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DEPARTMENT OF  
FINANCE  
  
ACCOUNTING DIVISION

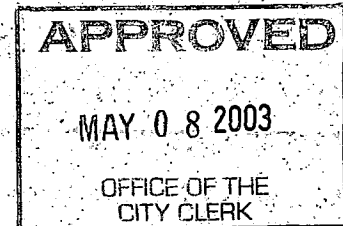
CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 12  
915 I STREET  
SACRAMENTO, CA  
95814

April 23, 2003

City Council  
Sacramento, California

AG 2003-072  
AG 2003-073



Honorable Council Members in Session:

**SUBJECT: AWARD OF EXTERNAL AUDITOR PROFESSIONAL SERVICES  
AGREEMENTS**

**LOCATION AND COUNCIL DISTRICT:** City-wide

**STAFF RECOMMENDATION:**

It is recommended that the City Council authorize the City Manager to execute professional services agreements with Macias, Gini & Company LLP to conduct the City independent financial and compliance audits for the fiscal year ending June 30, 2003.

**CONTACT PERSON:** Gus Vina, Director of Finance, 808-7138  
Sean Peters, Principal Accountant, 808-7478

**FOR THE COUNCIL MEETING OF:** May 8, 2003

**SUMMARY:**

Staff recommends selection of Macias, Gini, & Company LLP to perform independent financial and compliance audits for the fiscal year ending June 30, 2003.

**COMMITTEE/COMMISSION ACTION:** None

**BACKGROUND INFORMATION:**

In March and April 2002, the City conducted a competitive process to select auditors for the five-year period beginning with fiscal year 2001-2002. Staff received five responses on April 5, 2002 to the City's Request for Proposals for independent audit services. One response was from a national firm and four were from regional firms. After evaluation, staff concluded that the proposal submitted by Macias, Gini & Company LLP was the most responsive.

This report recommends that the City Council authorize the City Manager to extend and execute professional services agreements with Macias, Gini & Company LLP to conduct the City independent financial and compliance audits for the fiscal year ending June 30, 2003. Extension of the agreements to each of the three subsequent years will be subject to Council approval on an annual basis.

The scope of audit services to be performed is shown below:

City and Component Units (Group A)

City of Sacramento General Purpose Financial Statements  
City of Sacramento Single Audit  
Sacramento City Employees Retirement System  
Sacramento Public Library Authority

Cost for City and Component Units \$148,519

Related Agencies and Programs (Group B)

Capitol Area Development Authority  
Agency Financial Statements  
Capitol Area Development Authority State Financed  
Housing Project Financial Statements  
Sacramento Convention and Visitors Bureau  
Financial Statements  
Mountain Valley Library System  
Basic Financial Statements  
Mountain Valley Library System Single Audit  
Del Paso Road Community Facilities District  
Special Purpose Financial Statements  
Child Development Program Financial Statements  
And State Required Supplemental Information

Related Agencies and Programs (Group B), cont.

State and Local Transportation Partnership Program  
Special Purpose Audit of Final Project Cost  
The Natomas Basin Conservancy Basic  
Financial Statements  
The Sacramento Hotel Corporation Special Procedures  
To Test the Calculation of the Debt Service  
Coverage Ratio  
The Sacramento Hotel Corporation Basic Financial Statements  
Depot Business Park Special Purpose Financial Statements  
Lessees of the City of Sacramento Special Procedures to  
Test Lessee Revenue and Lease Payment Calculations

Cost of Related Agencies and Programs	<u>\$85,845</u>
Total Cost of Audit Services	<u>\$234,364</u>

**FINANCIAL CONSIDERATIONS:**

Certain audit costs are passed through directly to external entities. The remaining costs are included in the Finance Department budget.

**ENVIRONMENTAL CONSIDERATIONS:**

Not applicable.

**POLICY CONSIDERATIONS:**

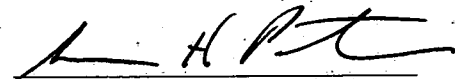
This action is consistent with City Charter Section 117, which requires an annual independent audit of the City's financial records. Independent audits are also required by the Federal Single Audit Act, specific grant agreements, and certain bond covenants.

**ESBD CONSIDERATIONS:**

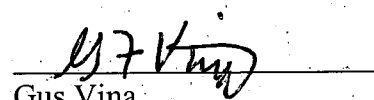
Macias, Gini & Company, LLP is a certified Small Business Enterprise.

Respectfully submitted,

Approved:




Sean Peters  
Principal Accountant



Gus Vina  
Director of Finance

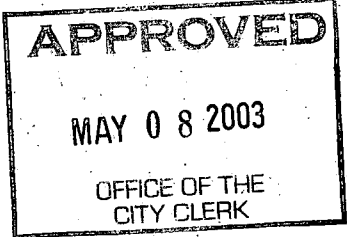
**RECOMMENDATION APPROVED:**



Robert P. Thomas  
City Manager

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3. Consultant and Professional Services Agreement-Group B (Attachment B)



**RESOLUTION NO. 2003-252**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION TO AWARD EXTERNAL AUDITOR  
PROFESSIONAL SERVICES AGREEMENTS**

**BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:**

The City Manager is authorized to execute professional services agreements with Macias, Gini & Company LLP to conduct the City's independent financial and compliance audits for the fiscal year ending June 30, 2003.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_