

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

To the Board of Supervisors
County of Calaveras
San Andreas, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit worksheet of the County of Calaveras, for the year ended June 30, 2011. These procedures, which were agreed to by the County of Calaveras, were performed solely to assist the County in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The County of Calaveras 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 County of Calaveras. 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, and compared the limit and annual adjustment factors in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the County Board of Supervisors. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Board of Supervisors.

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

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments, and compared the resulting amount to this year's limit.

Finding: Immaterial difference of \$1,473.

3. We compared the current year information presented in the accompanying Appropriations Limit worksheet to the other worksheets described in #1 above.

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

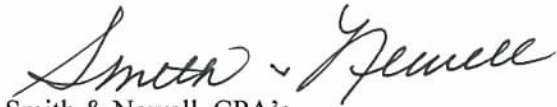
4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the County Board of Supervisors for the prior year.

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

To the Board of Supervisors
County of Calaveras
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We were not engaged to and did not conduct an examination, 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 appropriation 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 County of Calaveras and management of the County of Calaveras and is not intended to be and should not be used by anyone other than these specified parties.



Smith & Newell, CPA's
Yuba City, CA
December 19, 2011

COUNTY OF CALAVERAS
Appropriations Limit Worksheet
For the Year Ended June 30, 2011

Gann Limit for the fiscal year ended June 30, 2010		\$ 40,657,498
Per capita personal income factor	0.9746	
Population change factor	<u>1.0093</u>	
Gann Limit Increase factor		<u>.98366</u>
Calculated Limit		39,993,308
Immaterial difference		<u>1,473</u>
Gann Limit for the fiscal year ended June 30, 2011		<u><u>\$ 39,994,781</u></u>

COUNTY OF CALAVERAS
Notes to Appropriations Limit Worksheet
For the Year Ended June 30, 2011

NOTE 1: PER CAPITA PERSONAL INCOME FACTOR

The per capita personal income factor was obtained by using the percentage factor from the State Department of Finance letter dated May 1, 2010. The CPI change was -2.54 percent. This percentage was converted to a ratio and for calculation purposes was .9746.

NOTE 2: POPULATION CHANGES

There are three methods of calculating the change in population that a County may choose in determining the Gann Limit. 1) The change in population within its jurisdiction; 2) The change in population within its jurisdiction, combined with the changes in population within all counties having borders that are contiguous to that county; 3) The change in population within the incorporated portion of the county. The county may use either of these methods in any year.

The County has elected to use the change in population within its jurisdiction, combined with changes in population within all counties having borders that are contiguous to that County (method 2). The population change percentages for the County as well as the population change percentages for all counties having borders that are contiguous to Calaveras County were taken from the May 1, 2010 letter from the State Department of Finance. This combined percentage was converted to a ratio and for calculation purposes was 1.0093.

NOTE 3: APPROPRIATION LIMIT

The County has calculated the proceeds of tax for the year ended June 30, 2011 as \$20,624,515. The appropriation limit for the year ended June 30, 2011 is \$39,994,781, therefore, the proceeds of tax is \$19,370,266 less than the appropriations limit. The proceeds of tax is 51.6 percent of the limit.