



INDEPENDENT ACCOUNTANTS' REPORT

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 to assist the City in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution and Proposition 111 for the year ended June 30, 2020. The City's management is responsible for the Appropriations Limit calculation. The sufficiency of these procedures is solely the responsibility of the City of Chico. 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. Obtain the completed Appropriations Limit Calculation, and compared the limit and annual adjustment factors in the calculation to the limit and annual adjustment factors that were adopted by resolution of the City Council.

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

2. Compute current year adjustments based on selected population and inflation options, using information provided by State Department of Finance.

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

3. Compare the prior year appropriations limit presented in the Appropriations Limit Calculation to the prior year appropriations limit adopted by the City Council for the prior year.

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

4. Add the results of step two (2) to the prior year Appropriations Limit, and compare the resulting amount to current year approved limit.

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 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.

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

CliftonLarsonAllen LLP

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Roseville, California
August 10, 2020