

CITY OF YORBA LINDA, CALIFORNIA

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

For the Year Ended June 30, 2021



Certified
Public
Accountants

CITY OF YORBA LINDA, CALIFORNIA
Independent Accountant’s Report on Applying Agreed-Upon Procedures
Related to the Article XIII-B Appropriations Limit

Table of Contents

| | <i>Page</i> |
|---|-------------|
| Independent Accountant’s Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit..... | 1 |
| Appropriations Limit Calculation | 3 |



**Independent Accountant's Report on
Applying Agreed-Upon Procedures Related
to the Article XIII-B Appropriations Limit**

To the Honorable Mayor and Members of the City Council
City of Yorba Linda, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Yorba Linda, California (City) for the year ended June 30, 2021. The City's management is responsible for the appropriations limit calculation for the year ended June 30, 2021.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City in evaluating the appropriations limit calculation in accordance with the requirements of Section 1.5 of Article XIII-B of the California Constitution. The procedures are recommended by the California Committee on Municipal Accounting (CCMA), as presented in the CCMA publication titled *Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*. 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.

Our procedures performed and our findings were as follows:

- 1) We obtained the completed worksheet from management supporting the computation that establishes the City's appropriations limit for the year ended June 30, 2021, and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by a resolution of the City Council. We also compared the population and inflation factors included in the aforementioned calculation to those that were selected by a recorded vote of the City Council.

Findings: No exceptions were found as a result of performing these procedures.

- 2) For the accompanying Appropriations Limit Worksheet, we added last year's appropriation limit to the annual adjustment amount and compared the resulting amount to this year's limit.

Findings: No exceptions were found as a result of performing these procedures.

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

Findings: We noted that the City inadvertently selected the wrong population factor for its Appropriations Limit calculation. The City selected the unincorporated area of Orange County population factor of 0.26 instead of the City's population factor of 0.28. This resulted in the City understating its Appropriations Limit by \$14,088 for fiscal year 2020/2021.

- 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.

Findings: No exceptions were found as a result of performing these procedures.

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, the objective of which would be the expression of an opinion or conclusion, respectively, on the appropriations limit calculation for the year ended June 30, 2021. Accordingly, we do not express such an opinion or conclusion. 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 appropriations limit for the base year, as defined by Article XIII-B of the California Constitution.

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 Mayor, 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.

Macias Gini & O'Connell LLP

Irvine, California
January 31, 2022

CITY OF YORBA LINDA, CALIFORNIA
Appropriations Limit Calculation
Year Ended June 30, 2021

| | <u>Amount</u> |
|--|-----------------------------|
| A. Last year's limit | \$ 67,910,190 |
| B. Adjustment factors: | |
| 1. Population change | 1.00260000 |
| 2. Per capita change | 1.03730000 |
| Total adjustments [(B.1 x B.2)-1.0] | <u>0.03999698</u> |
| C. Annual adjustment | <u>2,716,203</u> |
| D. Other adjustments: | |
| 1. Lost responsibility (-) | - |
| 2. Transfer to private (-) | - |
| 3. Transfer to fees (-) | - |
| 4. Assumed responsibility (+) | - |
| | <u>-</u> |
| E. Total adjustments | <u>2,716,203</u> |
| F. Current year's limit | <u><u>\$ 70,626,393</u></u> |