



Independent Accountant's Report on Applying Agreed-Upon Procedures

City of Modesto
Modesto, California

We have performed the procedures enumerated below, which were agreed to by the City of Modesto (City) and the Stanislaus Regional Water Authority (Authority) (the specified parties), solely to assist the Authority with transitioning the Authority's financial records as of November 30, 2015 from the City (past Treasurer) to the new Treasurer of the Authority. The City's management is responsible for the Authority's financial records. 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 parties specified in this 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.

The procedures performed and our findings were as follows:

1. Verify the accuracy of the amounts reported in the Summary of Revenues and Expenditure report for the period of July 1, 2015 through November 30, 2015 by agreeing the amounts to the underlying support from the general ledger.

Finding: No exceptions were noted as a result of our procedure.

2. Verify the accuracy of expenses reported by selecting a random sample of 10% of transactions to determine that items are properly recorded as to account, amount and period.

Finding: No exceptions were noted as a result of our procedure.

3. Determine mathematical accuracy by reviewing the calculation for final billing reimbursements due from each Participant agency.

Finding: No exceptions were noted as a result of our procedure.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the financial records. 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 City and Authority and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Sacramento, California
March 21, 2016