

CITY OF BISHOP

**PROPOSITION 4
CALCULATIONS**

JUNE 30, 2012

CITY OF BISHOP

**PROPOSITION 4
CALCULATIONS**

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**Larry Bain, CPA,
An Accounting Corporation
2148 Frascati Drive
El Dorado Hills, CA 95762**

**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATION LIMIT WORKSHEETS**

To the City Council
City of Bishop
Bishop, California

We have applied the procedures enumerated below to the accompanying Appropriations Limit worksheet of the City of Bishop, California (City) for the fiscal year ended June 30, 2012. These procedures, which were agreed to by the City and the League of California Cities (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.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the 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 price and population information for the City and calculated the appropriations limit and annual adjustment factors included in those worksheets. We also compared the population and inflation factors included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

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

2. For the accompanying Appropriations Limit Calculation worksheet, we added the limit at June 30, 2011, last year's limit, to the total adjustments in the appropriations limit for fiscal year 2011-2012, and compared the limit at June 30, 2012 to the subject proceeds of tax.

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

3. We compared the current year information presented in the accompanying Appropriations Limit worksheet to the other worksheets described in No. 1 above.

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

4. We compared 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 noted as a result of our procedures.

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. 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 entitled *Article XIIIB Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the City of Bishop, California and the State of California Controllers Office and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Larry Bain", with a long horizontal flourish extending to the right.

Larry Bain, CPA,
An Accounting Corporation
December 29, 2012

CITY OF BISHOP

**Proposition 4 Limit Summary
For the Fiscal Year Ended June 30, 2012**

Appropriations Subject to Limit (Schedule A)	\$ 5,332,564
Appropriations Limit (Schedule B)	<u>6,975,576</u>
Amount Under the Legal Limit	<u><u>\$ 1,643,012</u></u>

CITY OF BISHOP

Schedule A

Calculation of Appropriations Subject to Proposition 4 Limit
For the Fiscal Year Ended June 30, 2012

	Proceeds	Non-Proceeds	Total
General Fund			
Taxes			
Property-secured	\$ 359,306	\$ -	\$ 359,306
Property-unsecured	64,481		64,481
Prior year	34,249		34,249
Homeowners	3,106		3,106
Sales	2,112,374		2,112,374
DWP Water Agreement Payment		182,666	182,666
Transient occupancy	1,810,674		1,810,674
Sales tax - public safety	17,082		17,082
Real property transfer	2,405		2,405
Total Taxes	4,403,677	182,666	4,586,343
Licenses and Permits			
Business licenses		50,830	50,830
Use permits		1,300	1,300
Building permits		10,389	10,389
Grading permits			-
Electrical		1,687	1,687
Plumbing		2,295	2,295
Electrical franchise		32,718	32,718
TV franchise		12,542	12,542
Total Licenses and Permits		111,761	111,761
Fines, Forfeitures and Penalties			
Forfeited deposits			-
Citation		13,302	13,302
Total Fines, Forfeitures and Penalties	-	13,302	13,302
Aid from Other Governmental Agencies			
Motor vehicle in lieu (includes VLF swap)	276,941		276,941
Off-highway motor vehicle fees		-	-
Prop 1B		200	200
Reimbursement - highway sweeping		18,333	18,333
Reimbursement - fire district		61,201	61,201
Reimbursements - miscellaneous			-
Loan retirement			-
Peace officers training		14,100	14,100
Court restitutions			-
Dispatch contracts		325	325
Grants		76,562	76,562
Total Aid from Other Governmental Agencies	276,941	170,721	447,662
Subtotal Forward	\$ 4,680,618	\$ 478,450	\$ 5,159,068

CITY OF BISHOP

Schedule A (continued)

