

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES FOR
COMPLIANCE WITH THE PROPOSITION 111
2020-2021 APPROPRIATIONS LIMIT INCREMENT**

Honorable Mayor and Members of the City Council
City of Manteca, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the City of Manteca, California, for the year ended June 30, 2021. The City's management is responsible for the Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of these procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of 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.

The procedures and associated findings were as follows:

- A. We obtained the Worksheet and determined that the 2020-2021 Appropriations Limit of \$81,134,657 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.
- B. We recomputed the 2020-2021 Appropriations Limit by multiplying the 2019-2020 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.
- C. For the Worksheet, we agreed the City Population Factor to the California State Department of Finance Worksheet. We were not able to agree the County Population Factor or the Per Capita Income Factor to California State Department of Finance Worksheets.

The City included a County Population Factor of 1.0177 in the Worksheet, but the Factor in the California State Department of Finance Worksheet was 1.0106. The City is allowed to use the higher of the City Population Factor or the County Population Factor and the California State Department of Finance Worksheet showed the City Population Factor was larger than the County Population Factor. However, the City miscalculated and used a County Population Factor of 1.0177 that was larger than the City Population Factor on the Worksheet.

The City included a Per Capita Income Factor of 1.0434 on the Worksheet, rather than the Factor on the California State Department of Finance Worksheet of 1.0373.

Since the City miscalculated and used a County Population Factor of 1.0177 and an incorrect Per Capita Income Factor of 1.0434, the Total Growth Factor was overstated. Using the California State Department of Finance Worksheet's City Population Factor of 1.0168 and Per Capita Income Factor of 1.0373, we calculated a Revised 2020-2021 Appropriations Limit of \$80,586,576, a difference of \$548,081 from the amount of \$81,134,657 adopted by the City.

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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. 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 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 and is not intended to be and should not be used by anyone other than those specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Maize & Associates

Pleasant Hill, California
August 2, 2023