

**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, which were agreed to by the County of Sierra, on 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, 2018. 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. 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 and associated findings are 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 19, 2017.

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

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 accompanying Appropriations Limits worksheets. Accordingly, we do not express such an opinion or conclusions. 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", written in black ink.

Smith & Newell CPAs
Yuba City, California
January 8, 2019

COUNTY OF SIERRA
Appropriations Limit Worksheet
For the Year Ended June 30, 2018

County-Wide Calculation

Gann Limit for the fiscal year ended June 30, 2017		\$ 6,474,455
Per capita personal income factor	1.0369	
Population change factor	<u>1.0041</u>	
Gann Limit Increase factor		<u>1.041151</u>
Gann Limit for the fiscal year ended June 30, 2018		<u>\$ 6,740,887</u>

County Service Area 2 Calculation

Gann Limit for the fiscal year ended June 30, 2017		\$ 279,848
Per capita personal income factor	1.0369	
Population change factor	<u>1.0041</u>	
Gann Limit Increase factor		<u>1.041151</u>
Gann Limit for the fiscal year ended June 30, 2018		<u>\$ 291,364</u>

County Service Area 3 Calculation

Gann Limit for the fiscal year ended June 30, 2017		\$ 68,944
Per capita personal income factor	1.0369	
Population change factor	<u>1.0041</u>	
Gann Limit Increase factor		<u>1.041151</u>
Gann Limit for the fiscal year ended June 30, 2018		<u>\$ 71,781</u>

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

Gann Limit for the fiscal year ended June 30, 2017		\$ 734,551
Per capita personal income factor	1.0369	
Population change factor	<u>1.0041</u>	
Gann Limit Increase factor		<u>1.041151</u>
Gann Limit for the fiscal year ended June 30, 2018		<u>\$ 764,779</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, 2018

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, 2018. The CPI change was 3.69 percent. This percentage was converted to a ratio and for calculation purposes was 1.0369.

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, 2017 letter from the State Department of Finance the population change percentage was 0.41. This percentage change was converted to the ratio factor of 1.0041.

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 (Budget)</u>	<u>Appropriation Limit</u>	<u>Dollar Difference</u>	<u>Percentage Difference</u>
County-Wide	\$ 4,540,681	\$ 6,740,887	\$ 2,200,206	32.64%
County Service Area 2	24,512	291,364	266,852	91.58%
County Service Area 3	14,515	71,781	57,266	79.79%
County Service Area 4A-5A (Sierra Brooks Water)	83,939	764,779	680,840	89.02%