

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, 2023

**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, 2023, included in the accompanying Appropriations Limit Worksheet. The City's management is responsible for the City's compliance with those specified requirements.

The City's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in determining whether the City complied with the specified requirements. 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 associated results 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, 2023 Appropriations Limit presented in the accompanying Appropriations Limit Worksheet to the June 30, 2023 Appropriations Limit as adopted by the City Council. We noted no exceptions as a result of this procedure.
- 3) We agreed the June 30, 2023 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, 2022 Appropriations Limit to the total fiscal year 2023 annual adjustment and agreed the resulting amount to the June 30, 2023 Appropriations Limit. We noted no exceptions as a result of this procedure.

We were engaged by City's management 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, respectively, on compliance with the specified requirements. 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.

We are required to be independent of the City's management 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 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
November 22, 2023

**CITY OF LAGUNA WOODS
APPROPRIATIONS LIMIT WORKSHEET
JUNE 30, 2023**

Appropriations limit at June 30, 2022		<u>\$ 11,790,222</u>
Adjustment factors:		
Population factor (percent change in population within the County of Orange)	0.9977	
Inflation factor (percent change in California per capital personal income)	<u>1.0755</u>	
Total adjustment factor		<u>1.0730</u>
Annual adjustment		<u>860,803</u>
Appropriations limit at June 30, 2023		<u><u>\$ 12,651,025</u></u>

**CITY OF LAGUNA WOODS
NOTES TO APPROPRIATIONS LIMIT WORKSHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 ended June 30, 2023 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 ended June 30, 2023 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, 2023.