

CITY OF SAN JOSE

Independent Accountant's Report on Applying
Agreed-Upon Procedures Related to
the Article XIII-B Appropriations Limit

For the Year Ended June 30, 2024

**Independent Accountant’s Report on Applying
Agreed-Upon Procedures Related to the
Article XIII-B Appropriations Limit**

The Honorable Members of the City Council
of the City of San José, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of San José, California (City) for the year ended June 30, 2024. The City’s management is responsible for the appropriations limit calculation for the year ended June 30, 2024.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City in evaluating the appropriations limit calculation in accordance with the requirements of Section 1.5 of Article XIIB of the California Constitution. The procedures are recommended by the California Committee on Municipal Accounting (as presented in the CCMA White Paper titled Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by 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 are as follows:

1. We obtained the completed Appropriations Limit Worksheet for the year ended June 30, 2024 and compared the limit and annual adjustment factors included in the worksheet to those adopted by the resolution of the 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 Council.

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

2. For the accompanying Appropriations Limit Worksheet, we added the 2022/2023 appropriations limit to the annual adjustment and compared the resulting amount to the 2023/2024 appropriations limit.

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

3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the appropriate supporting worksheets described in No. 1 above.

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

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

Finding: No exceptions were found as a result of applying the 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 appropriations limit calculation for the year ended June 30, 2024. 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. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by Article XIII-B of the California Constitution.

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 City Council and the City's management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
December 16, 2024

CITY OF SAN JOSE
Appropriations Limit Worksheet
For the Year Ended June 30, 2024
(Dollars in thousands)

Appropriations limit, fiscal year 2022/2023	\$ 1,403,967
Adjustment factors:	
Population	0.9975
Inflation	<u>1.0444</u>
Total adjustment (rounded)	<u>1.0418</u>
Annual adjustment in dollars (rounded)	<u>\$ 58,671</u>
Appropriations limit, fiscal year 2023/2024	<u><u>\$ 1,462,638</u></u>