



November 17, 2017

Sharon Winslow Erickson
City Auditor
City of San José
200 East Santa Clara Street
San José, CA 95113

Grant Thornton LLP
10 Almaden Boulevard, Suite 800
San Jose, CA 95113-2016
T 408.275.9000
F 408.274.0582
www.GrantThornton.com

Independent Accountant's Report on Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to within the "Agreement for Audit Services between the City of San José and Grant Thornton LLP" solely for the purpose of assisting the City (collectively, the "Specified Party") in assessing if the Appropriations Limit Worksheet for the year ended June 30, 2017 meets the requirements of Section 1.5 of Article XIII-B of the California Constitution. The sufficiency of these procedures is solely the responsibility of the party specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained the completed Appropriations Limit Worksheet for the year ended June 30, 2017 and compared the limit and annual adjustment factors included in the worksheet to those adopted by the resolution of the City Council.

Finding: No exceptions noted as a result of apply procedures.

2. We compared the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the City Council.

Finding: No exceptions noted as a result of apply procedures.

3. We added the June 30, 2016 appropriation limit to the June 30, 2016 annual permitted adjustment and compared the resulting amount to the June 30, 2017 appropriations limit.

Finding: There were no permitted adjustments applied in the current year, as such GT was unable to apply this procedure.

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

Finding: No exceptions noted as a result of apply procedures.

5. 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 for June 30, 2016.

Finding: No exceptions noted as a result of apply procedures.

This agreed-upon procedures engagement was conducted 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 City's Appropriations Limit Worksheet as of June 30, 2017 meet the requirements of Section 1.5 of Article XIII-B of the California Constitution. 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.

This report is intended solely for the information and use of the Specified Party and is not intended to be, and should not be, used by anyone other than the Specified Party.

Very truly yours,

GRANT THORNTON LLP

Grant Thornton LLP

CITY OF SAN JOSE
Appropriations Limit Worksheet
For the Fiscal Year Ended June 30, 2017
(Dollar in thousands)

FY 2015-2016 Appropriation Limit	<u>\$</u>	<u>985,739</u>
Adjustment factors		
Inflation		1.0537
Population Growth	X	<u>1.0126</u>
Total adjustment (rounded)		<u>1.0670</u>
Annual adjustment in dollars (rounded)	<u>\$</u>	<u>66,022</u>
FY 2016-2017 Appropriation Limit	<u>\$</u>	<u>1,051,761</u>