

# **City of Calexico**

Calexico, California

## **Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Schedule**

*For the Year Ending June 30, 2023*



## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Members of City Council  
of the City of Calexico  
Calexico, California

We have performed the procedures enumerated below on the accompanying Appropriations Limit Schedule of the City of Calexico, California (the "City") for the year ending June 30, 2023. The City is responsible for the Appropriations Limit Schedule.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. 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*) has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ending June 30, 2023, and determined that the limit and annual calculation factors were adopted by resolution of City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.

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

2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and agreed the resulting amount to the current year's limit.

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

3. We agreed the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.

*Finding:* We noted the population factor used by the City was calculated incorrectly resulted in a lower appropriation limit in the amount of \$37,085,235, instead of \$37,723,6072. The correct inflation factor is 1.0755 instead of 1.0573.

4. We agreed the appropriations limit presented in the accompanying Appropriations Limit Schedule to the appropriations limit adopted by the City Council.

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

To the Honorable Mayor and Members of City Council  
of the City of Calexico  
Calexico, California  
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We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respective on the accompanying Appropriation Limit Schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*The PwC Group, LLP*

San Diego, California  
April 19, 2023

**City of Calexico**  
**Appropriations Limit Schedule**  
**For the Year Ending June 30, 2023**

	<u>Amount</u>	<u>Source</u>
A. Appropriations Limit FY 2021-2022	\$ 35,251,672	Prior year
B. Calculation Factors:		
1) Population increase %	0.9950	State Department of Finance
2) Inflation increase %	<u>1.0573</u>	State Department of Finance
3) Total adjustment %	1.0520	(B1*B2)
C. Annual Adjustment Increase	1,833,563	[A*(B3-1)]
D. Other Adjustments:		
1) Loss responsibility (-)	-	N/A
2) Transfer to private (-)	-	N/A
3) Transfer to fees (-)	-	N/A
4) Assumed responsibility (+)	-	N/A
E. Total Adjustments	<u>1,833,563</u>	(C+D)
F. Appropriations Limit FY 2022-2023	<u><u>\$ 37,085,235</u></u>	(A+E)

See accompanying Notes to Appropriations Limit Schedule.

**City of Calexico**  
**Notes to Appropriations Limit Schedule**  
**For the Year Ending June 30, 2023**

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**Note 1 – Purpose of Limited Procedures Review**

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

**Note 2 – Method of Calculation**

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

**Note 3 – Population Factors**

A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for the year 2022-2023 represents the annual percentage change in population for the City.

**Note 4 – Inflation Factors**

A California governmental agency may use as its inflation factor either the annual percentage change in the 4<sup>th</sup> quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for the year 2022-2023 represents the percentage change in California per capita personal income.

**Note 5 – Other Adjustments**

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year 2022-2023.