

# City of Albany

Albany, California

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

*For the year ending June 30, 2012*

**C&L**  
Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants



Caporicci & Larson, Inc.  
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**INDEPENDENT AUDITORS' REPORT ON LIMITED  
PROCEDURES REVIEW OF APPROPRIATIONS LIMIT UNDER  
ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

To the Honorable Mayor and City Council  
of the City of Albany  
Albany, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Schedule of the City of Albany (City) for the fiscal year ending June 30, 2012. These procedures, which were agreed to by the City 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 you in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City management is responsible for the Appropriations Limit Schedule. 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 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 any other purpose.

The procedures performed and our findings are described below:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the fiscal year ending June 30, 2012, 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 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:* No exceptions were noted as a result of our procedures.

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

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

To the Honorable Mayor and Members of City Council  
of the City of Albany  
Albany, California  
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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 Appropriation Limit Schedule. 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 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. However, this report is a matter of public record and its distribution is not limited.

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Francisco, California  
March 8, 2012

**City of Albany**  
**Appropriations Limit Schedule**  
**For the year ending June 30, 2012**

	<u>Amount</u>	<u>Source</u>
A. Appropriations limit for the year ended June 30, 2011	\$ 15,406,933	Prior year schedule
B. Calculation factors:		
1. Population increase %	1.0251	State Department of Finance
2. Inflation increase %	1.0079	State Department of Finance
3. Total adjustment factor %	<u>1.0332</u>	B1 * B2
C. Annual adjustment increase	511,510	[(B3-1)*A]
D. Other adjustments:		
Library Supplemental Tax	4,968	Budget Estimate
Street Paving & Storm Drain Tax	<u>6,278</u>	Budget Estimate
E. Total adjustments	<u>522,756</u>	(C+D)
F. Appropriations limit for the year ending June 30, 2012	<u><u>\$ 15,929,689</u></u>	(A+E)

**City of Albany**  
**Notes to Appropriations Limit Schedule**  
**For the year ending June 30, 2012**

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**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 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-1987, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

**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 in the County where the jurisdiction is located. The factor adopted by the City of Albany for fiscal year 2011-2012 represents the population change in the County of Alameda.

**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 of Albany for the fiscal year 2011-2012 represents the change of per capita personal income.

**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 Albany had adjustments to add back certain special taxes which were not included in the initial appropriations calculation for year ending June 30, 2012.