

**CITY OF FOSTER CITY  
AND  
ESTERO MUNICIPAL IMPROVEMENT DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON AGREED UPON PROCEDURES FOR  
COMPLIANCE WITH THE PROPOSITION 111  
(Appropriation Limit)**

**For the Year Ending June 30, 2022**

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**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED UPON PROCEDURES FOR  
COMPLIANCE WITH THE PROPOSITION 111  
2021-2022 APPROPRIATIONS LIMIT INCREMENT**

To the Honorable Mayor and Members of the City Council of the City of Foster City  
and the Board of Directors of the Estero Municipal Improvement District  
Foster City, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the City of Foster City and the Estero Municipal Improvement District (City/District), California, for the year ending June 30, 2022. 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 Appropriations Limitation Worksheet and determined the 2021-2022 Appropriations Limit and annual adjustment factors were adopted by Resolution of the City Council and the District Board of Directors. We also determined that the population and inflation factor options were selected by a recorded vote of the City Council, and the District Board of Directors.

Findings: No exceptions were noted as a result of our procedures.

- B. We computed the 2021-2022 Appropriations Limit by multiplying the 2020-2021 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the inflation option by the population option.

Findings: No exceptions were noted as a result of our procedures.

- C. For the Appropriations Limitation Worksheet, we agreed the population and inflation factors to California State Department of Finance Worksheets.

Findings: No exceptions were noted as a result of our procedures.

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 Board of Directors 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.

*Maze & Associates*

Pleasant Hill, California  
October 30, 2021

**CITY OF FOSTER CITY AND ESTERO MUNICIPAL IMPROVEMENT DISTRICT  
 APPROPRIATIONS LIMIT SCHEDULE  
 FOR THE YEAR ENDING JUNE 30, 2022**

	<u>City</u>	<u>District</u>	<u>Total</u>	<u>Source</u>
<b>A. Appropriation Limit for the year ended June 30, 2021</b>	\$74,155,447	\$69,456,781	\$143,612,228	Prior Year Schedule
<b>B. Calculation Factors:</b>				
1. Population increase %	0.9945	0.9945	0.9945	State Department of Finance
2. Inflation increase %	<u>1.0573</u>	<u>1.0573</u>	<u>1.0573</u>	State Department of Finance
3. Total adjustment factor %	1.0515	1.0515	1.0515	B1 X B2
<b>C. Annual adjustment Increase</b>	3,819,006	3,577,024	7,396,030	[(B3-1)xA]
<b>D. Other Adjustments:</b>				
Loss responsibility (-)	-	-	-	N/A
Transfers to private (-)	-	-	-	N/A
Transfers to fees (-)	-	-	-	N/A
Assumed responsibility (+)	-	-	-	N/A
<b>E. Total Adjustments</b>	<u>3,819,006</u>	<u>3,577,024</u>	<u>7,396,030</u>	C+D
<b>F. Appropriations limit for the year ending June 30, 2022</b>	<u>\$77,974,453</u>	<u>\$73,033,805</u>	<u>\$151,008,258</u>	A+E

**CITY OF FOSTER CITY AND ESTERO MUNICIPAL IMPROVEMENT DISTRICT  
NOTES TO THE APPROPRIATIONS LIMIT SCHEDULE  
FOR THE YEAR ENDING JUNE 30, 2022**

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**1. PURPOSE OF LIMITED PROCEDURES REVIEW**

Under Article XIII B of the California Constitution (the Gann Spending Limitations 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 appropriation 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, 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 in 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 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/District for the fiscal year 2021-2022 represents the percentage change in the 4<sup>th</sup> quarter 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 of the county where the jurisdiction is located. The factor adopted by the City/District for the fiscal year 2021-2022 represents the annual percentage change in population for the 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. The City/District had no such adjustment for the year ending June 30, 2022.