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**Independent Accountant’s Report on Agreed-Upon Procedures
Applied to Appropriations Limit Worksheet**

The Honorable City Council
of the City of Fresno
Fresno, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Fresno, California (City), for the year ended June 30, 2013. These procedures, which were agreed to by the City and recommended by the League of California Cities (League), as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*, were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City’s management is responsible for the Appropriations Limit Worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the City and the League. 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 worksheets supporting the computation of the limit to determine that the limit 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.

Finding: No exceptions were noted as a result of these procedures.

2. For the accompanying Appropriations Limit Worksheet, we multiplied the Fiscal Year 2011-2012 Appropriations Limit, As Adjusted, by the Total Adjustment Percentage (rounded), and compared the resulting amount to This Year’s Limit, As Originally Adopted.

Finding: We noted an understatement of \$12,880 in the adopted appropriations limit for fiscal year 2012-2013.

3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the appropriate supporting worksheets described in Number 1 above.

Finding: No exceptions were noted as a result of this 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: The incorrect population growth factors were used in fiscal years 2008-2009 and 2009-2010. The City made an adjustment to correct these errors in fiscal year 2010-2011; however the adjustment did not take into account the effect that the 2008-2009 adjustment had on the 2009-2010 beginning balance. This resulted in an understatement of the beginning balance by \$12,228, and an understatement of the ending balance by \$12,880 as compared to the adopted appropriations limit for fiscal year 2012-2013.

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. 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 appropriations 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.

Macias Jini & O'Connell LLP

Newport Beach, California
April 22, 2014

**CITY OF FRESNO
 APPROPRIATIONS LIMIT WORKSHEET
 FISCAL YEAR 2012-2013
 BUDGET**

	Amount
Appropriations limit, fiscal year 2011-2012, as originally adopted	\$ 434,695,426
Adjustment to original limit	12,228
Appropriations limit, fiscal year 2011-2012, as adjusted	434,707,654
Adjustment factors (rounded):	
Population growth	1.0150
Inflation	1.0377
Total adjustment percentage (rounded)	1.0533
Appropriations limit, fiscal year 2012-2013, as calculated	\$ 457,862,575
Appropriations limit, fiscal year 2012-2013, as originally adopted	(457,849,695)
Understatement of Appropriations Limit, fiscal year 2012-2013	\$ 12,880