

September 16, 2019

Jessica Brown, Finance Director  
City of Rialto  
150 S. Palm Avenue  
Rialto, California 92376

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for the City of Rialto (the “City”).

We will apply the agreed-upon procedures which were agreed to by the City and the League of California Cities (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*), listed in the attached schedule, to review the Appropriations Limit documents as of June 30, 2019 (prepared in accordance with Section 1.5 of Article XIII B of the California Constitution). Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified parties and will require an acknowledgment in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination or review, we will not express an opinion on the City’s Appropriation Limit documents. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We plan to begin our procedures approximately October 2019 and, unless unforeseeable problems are encountered, the engagement should be completed by December 2019.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the City of Rialto City Council. If, for any reason, we are unable to complete any of the procedures, we will describe in our report any restrictions on the performance of the procedures, or not issue a report and withdraw from this engagement. You understand that the report is intended solely for the information and use of the City, and should not be used by anyone other than the specified party. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the City’s Appropriations Limit documents that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradicts the City’s Appropriations Limit documents, we will disclose those matters in our report.

You are responsible for the presentation of the Appropriations Limit documents in accordance with Section 1.5 of Article XIII B of the California Constitution; and for selecting the criteria and procedures are appropriate for your purposes. You are also responsible for, and agree to provide us with, a written assertion about the City’s

Appropriations Limit documents. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purposes of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for the City's Appropriations Limit documents in accordance with Section 1.5 of Article XIII B of the California Constitution.

Joshua Calhoun is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services are included as part of the audit fees in a separate engagement letter.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional services arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of procedures.

Very truly yours,

TEAMAN, RAMIREZ & SMITH, INC.



Joshua J. Calhoun  
Certified Public Accountant

RESPONSE:

This letter correctly sets forth the understanding of the City of Rialto.

Management Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### **Appropriations Limit Agreed-Upon Procedures**

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.
2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.
3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.
4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City of Council during the prior year.