

PLACENTIA LIBRARY DISTRICT OF ORANGE COUNTY

APPROPRIATIONS LIMIT WORKSHEET NO. 6

WITH INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEET NO. 6

FOR THE YEAR ENDED JUNE 30, 2017

INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES APPLIED
TO APPROPRIATIONS LIMIT WORKSHEET NO. 6

Honorable Board of Trustees of
the Placentia Library District of
Orange County
Placentia, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet No. 6 of the Placentia Library District of Orange County (the District) for the year ended June 30, 2017. These procedures, which were agreed to by the District and the League of California Cities (the League) (as presented in the League publication titled "Article XIII-B Appropriations Limit Uniform Guidelines"), were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The District's management is responsible for the Appropriations Limit Worksheet No. 6.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those 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.

The procedures performed and our findings were as follows:

1. We obtained the completed Appropriations Limit Worksheet No. 6 for the year ended June 30, 2017, and compared the limit and annual adjustment factors included in that worksheet to the limit and annual adjustment factors that were adopted by resolution of the Board of Trustees. We also compared the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the Board of Trustees.

When selecting the population factor, the District has the option to utilize the larger of the annual percentage change of the city or the county in which the District is located. The county's factor of 1.0099 was the larger percentage change; however, the city's factor was utilized.

2. For the accompanying Appropriations Limit Worksheet No. 6, we added last year's limit to the total adjustments and compared the resulting amount to this year's limit.

Utilizing the factor for inflation and the larger population factor for the county as noted in Procedure 1 above, the adopted appropriations limit for fiscal year 2017 would have increased from \$4,413,244 to \$4,423,757.

3. We compared the prior-year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior-year appropriations limit adopted by the Board of Trustees for the prior year.

No exceptions were noted as a result of performing this procedure.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit Worksheet No. 6. 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. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication titled "Article XIII-B Appropriations Limit Uniform Guidelines."

This report is intended solely for the information and use of the Board of Trustees and management of the Placentia Library District of Orange County and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Irvine, California
January 12, 2018

PLACENTIA LIBRARY DISTRICT OF ORANGE COUNTY

APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the year ended June 30, 2017

Appropriations limit for fiscal year ended June 30, 2016 (Note 2) \$ 4,157,151

Adjustment factors for the fiscal year ended June 30, 2017 (Note 2):

| Inflation Factor (Note 3) | Population Factor (Note 4) | Combined Factor | |
|--|----------------------------------|--------------------|---------------------|
| 1.053700 | 1.007500 | 1.061603 | x <u>0.061603</u> |
| Adjustment for inflation and population | | | 256,093 |
| Other adjustments (Note 5) | | | <u>-</u> |
| Total adjustments | | | <u>256,093</u> |
| Appropriations limit for fiscal year ended June 30, 2017 | | | <u>\$ 4,413,244</u> |

See accompanying notes to Appropriations Limit Worksheet No. 6.

PLACENTIA LIBRARY DISTRICT OF ORANGE COUNTY

NOTES TO APPROPRIATIONS LIMIT WORKSHEET NO. 6

For the year ended June 30, 2017

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 the 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.

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.

3. INFLATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the fourth 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 Placentia Library District of Orange County (the District) for the fiscal year 2016-2017 represents the annual percentage change for per capita personal income.

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 District for fiscal year 2016-2017 represents the annual percentage change in population for the city in which the District is located.

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 District had no such adjustments for the year ended June 30, 2017.