

CITY OF TUSTIN

APPROPRIATIONS LIMIT WORKSHEET NO. 6

**WITH INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEET**

FOR THE YEAR ENDED JUNE 30, 2015

INDEPENDENT ACCOUNTANTS' REPORT ON
AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEET

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

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet No. 6 of the City of Tustin, California for the year ended June 30, 2015. These procedures, which were agreed to by the City of Tustin, California and the League of California Cities (as presented in the League publication entitled "Article XIII-B Appropriations Limit Uniform Guidelines") were performed solely to assist the City of Tustin, California in meeting the requirements of Section 1.5 of Article XIIB of the California Constitution. The City of Tustin's management is responsible for the Appropriations Limit Worksheet No. 6.

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 the completed Worksheet No. 6 for the year ended June 30, 2015, and compared the limit and annual adjustment factors included in that worksheet 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 worksheet to those that were selected by a recorded vote of the City Council.

When selecting the population factor, the City has the option to utilize the larger of the annual percentage change of the City or the County in which the City is located. The County's factor of 1.00930000 was the larger percentage change; however, the City's factor was utilized.

Utilizing the appropriate factor for inflation and the population factor for the County, the adopted appropriations limit for fiscal year 2015 would have increased from \$73,045,518 to \$73,453,065.

2. For the accompanying Appropriations Limit Worksheet No. 6, we added last year's limit to the total adjustments, and compared the resulting amount to this year's limit.

No exceptions were noted as a result of this procedure.

3. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the City Council for the prior year.

No exceptions were noted as a result of this procedure.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet No. 6. 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 the League publication entitled "Article XIII B Appropriations Limitation Uniform Guidelines".

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

White Nelson Dick Evans LLP

Irvine, California
December 22, 2015

CITY OF TUSTIN

APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the year ended June 30, 2015

Appropriations limit for fiscal year ended June 30, 2014 (see Note 2)				\$ 72,944,017
Adjustment factors for the fiscal year ended June 30, 2015 (see Note 2):				
	Inflation Factor <u>(Note 3)</u>	Population Factor <u>(Note 4)</u>	Combined Factor <u>Factor</u>	
	0.99770000	1.00370000	1.00139149	x <u>0.00139149</u>
Adjustment for inflation and population				101,501
Other adjustments (Note 5)				<u>-</u>
Total adjustments				<u>101,501</u>
Appropriations limit for fiscal year ended June 30, 2015				<u>\$ 73,045,518</u>

See Accompanying Notes to Appropriations Limit Worksheet No. 6.

CITY OF TUSTIN

NOTES TO APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the year ended June 30, 2015

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.

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 at Notes 3 and 4 below.

3. INFLATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentages are 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 of Tustin for the fiscal year 2014-2015 represents the annual percentage change for per capita personal income.

4. POPULATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population, or the annual percentage change in population in the County where the jurisdiction is located. The factor adopted by the City of Tustin for fiscal year 2014-2015 represents the annual percentage change in the population for the City of Tustin.

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 of Tustin had no such adjustments for the year ended June 30, 2015.