

CITY OF CHICO, CALIFORNIA

Independent Accountants' Report on
Applying Agreed-Upon Procedures Related To
The Article XIII-B Appropriations Limit Calculation

For the Fiscal Year Ended June 30, 2018



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES RELATED TO
THE ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION**

To the Honorable Mayor and City Council
City of Chico, California

We have performed the procedures enumerated below, which were agreed to by the City of Chico, California (City) (the specified party), to the Appropriations Limit Calculation of the City, prepared in accordance with Section 1.5 of Article XIII-B of the California Constitution, for the fiscal year ended June 30, 2018. The City's management is responsible for the Appropriations Limit calculation. 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 associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish the City's appropriations limit 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 population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

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

2. We added last year's limit to the annual adjustment amount, and compared the resulting amount to the 2017-2018 appropriations limit.

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

3. We compared the current year information to the worksheets described in No. 1 above.

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

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the City Council.

Finding: No exceptions were found 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 examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Appropriations Limit calculation. 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 Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City, and is not intended to be and should not be used by anyone other than those specified parties.

Vaurinik, Trine, Day & Co. LLP

Sacramento, California

January 22, 2019

