

CITY OF SANTA CLARITA, CALIFORNIA

Independent Accountants' Report on Applying
Agreed-Upon Procedures Related to the
Article XIII-B Appropriations Limit Calculation

For the Fiscal Year Ended June 30, 2016



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES
RELATED TO THE ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION**

To the Honorable Mayor and Members of the City Council
of the City of Santa Clarita
Santa Clarita, California

We have performed the procedures enumerated below to the Appropriations Limit Calculation of the City of Santa Clarita, California (City) for the fiscal year ended June 30, 2016. These procedures, which were agreed to by the City, were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City's management is responsible for the Appropriations Limit calculation. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The sufficiency of the procedures is solely the responsibility of those 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. We obtained completed worksheets setting forth the calculations necessary to establish the City's appropriation limit and compared the 2015-2016 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council. Refer to attachment A for completed worksheets.

Findings: No exceptions were noted as a result of our procedures.

2. We added last year's limit to the total adjustments and compared the resulting amount to this year's limit.

Findings: No exceptions were noted as a result of our procedures.

3. We compared the current year information to the worksheets described in No. 1 above.

Findings: No exceptions were noted as result of our procedures.

4. We compared the prior year appropriations limit to the prior year appropriations limit adopted by the City for the prior year.

Findings: No exceptions were noted as result of our procedures.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the Appropriations Limit worksheets. 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. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the use of the City Council and management of the City of Santa Clarita and is not intended to be and should not be used by anyone other than these specified parties.

Vavreck, Trine, Day & Co LLP

Rancho Cucamonga, California
December 21, 2016

CITY OF SANTA CLARITA, CALIFORNIA

ATTACHMENT A – GANN CALCULATIONS
 JUNE 30, 2016

	Amount	Source
A. Appropriations Limit FY 2014-2015	\$ 318,178,790	Prior year appropriations limit adopted by the City
B. Calculation Factors:		
1 Population Increase %	1.01910	State Department of Finance
2 Inflation Increase %	1.03820	State Department of Finance
3 Total Adjustment %	<u>1.05803</u>	(B.1 x B.2)
C. Annual Adjustment Increase	<u>18,463,794</u>	[(B.3-1)x(A)]
D. Other Adjustments:		
1 Loss Responsibility (-)	-	
2 Transfer to Private (-)	-	
3 Transfer for Fees (-)	-	
4 Assumed Responsibility (+)	<u>-</u>	
E. Total Adjustments	18,463,794	(C+D)
F. Appropriations Limit FY 2015-2016	<u>\$ 336,642,584</u>	(A+E)