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CITY HALL  
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SACRAMENTO, CA  
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DEPARTMENT OF  
FINANCE

CITY OF SACRAMENTO  
CALIFORNIA

REVENUE DIVISION

June 23, 1988

RA881216:MLM:ldm

City Council  
Sacramento, California

**APPROVED**  
BY THE CITY COUNCIL

JUN 28 1988

OFFICE OF THE  
CITY CLERK

Honorable Members in Session:

SUBJECT: DOWNTOWN BUSINESS IMPROVEMENT AREA - AUDIT STATUS

SUMMARY

This report informs the City Council on the status of the City audit of the Downtown Business Improvement Area.

BACKGROUND

The Downtown Business Improvement Area was established by the City Council in 1970. The City Council contracted with the Sacramento Downtown Association to administer the use of the receipts of the Downtown Business Improvement Area for the purposes expressly approved by the City Council. Annually, the Sacramento Downtown Association submits to the City Council for review and approval a proposed budget for the use of the monies received.

On May 6, 1988 the City Manager impounded all disbursements of the Downtown Business Improvement Area receipts to the Sacramento Downtown Association due to the possibility that the Sacramento Downtown Association had improperly used the receipts. The City Manager directed the Department of Finance to conduct an audit of the use of the receipts to determine if the Sacramento Downtown Association's use of the receipts was proper.

DISCUSSION

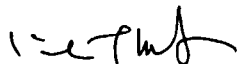
On May 20, 1988 the City's internal auditor completed the audit of the Sacramento Downtown Association's use of the Downtown Business Improvement Area receipts. A confidential draft copy of the auditor's findings and recommendations was forwarded to the Sacramento Downtown Association for comment. The Sacramento Downtown Association responded to the auditor's findings and recommendations on June 8, 1988. The response disagreed with the auditor's findings and recommendations. The auditor's findings and recommendations and Sacramento Downtown Association's response have been forwarded to the City Attorney for review. Once the City Attorney's review is complete, Department of Finance staff will report to the City

Council regarding actions, if any, that should be considered by the City Council regarding this matter. It is anticipated that the report will be presented to the City Council on Tuesday, July 5, 1988.

RECOMMENDATION

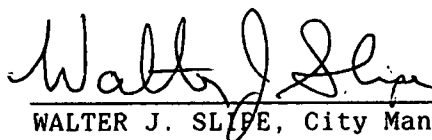
This report is presented for informational purposes only and does not require City Council action.

Respectfully submitted,



Michael L. Medema  
Revenue Manager

FOR CITY COUNCIL INFORMATION:

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WALTER J. SLIFE, City Manager

June 28, 1988  
All Districts