Performed: We requested expenditure reports for Measure U. We reviewed the expenditure categories with the Measure for allowability of the expenditures. For those expenditure categories that were not related to payroll expenditures or maintenance and operations expenditures, which are reviewed in further detail in other steps, we obtained supporting documents for expenditures and verified they were in line with the Measure.

#### *Findings:*

No exceptions were noted, expenditures appear to be in line with the Measure.

### Measure U Payroll Transactions

Agreed Upon Procedures: Obtain and evaluate select payroll transactions to determine whether the allocation of salaries and benefits to the Measure U Public Safety Tax were reasonable and inspect selected transactions charged against Measure U revenues to determine if the salaries and benefits allocated were reasonable based upon the nature of the employee position and agree to underlying payroll records. We will obtain Personnel Action Forms for positions that are being funded by Measure U.

Procedures Performed: We obtained Labor Distribution Reports from the City general ledger system for the year ended June 30, 2019. This report showed the expenditures that were allocated to Measure U. We determined the most significant categories of expenditures based on dollar totals as salaries, health insurance and PERS retirement.

We obtained the Measure U employee listing for the year ended June 30, 2019, compared it to the details in each selected account as shown on the Labor Distribution reports, and compared them to the allocations specified in the Personnel Actions Forms.

We selected fourteen employees for fiscal year 2018-2019 from the Measure U employee listing. We then compared and agreed the payroll register amounts and allocations in the Personnel Action Forms to the details payments shown on the Labor Distribution reports. This was done for four pay periods for the fiscal year.

#### *Findings:*

No exceptions were noted. The amounts included in the City's general ledger reports were consistent with the amounts listed in the payroll records examined.

### Measure U Maintenance and Operations Expenditures

Agreed Upon Procedure: Obtain and evaluate select maintenance and operations expenditures for reasonableness and inspect select transactions charged against Measure U revenues were in accordance with the Ordinance and Resolutions, as listed in Other Procedures below.

Procedures Performed: We requested expenditure reports for Measure U and identified the maintenance and operations accounts for fiscal years 2018-2019. We then obtained supporting documentation for a majority of the expenditures, obtaining no less than 80% coverage for each account selected, and verified the expenditures charged were in line with the Ordinance and Resolutions.

#### *Findings:*

No exceptions were noted. Expenditures appear to be in line with the Ordinance and Resolutions.

### Other Procedures

We analyzed the following documents in order to gain an understanding of the requirements stated in Measure U:

- Ordinance No. 1918
- Resolution 4731
- Resolution 4703

We have confirmed ending balances for Measure U as of June 30, 2019.