

CITY OF RIALTO, CALIFORNIA

APPROPRIATIONS LIMIT WORKSHEET

**WITH INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEET**

For the Year Ended June 30, 2018

**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

City Council
City of Rialto
Rialto, California

We have performed the procedures enumerated below, which were agreed to by the City of Rialto, California (the "City") and the League of California Cities (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*), on the Appropriations Limit documents of the City, for the year ended June 30, 2018 (prepared in accordance with Section 1.5 Article XIII B of the California Constitution). The City's management is responsible for the Appropriations Limit documents. The sufficiency of the procedures is solely the responsibility of the City. 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 documents required by the Article XIII B Appropriations Limitation Uniform Guidelines, and determined that the limit and annual adjustment factors were adopted by resolution of the City Council. We also determined that the population and inflation options 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 last year's limit to total adjustments and agreed the resulting amount to this year's limit.

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

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #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 limit adopted by the City Council during the prior year.

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

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 audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit worksheet and the City's Appropriations Limit documents. 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 appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the City of Rialto, California and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Teaman Ramirez & Smith, Inc.

Riverside, California
September 16, 2019

CITY OF RIALTO, CALIFORNIA
APPROPRIATIONS LIMIT COMPUTATION
2017-2018

	<u>2017-2018</u>
Per Capita Personal Income Change	3.69%
Population Change	
County Population Growth	1.16%
CPI Change Converted to a Ratio	1.0369
Population Change Converted to a Ratio	1.0116
Calculation of Growth Factor	1.04892804
2016 - 2017 Appropriations Limit	<u>\$ 71,080,985</u>
2017 - 2018 Appropriations Limit (\$71,080,985 X 1.04892804)	<u><u>\$ 74,558,838</u></u>

CITY OF RIALTO, CALIFORNIA
NOTES TO APPROPRIATIONS LIMIT WORKSHEET
For the Year Ended June 30, 2018

1. PURPOSE OF LIMITED PROCEDURES REVIEW:

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds to taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII-B the annual calculation of the appropriations limit is subject to an agreed-upon procedures review in connection with the annual audit.

2. METHOD OF CALCULATION:

Under Section 10.5 of Article XIII-B, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed at Notes 3 and 4 below.

3. INFLATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentages are supplied by the State Department of Finance), or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City of Rialto, California (the "City") for the fiscal year 2017-2018 represents the annual percentage change for per capita personal income.

4. POPULATION FACTORS:

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population, or the annual percentage change in population in the County where the jurisdiction is located. The factor adopted by the City for fiscal year 2017-2018 represents the annual percentage change in population for the County in which the City is located.

5. OTHER ADJUSTMENTS:

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year ended June 30, 2018.