

City of Sacramento
Budget and Audit Committee Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00447

2/3/2026

Fiscal Year 2024/25 Independent Accountants' Report on the Appropriation Limit Calculation

File ID: 2026-00447

Location: Citywide

Recommendation: Receive and file.

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Presenter: None

Attachments:

1-Description/Analysis

2-FY2024/25 City of Sacramento GANN Limit

Additional Description/Analysis

Issue Detail: Section 1.5 of Article XIII B of the California Constitution requires that local governments engage their auditors to apply certain agreed-upon procedures to the appropriation limit data compiled by the local government. The City's appropriations limit calculation agreed-upon procedures have been conducted to confirm that the City met the requirements for the fiscal year ending June 30, 2025.

Policy Considerations: This report is consistent with the City's fiscal transparency and accountability principles.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): This action is not a 'project' subject to CEQA because it involves only organizational or administrative activities that will not result in direct or indirect physical changes in the environment (14 Cal. Code Regs. § 15378(b)(5)).

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: Compliance with Section 1.5 of Article XIII B of the California Constitution requires that the annual calculation of the appropriations limit be reviewed as part of an annual financial audit.

The public accounting firm Macias, Gini & O'Connell, LLP, has performed the agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Financial Considerations: The total appropriations shall not exceed the appropriations limit of the City for the prior year adjusted for the change in the cost of living and the change in population. The review conducted by Macias, Gini & O'Connell, LLP has confirmed that the City has not exceeded this limit.)

Local Business Enterprise (LBE): Not applicable.

CITY OF SACRAMENTO, CALIFORNIA

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

For the Fiscal Year Ended June 30, 2025

Independent Accountant’s Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation

To the Honorable Mayor and
Members of the City Council
City of Sacramento, California

We have performed the procedures enumerated below on the accompanying appropriations limit calculation of the City of Sacramento, California (City) for the fiscal year ended June 30, 2025. The City’s management is responsible for the appropriations limit calculation for the fiscal year ended June 30, 2025.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City in evaluating the appropriations limit calculation in accordance with the requirements of Section 1.5 of Article XIII-B of the California Constitution. The procedures are recommended by the California Committee on Municipal Accounting (CCMA), as presented in the CCMA publication titled *Agreed-Upon Procedures Applied to the Appropriations Limit Prescribed by 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 the associated findings are as follows:

1. We obtained the completed Appropriations Limit Worksheet for the fiscal year ended June 30, 2025 and compared the limit and annual adjustment factors included in the worksheet to the limit and annual adjustment factors that were adopted by resolution of the City Council. 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 Worksheet, we added the appropriations limit for the fiscal year ended June 30, 2024, to the annual adjustment amount, and compared the resulting amount to the appropriations limit for the fiscal year ended June 30, 2025.

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 worksheets described in procedure No. 1 above.

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

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limited adopted by the City Council.

Finding: 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 appropriations limit calculation for the fiscal year ended June 30, 2025. 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 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 the Honorable Mayor and Members of the City Council of the City of Sacramento, California and the City's management, and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Sacramento, California
December 19, 2025

CITY OF SACRAMENTO, CALIFORNIA
Appropriations Limit Worksheet
For the Fiscal Year Ended June 30, 2025
(Amounts in Thousands)

Appropriations Limit for the fiscal year ended June 30, 2024, as revised	\$	<u>1,064,006</u>
Adjustment factors:		
Population factor – growth of the population within the City of Sacramento, as adopted		<u>1.0018</u>
Inflation factor – growth in California’s per capita personal income, as adopted		<u>1.0362</u>
Total adjustment factor (rounded)		<u>1.0381</u>
Annual adjustment amount	\$	<u>40,502</u>
Appropriations Limit for the fiscal year ended June 30, 2025, as revised	\$	<u>1,104,507</u>

Note: The population factor above has been rounded.