**Calculation of Appropriations Subject to Proposition 4 Limit
For the Fiscal Year Ended June 30, 2012**

	<u>Proceeds</u>	<u>Non-Proceeds</u>	<u>Total</u>
<u>General Fund (Continued)</u>			
Subtotal Forwarded	\$ 4,680,618	\$ 478,450	\$ 5,159,068
Charges for Current Services			
Plan checking		4,257	4,257
Park and recreation		91,263	91,263
Total Charges for Current Services		<u>95,520</u>	<u>95,520</u>
Use of Money and Property			
Interest and investment income	8,872	1,858	10,730
Coin sales			-
Rents		112,915	112,915
Total Use of Money and Property	<u>8,872</u>	<u>114,773</u>	<u>123,645</u>
Other			
Insurance refunds and dividends		38,095	38,095
Miscellaneous		101,872	101,872
Total Other		<u>139,967</u>	<u>139,967</u>
Total General Fund	<u>4,689,490</u>	<u>828,710</u>	<u>5,518,200</u>
<u>Special Revenue Funds</u>			
T.U.T - Measure A	528,999	85,482	614,481
Hyw 6		31,102	31,102
Gas tax	114,075		114,075
Traffic safety		18,539	18,539
HOME program		10,000	10,000
Public safety		143,170	143,170
Total Revenues - Special Revenue Funds	<u>643,074</u>	<u>288,293</u>	<u>931,367</u>
Total Revenues - General and Special Revenue Funds	<u>\$ 5,332,564</u>	<u>\$ 1,117,003</u>	<u>\$ 6,449,567</u>

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Schedule B

**Appropriation Limit Calculation
For the Fiscal Year Ended June 30, 2012**

A. Limit at June 30, 2011	\$ 6,768,228
B. Adjustment factors supplied by the Department of Finance, report dated May, 2011	
Per Capita Change for the fiscal year 2011-2012 2.51%	
Per Capital converted to a ratio	1.0251
Population change for the fiscal year 2011-2012 .54%	
Population change converted to a ratio	<u>1.0054</u>
Calculation of Factor for Fiscal Year 2011-2012	<u>1.0306</u>
C. Annual increase (decrease) in Appropriation Limit	207,348
D. Other adjustments	<u> </u>
E. Total adjustments	<u>207,348</u>
F. Limit at June 30, 2012	<u><u>\$ 6,975,576</u></u>

CITY OF BISHOP

**Notes to Proposition 4 Calculations
For the Fiscal Year Ended June 30, 2012**

Note 1: Summary of Significant Policies

A. Background

The voters of the State of California, in November 1979, passed Proposition 4, which added Article XIII B to the State Constitution. This article establishes limits on the appropriations of proceeds of taxes. This report presents the calculation that the City of Bishop is required to make to conform to the provisions of this law.

B. Accounting Basis

The City of Bishop prepares the annual budget using a modified accrual basis of accounting. This method is in accordance with U.S. generally accepted accounting principles; accordingly, the calculation included in this report has been prepared on the budgetary basis of accounting used by the City.

C. Proceeds/Non-Proceeds of Tax

The revenue for each governmental-type fund has been allocated between proceeds and non-proceeds of tax based on guidelines established by the office of the State Controller.

Note 2: Interest Allocation

Interest earned is required to be allocated between proceeds and non-proceeds of taxes. We performed the following calculation to make this allocation:

	<u>Total (Excluding Interest)</u>	<u>Proceeds</u>	<u>Non- Proceeds</u>
Total Revenue Amount	<u>\$ 6,438,837</u>	<u>\$ 5,323,692</u>	<u>\$ 1,115,145</u>
Percentage	100.0%	82.68%	17.32%
Allocated Interest	<u>\$ 10,730</u>	<u>\$ 8,872</u>	<u>\$ 1,858</u>

Note 3: Population and Price Indexes

The State of California provides to each agency subject to the provisions of Article XIII B the population information in conjunction with a change in the cost of living, or price factor for the applicable county. We used the factors made available as of May 2011, to make the calculations presented in this report.