

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the City of Hercules, on the Appropriations Limit calculation of the City of Hercules (City) for the year ended June 30, 2017. The City's management is responsible for the Appropriations Limit calculation. The sufficiency of these 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 and the associated findings are as follows:

1. We obtained the completed 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. We also compared the population and inflation options included in the aforementioned calculation to those that were selected by a recorded vote of the Council.

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

2. For the Appropriations Limit calculation, we added last year's limit to total adjustments, and compared the resulting amount to this year's limit.

Finding: The City used an incorrect prior year limit which resulted in the limit adopted by resolution of the City Council to be \$1,277,871 lower than our calculation.

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3. We compared the current year information presented in the Appropriations Limit calculation to the other calculation described in procedure 1 above.

Finding: The City used an incorrect prior year limit which resulted in the limit adopted by resolution of the City Council to be \$1,277,871 lower than our calculation.

4. We compared 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 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. 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 Hercules and management of the City of Hercules and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**  
Roseville, California  
February 7, 2018