

City of East Palo Alto

*Independent Accountant's Report on Applying Agreed-Upon Procedures Related
To The Article XIII-B Appropriations Limit Calculation For the Fiscal Year Ended
June 30, 2024*

City of East Palo Alto
Appropriations Limit Schedule
For the Year Ended June 30, 2023

Table of Contents

Independent Accountant's Report	1
Appropriations Limit Schedule	3
Notes to Appropriations Limit Schedule	4



Independent Accountant's Report

To the Honorable Mayor and
City Council of the City of East Palo Alto
East Palo Alto, California

We have performed the procedures enumerated below, on the Appropriations Limit Calculation of the City of East Palo Alto, California (City) (the specified party), prepared in accordance with Article XIII-B of the California Constitution for the fiscal year ended June 30, 2024. The City's management is responsible for the Appropriate Limit Calculation.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City in evaluating its Appropriations Limit Calculation and we will report on findings based on the procedures performed. Additionally, the City agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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 the associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish the City's appropriations limit and compared the 2023-24 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City's City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City's City Council.

Finding: No exceptions were found as a result of this procedure.

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2023-24 appropriations limit.

Finding: No exceptions were found as a result of this procedure.

3. We compared the current year information to the worksheets described in No. 1 above and to information provided by the California State Department of Finance.

Finding: No exceptions were found as a result of this procedure.

We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the City's City Council.

Finding: No exceptions were found as a result of this procedure.

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, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's Appropriation Limit Calculation. 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.

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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Menlo Park, California
December 22, 2023

**City of East Palo Alto
 Appropriations Limit Schedule
 For the Year Ended June 30, 2024**

	Amount	Source
A. Appropriation liimit for the year ended June 30, 2023	\$37,844,018	Prior year schedule
B. Calculation factors:		
1. Population increase	0.9957	State Department of Finance
2. Inflation increase	1.0444	State Department of Finance
3. Total adjustment factor	1.0399	B1 * B2
C. Annual adjustment increase	1,510,321	[(B3-1)*A]
D. Other adjustments		
Loss responsibility (-)	-	N/A
Transfers to private (-)	-	N/A
Transfers to fees (-)	-	N/A
Assumed responsibility (+)	-	N/A
E. Total adjustments	1,510,321	(C+D)
F. Appropriations limit for the year ending June 30, 2024	39,354,338	(A+E)

City of East Palo Alto
Notes to Appropriations Limit Schedule
For the Year Ended June 30, 2024

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 this agreed upon procedures engagement.

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. INFLATION FACTORS

A California governmental agency may use as its inflation factor either the annual percentage change in the 4th 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 East Palo Alto for the fiscal year 2023-2024 represents the percentage change per capita personal income.

4. 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 East Palo Alto for fiscal year 2023-2024 represents the population change in San Mateo County.

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. There were no adjustments made for the fiscal year ending June 30, 2024.