

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES TO APPROPRIATIONS LIMIT CALCULATION**

To the Board of Supervisors and the Grand Jury
County of Sierra
Downieville, California

We have performed the procedures enumerated below, which were agreed to by the County of Sierra (County), related to the County's compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution, during the year ended June 30, 2021. The County's management is responsible for the compliance with those specified requirements. The sufficiency of these procedures is solely the responsibility of the County. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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 Limits and annual adjustment factors in those worksheets to the Limits 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 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 15, 2020.

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

4. We compared the prior year Appropriations Limits presented in the current year Appropriations Limits calculations to the prior year Appropriations Limits adopted by the County Board of Supervisors.

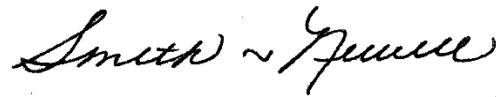
Finding: No exceptions were noted as a result of our procedures.

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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 compliance with the qualified requirements. 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.

We are required to be independent of County of Sierra and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 County, 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
November 29, 2021

COUNTY OF SIERRA
Appropriations Limits Worksheet
For the Year Ended June 30, 2021

County-Wide Calculation

Gann Limit for the fiscal year ended June 30, 2020		\$ 7,251,502
Per capita personal income factor	1.0373	
Population change factor	<u>0.9972</u>	
Gann Limit Increase factor		<u>1.03440</u>
Gann Limit for the fiscal year ended June 30, 2021		<u>\$ 7,500,921</u>

County Service Area 2 Calculation

Gann Limit for the fiscal year ended June 30, 2020		\$ 313,435
Per capita personal income factor	1.0373	
Population change factor	<u>0.9972</u>	
Gann Limit Increase factor		<u>1.03440</u>
Gann Limit for the fiscal year ended June 30, 2021		<u>\$ 324,216</u>

County Service Area 3 Calculation

Gann Limit for the fiscal year ended June 30, 2020		\$ 77,219
Per capita personal income factor	1.0373	
Population change factor	<u>0.9972</u>	
Gann Limit Increase factor		<u>1.03440</u>
Gann Limit for the fiscal year ended June 30, 2021		<u>\$ 79,875</u>

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

Gann Limit for the fiscal year ended June 30, 2020		\$ 822,711
Per capita personal income factor	1.0373	
Population change factor	<u>0.9972</u>	
Gann Limit Increase factor		<u>1.03440</u>
Gann Limit for the fiscal year ended June 30, 2021		<u>\$ 851,009</u>

COUNTY OF SIERRA
Notes to Appropriations Limits Worksheet
For the Year Ended June 30, 2021

NOTE 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 of 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 a limited procedures review in connection with the annual audit.

NOTE 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 1986-1987, adjusted for the inflation and population factors discussed at Notes 3 and 4 below.

NOTE 3: 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, 2020. The CPI change was 3.75 percent. This percentage was converted to a ratio and for calculation purposes was 1.0373.

NOTE 4: POPULATION CHANGE FACTOR

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, 2020 letter from the State Department of Finance the population change percentage was (0.28). This percentage change was converted to the ratio factor of 0.9972.

NOTE 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 County had no such adjustments for the year ended June 30, 2021.