SMITH & NEWELL
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Supervisors and 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 XIIIB of the California Constitution, for the year ended June 30, 2023. The County's management is responsible for the compliance with those specified requirements.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the compliance with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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 provided by the State Department of Finance. We also evaluated the County's compliance with the Government Code Section 37200.

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

2. We determined compliance with the Appropriations Limit. We compared the proceeds of taxes subject to the calculated Limit.

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

3. We determined that the Appropriations Limit resulting from the completion of the various worksheets was adopted by the Board of Supervisors. We noted that the Limit was approved by the Board of Supervisors on September 20, 2022. However, the amount approved by the Board was the limit for the prior year. The resolution subsequently revised the amount on the worksheets on January 16, 2024.

   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.

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

We were engaged by the County of Sierra to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. 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.

We are required to be independent of the County 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.

Smith & Newell

Smith & Newell CPAs
Yuba City, California
January 11, 2024

COUNTY OF SIERRA
Appropriations Limit Worksheet
For the Year Ended June 30, 2023

County-Wide Calculation

Gann Limit for the fiscal year ended June 30, 2022		$ 7,903,759
Per capita personal income factor	1.0755	
Population change factor	1.0012	
Gann Limit Increase factor		1.0767906
Gann Limit for the fiscal year ended June 30, 2023		$ 8,510,693

County Service Area 2 Calculation

Gann Limit for the fiscal year ended June 30, 2022		$ 341,628
Per capita personal income factor	1.0755	
Population change factor	1.0012	
Gann Limit Increase factor		1.0767906
Gann Limit for the fiscal year ended June 30, 2023		$ 367,862

County Service Area 3 Calculation

Gann Limit for the fiscal year ended June 30, 2022		$ 84,165
Per capita personal income factor	1.0755	
Population change factor	1.0012	
Gann Limit Increase factor		1.0767906
Gann Limit for the fiscal year ended June 30, 2023		$ 90,628

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

Gann Limit for the fiscal year ended June 30, 2022		$ 896,713
Per capita personal income factor	1.0755	
Population change factor	1.0012	
Gann Limit Increase factor		1.0767906
Gann Limit for the fiscal year ended June 30, 2023		$ 965,572

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COUNTY OF SIERRA
Notes to Appropriations Limit Worksheet
For the Year Ended June 30, 2023

NOTE 1: PURPOSE OF LIMITED PROCEDURES REVIEW

Under Article XIIIB 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 XIIIB, 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 XIIIB, 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, 2022. The CPI change was 7.55 percent. This percentage was converted to a ratio and for calculation purposes was 1.0755.

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, 2022 letter from the State Department of Finance the population change percentage was 0.12. This percentage change was converted to the ratio factor of 1.0012.

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, 2023.

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