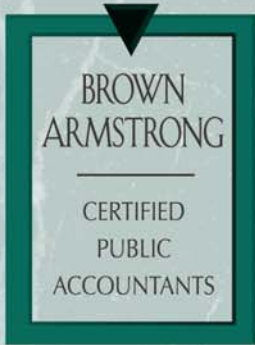


CITY OF LAGUNA WOODS, CALIFORNIA

APPROPRIATIONS LIMIT WORKSHEET

**WITH INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the City Council
City of Laguna Woods, California

We have performed the procedures enumerated below, which were agreed to by management and the City Council of the City of Laguna Woods (the City), solely to assist the specified parties in evaluating management's assertion about the City's compliance with requirements of Section 1.5 of Article XIII B of the California Constitution during the fiscal year ended June 30, 2020, included in the accompanying Appropriations Limit Worksheet. Management is responsible for the City's compliance with those requirements. 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.

Our procedures and findings are as follows:

- 1) We obtained the City's completed Appropriations Limit Worksheet and determined that the limit and annual adjustment factors were adopted by resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council. We noted no exceptions as a result of this procedure.
- 2) We agreed the June 30, 2020, Appropriations Limit presented in the accompanying Appropriations Limit Worksheet to the June 30, 2020, Appropriations Limit as adopted by the City Council. We noted no exceptions as a result of this procedure.
- 3) We agreed the June 30, 2020, information presented in the accompanying Appropriations Limit Worksheet to the supporting worksheets designed and prepared by the City. We noted no exceptions as a result of this procedure.
- 4) For the accompanying Appropriations Limit Worksheet, we added the June 30, 2019, limit to the total fiscal year 2020 annual adjustment and agreed the resulting amount to the June 30, 2020, limit. We noted no exceptions as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on management's assertion. 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.

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This report is intended solely for the information and use of management and the City Council of the City of Laguna Woods, California, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 7, 2020

**CITY OF LAGUNA WOODS
APPROPRIATIONS LIMIT WORKSHEET
JUNE 30, 2020**

Appropriations limit at June 30, 2019		<u>\$ 10,404,837</u>
Adjustment factors:		
Population factor (percent change in population within the County of Orange)	1.0029	
Inflation factor (percent change in California per capital personal income)	<u>1.0385</u>	
Total adjustment factor		<u>1.0415</u>
Annual adjustment		<u>431,722</u>
Appropriations limit at June 30, 2020		<u><u>\$ 10,836,559</u></u>

**CITY OF LAGUNA WOODS
NOTES TO APPROPRIATIONS LIMIT WORKSHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 at Notes 3 and 4 below.

NOTE 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 Laguna Woods (the City) for the fiscal year 2019-2020 represents the annual percentage change for per capita personal income.

NOTE 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 for fiscal year 2019-2020 represents the annual percentage change in population for the County of Orange in which the City is located.

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 fiscal year ended June 30, 2020.