



**Santa Clara Valley Water District
Independent Accountant's Report on Agreed-Upon Procedures
Applied to Article XIII B Appropriations Limit Calculation
*Year Ended June 30, 2024***



**Santa Clara Valley Water District
Independent Accountant's Report on Agreed-Upon Procedures
Applied to Article XIII B Appropriations Limit Calculation
*Year Ended June 30, 2024***

**Santa Clara Valley Water District
Article XIII B Appropriations Limit Calculation
Table of Contents**

	<u>PAGE</u>
INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES	1
Article XIII B Appropriations Limit Calculation	3
Notes to Article XIII B Appropriations Limit Calculation	4



Independent Accountant's Report on Agreed-Upon Procedures Applied to Article XIII B Appropriations Limit Calculation

**To the Board of Directors
Santa Clara Valley Water District
San Jose, California**

We have performed the procedures enumerated below to the accompanying Article XIII B Appropriations Limit Calculation of the Santa Clara Valley Water District (the "District") for the year ended June 30, 2024. The District's management is responsible for the Article XIII B Appropriations Limit Calculation.

The District's management and the League of California Cities (as presented in the League's publication entitled *Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*) have agreed to and acknowledged that the procedures are appropriate and were performed solely to assist the District 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 performed and the associated findings were as follows:

1. We obtained the District's calculation of the Article XIII B Appropriations Limit for the year ended June 30, 2024 and compared the limit and annual adjustment factors included in that calculation to the limit and annual adjustment factors that were adopted by the resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned calculation to those that were selected by a recorded vote of the Board of Directors.

Result: No exceptions were noted as a result of performing this procedure. The inflation factor used by the District in the calculation of the Article XIII B Appropriations Limit was the percentage change in California per capita personal income of 4.44 percent and the Santa Clara County (County) population percentage change over the prior year of (0.25) percent.

2. For the accompanying Article XIII B Appropriations Limit Calculation, we added last year's limit to the total adjustments, and compared the resulting amount to this year's limit. We also recalculated the adjustment factor and the adjustment for inflation and population and compared the results with the District's calculation.

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



3. We compared the prior year appropriations limit presented in the accompanying Article XIII B Appropriations Limit Calculation to the prior year appropriations limit adopted by the Board of Directors for the prior year.

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

We were engaged by the District's management to perform this agreed-upon procedure engagement and conducted our engagement in accordance with the 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 accompanying Article XIII B Appropriations Limit Calculation. 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. 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.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

**Glendale, California
December 20, 2024**

**Santa Clara Valley Water District
Article XIII B Appropriations Limit Calculation
For the year ended June 30, 2024**

Appropriations limit for fiscal year ended June 30, 2023	\$	187,289,721						
Adjustments factors for the fiscal year ended June 30, 2024								
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Inflation Factor (Note 3)</th> <th style="text-align: center; border-bottom: 1px solid black;">Population Factor (Note 4)</th> <th style="text-align: center; border-bottom: 1px solid black;">Combined Factor</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.0444</td> <td style="text-align: center;">0.9975</td> <td style="text-align: center;">1.0418</td> </tr> </tbody> </table>	Inflation Factor (Note 3)	Population Factor (Note 4)	Combined Factor	1.0444	0.9975	1.0418		0.0418
Inflation Factor (Note 3)	Population Factor (Note 4)	Combined Factor						
1.0444	0.9975	1.0418						
Adjustment for inflation and population		7,828,710						
Other adjustments		-						
Total adjustments		7,828,710						
Appropriations limit for fiscal year ended June 30, 2024	\$	195,118,431						

Unaudited; see Independent Accountant's Report on Agreed-Upon Procedures applied to Article XIII B Appropriations Limit Calculation and Accompanying Notes.

NOTE 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 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 an agreed-upon procedures review in connection with the annual audit.

NOTE 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 in Notes 3 and 4 below.

NOTE 3 INFLATION FACTOR

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th 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 District for the fiscal year 2023-2024 represents the annual percentage change in the State of California's per capita personal income.

NOTE 4 POPULATION FACTOR

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 the fiscal year 2023-2024 represents the Santa Clara County population percentage change over the prior year.

NOTE 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, 2024.



www.vasquez.cpa