

CITY OF MODESTO

Agreed-Upon Procedures Report For
Appropriations Limit

For the Year Ended June 30, 2015



Certified
Public
Accountants



Independent Accountant's Report on Applying Agreed-Upon Procedures

Modesto City Council
Modesto, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Modesto, California (the City) for the year ended June 30, 2015. These procedures, which were agreed to by City management and the League of California Cities (as presented in the publication entitled *Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*) 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 Worksheet. 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. We obtained the completed worksheets setting forth the calculations necessary to establish the City's appropriations limit and compared the 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.

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

2. For the accompanying Appropriations Limit Worksheet, we added the 2013-2014 appropriations limit to the annual adjustment amount and compared the resulting amount to the 2014-2015 appropriations limit.

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

3. We compared the current year information presented in the accompanying Appropriations Limit Worksheet to the other worksheets described in procedure No. 1 above.

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

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the City Council.

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

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet. 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 Section 1.5 of Article XIII-B of the California Constitution.

This report is intended solely for the information and use of City Council and the City's management 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
December 29, 2015

**CITY OF MODESTO
APPROPRIATIONS LIMIT WORKSHEET
FOR THE YEAR ENDED JUNE 30, 2015**

Appropriations limit, fiscal year 2013-2014, as adopted	<u>\$ 366,611,907</u>
Adjustment factors:	
Population factor, as adopted	0.9977
Inflation factor, as adopted	x <u>1.0059</u>
Total adjustment factor (rounded)	<u>1.0036</u>
Annual adjustment in dollars	<u>1,319,803</u>
Appropriations limit, fiscal year 2014-2015, as adopted	<u><u>\$ 367,931,710</u></u>