

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

To the Board of Supervisors  
County of Sierra  
Downieville, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit worksheets of the County of Sierra, County Service Area 2, County Service Area 3, and County Service Area 4A-5A (Sierra Brooks Water), for the year ended June 30, 2017. These procedures, which were agreed to by the County of Sierra, 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 Sierra management is responsible for the Appropriations Limit worksheets. 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 Sierra. 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 evaluated the accuracy of the computation and adequacy of the documentation. 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 evaluated the County's compliance with Government Code Section 37200.

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

2. We determined compliance with the Appropriations Limits. We compared the proceeds of taxes subject to the limits to the calculated limits.

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

3. We determined that the Appropriations Limits resulting from the completion of the various worksheets were adopted by the Board of Supervisors. We noted that the Limits were approved by the Board of Supervisors on September 6, 2016.

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

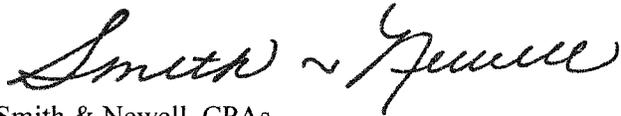
4. We compared the prior year appropriations limit presented in the current year appropriations limit calculation to the prior year appropriations limit adopted by the County Board of Supervisors.

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

To the Board of Supervisors  
County of Sierra  
Downieville, California

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 Limits worksheets. 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 limits 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 management of the County of Sierra, the Board of Supervisors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Smith & Newell".

Smith & Newell, CPAs  
Yuba City, CA  
November 6, 2017

**COUNTY OF SIERRA**  
**Appropriations Limit Worksheet**  
**For the Year Ended June 30, 2017**

**County-Wide Calculation**

Gann Limit for the fiscal year ended June 30, 2016		\$	6,144,496
Per capita personal income factor	1.0537		
Population change factor	<u>1.0000</u>		
Gann Limit Increase factor			<u>1.0537</u>
Gann Limit for the fiscal year ended June 30, 2017		\$	<u><u>6,474,455</u></u>

**County Service Area 2 Calculation**

Gann Limit for the fiscal year ended June 30, 2016		\$	265,586
Per capita personal income factor	1.0537		
Population change factor	<u>1.0000</u>		
Gann Limit Increase factor			<u>1.0537</u>
Gann Limit for the fiscal year ended June 30, 2017		\$	<u><u>279,848</u></u>

**County Service Area 3 Calculation**

Gann Limit for the fiscal year ended June 30, 2016		\$	65,430
Per capita personal income factor	1.0537		
Population change factor	<u>1.0000</u>		
Gann Limit Increase factor			<u>1.0537</u>
Gann Limit for the fiscal year ended June 30, 2017		\$	<u><u>68,944</u></u>

**County Service Area 4A-5A (Sierra Brooks Water) Calculation**

Gann Limit for the fiscal year ended June 30, 2016		\$	697,116
Per capita personal income factor	1.0537		
Population change factor	<u>1.0000</u>		
Gann Limit Increase factor			<u>1.0537</u>
Gann Limit for the fiscal year ended June 30, 2017		\$	<u><u>734,551</u></u>

The accompanying notes are an integral part of this worksheet.

**COUNTY OF SIERRA**  
**Notes to Appropriations Limit Worksheet**  
**For the Year Ended June 30, 2017**

**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, 2016. The CPI change was 5.37 percent. This percentage was converted to a ratio and for calculation purposes was 1.0537.

**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 (1). Per the May 1, 2016 letter from the State Department of Finance the population change percentage was 0. This percentage change was converted to the ratio factor of 1.

**NOTE 3: APPROPRIATION LIMIT**

The County has calculated the proceeds of taxes, the appropriation limits and the resulting differences as follows:

	<u>Proceeds of Taxes</u>	<u>Appropriation Limit</u>	<u>Dollar Difference</u>	<u>Percentage Difference</u>
County-wide	\$ 4,325,230	\$ 6,474,455	\$2,149,225	66.80%
County Service Area 2	24,686	279,848	255,162	8.82%
County Service Area 3	14,190	68,944	54,754	20.58%
County Service Area 4A-5A (Sierra Brooks Water)	88,628	734,551	645,923	12.07%