



Independent Accountant's Report on Applying Agreed-Upon Procedures

Honorable Mayor and Members of the City Council
City of Riverside, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Calculation of the City of Riverside, California (the City) for the year ended June 30, 2018. These procedures, which were agreed to by the City and the League of California Cities (the League), as presented in the publication entitled *Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*, were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City's management is responsible for the accompanying Appropriations Limit Calculation. The sufficiency of these procedures is solely the responsibility of the City and the League. 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 are as follows:

1. We obtained the completed internal calculations from management and compared the limit and annual adjustment factors included in those calculations to the limit and annual adjustment factors that were adopted by a resolution of the City Council. We also compared the population and inflation options included in the aforementioned calculation to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of these procedures. Resolution No. 23197 adopted by the City Council on June 27, 2017 does not expressly identify the population and inflation factors selected but instead refers to the population and inflation options selected that are included in the City's Appropriation Limit Calculation supporting documentation.

2. For the accompanying Appropriations Limit Calculation, we added Line A, last year's limit, to Line E, total adjustments, and compared the resulting amount to Line F, current year's limit.

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

3. We compared the current year information presented in the accompanying Appropriations Limit Calculation to the appropriate supporting calculations described in item 1 above.

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

4. We compared the prior year Appropriations Limit presented in the accompanying Appropriations Limit Calculation to the prior year Appropriations Limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of applying 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 accompanying Appropriations Limit Calculation of the City. 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 appropriations 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 Mayor, City Council and management of the City, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Macias Gini & O'Connell LLP

Newport Beach, California
October 31, 2018

CITY OF RIVERSIDE, CALIFORNIA
Appropriations Limit Calculation
Year Ended June 30, 2018

	Amount	Source
A. Last year's limit	\$ 307,155,212	
B. Adjustment factors:		
1. Population change	1.006456442	State Finance
2. Per capita change	1.036900000	State Finance
Total adjustments [(B.1 x B.2)-1.0]	<u>0.043594685</u>	
C. Annual adjustment	<u>13,390,335</u>	(B X A)
D. Other adjustments:		
1. Lost responsibility (-)	-	
2. Transfer to private (-)	-	
3. Transfer to fees (-)	-	
4. Assumed responsibility (+)	-	
	<u>-</u>	
E. Total adjustments	<u>13,390,335</u>	(C + D)
F. Current year's limit	<u>\$ 320,545,547</u>	(A + E)