



CITY OF SACRAMENTO

38

DEPARTMENT OF FINANCE  
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ROOM 112 TELEPHONE (916) 449-5736

July 10, 1981

JACK R. CRIST  
DIRECTOR OF FINANCE  
FRANK MUGARTEGUI  
ASSISTANT DIRECTOR

City Council  
Sacramento, CA

Honorable Members in Session:

SUBJECT: Compliance Audits for Local Public Works Projects and General  
Revenue Sharing for the Period Ending June 30, 1980

SUMMARY

Compliance audits performed by Price Waterhouse & Co. are attached for the  
following local Public Works Project:

Project No. 07-51-21715 Robertson Center (Final Report)  
All other projects have been completed and previously  
filed

Additionally, the annual compliance statement for General Revenue Sharing  
is attached.

RECOMMENDATION

The attached audit reports are for City Council information only. No  
action is required.

Respectfully submitted,

Jack R. Crist  
Director of Finance

For City Council Information:

*Walter J. Slipe*  
Walter J. Slipe, City Manager

APPROVED  
BY THE CITY COUNCIL

JUL 21 1981

OFFICE OF THE  
CITY CLERK

Attachments

July 21, 1981  
All Districts



455 CAPITOL MALL  
SACRAMENTO, CALIFORNIA 95814  
916-441-2370

April 8, 1981

To the Honorable Mayor and the  
City Council of the City of Sacramento

We have examined the financial statements of the various funds and account groups of the City of Sacramento for the year ended June 30, 1980, and have issued our report thereon dated October 14, 1980. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our examination, we also (1) performed tests of compliance with the Revenue Sharing Act and regulations as required by Section II.C.3 of the Audit Guide and Standards for Revenue Sharing and Antirecession Fiscal Assistance Fund Recipients (the Guide) issued by the Office of Revenue Sharing, U. S. Department of the Treasury, and (2) compared the data on Bureau of Census Form RS-8 with the audited records of the City of Sacramento as required by Section II.C.4 of the Guide. Based on representations of the Equal Employment Opportunity Commission (EEOC) and City officials, the following litigation and complaints of discrimination have been filed against the City and are pending resolution at June 30, 1980:

<u>Agency or Facility</u>	<u>Number of Suits and Complaints Outstanding</u>
EEOC	20
California Department of Fair Employment & Housing	6
Litigation	4

Based on these procedures, except as summarized above, we noted no instance of noncompliance with the regulations or material differences between the data on the Bureau of Census Form RS-8 and the records of the City of Sacramento for the fiscal year ended June 30, 1980.

*Price Waterhouse & Co.*

CITY OF SACRAMENTO, CALIFORNIA

SPECIAL REPORT ON ECONOMIC  
DEVELOPMENT ADMINISTRATION

TITLE I GRANT

PROJECT NO. 07-51-21715

\* \* \* \* \*

APRIL 1, 1981



455 CAPITOL MALL  
SACRAMENTO, CALIFORNIA 95814  
916-441-2370

April 1, 1981

To the Honorable Mayor  
and the City Council  
City of Sacramento

This report presents the results of our examination of the City of Sacramento's Title I Grant for Local Public Works (LPW) Project No. 07-51-21715 (the grant) as required by the U.S. Department of Commerce, Economic Development Administration (EDA), Office of Public Works. The grant was issued pursuant to the City's application for federal assistance for construction of the Robertson Community Center. The grant provides for reimbursement of costs incurred in an estimated amount not to exceed \$1,445,812.

The statements of project costs claimed and of status of grant fund payments for the period September 12, 1977 through September 30, 1979 were examined by other independent accountants, whose report dated March 12, 1980 expressed an unqualified opinion on those statements.

The objectives of our examination were to (1) review, test and report upon the costs incurred under the grant, and (2) review, test and report on compliance with grant terms, conditions and EDA requirements for the period from October 1, 1979 through December 5, 1980. Accordingly, we have performed an examination of the costs incurred by the City and reviewed its method of complying with the LPW grant requirements for the period from October 1, 1979 through December 5, 1980. Our work did not constitute an examination of financial statements prepared by the City, other than the Statement of Project Costs Claimed from October 1, 1979 through December 5, 1980 (Exhibit A) and the Statement of Status of Grant Fund Payments at December 5, 1980 (Exhibit B).

Details concerning the scope and results of our examination are presented in the following attachments:

Financial Activities - Attachment I

Exhibit A - Statement of Project Costs Claimed from  
September 12, 1977 through December 5, 1980.

Exhibit B - Statement Status of Grant Fund Payments at  
December 5, 1980.

Compliance with Grant Terms and Conditions and EDA Requirements  
- Attachment II

The report is intended for use in connection with the grant to which it refers and should not be used for any other purpose.

*Price Waterhouse & Co*

CITY OF SACRAMENTO

EDA GRANT #07-51-21715

ATTACHMENT I - FINANCIAL ACTIVITIES:

A. Objective and scope

We have examined the City of Sacramento's statement of project costs claimed from October 1, 1979 through December 5, 1980 (incurred under the grant) and the statement of status of grant fund payments at December 5, 1980. Our examination was made in accordance with generally accepted auditing standards and the financial and compliance standards as set forth in "Standards for Audit of Government Organization, Programs, Activities and Functions," published by the Comptroller General of the United States and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including those set forth in the Department of Commerce "Audit Instructions for Local Public Works Grants Under Title I of the Public Works Employment Acts of 1976 and 1977," Second Edition of March 1978 and Revision No. 2 thereto (the Instructions).

B. Examination results

In our opinion, the accompanying statements present fairly the costs claimed, accepted and estimated and the status of grant fund payments for Project No. 07-51-21715 at December 5, 1980 in conformity with the Instructions referred to above and the specific financial terms of the grant agreement.

SACRAMENTO, CALIFORNIA - PROJECT NO. 07-51-21715  
STATEMENT OF PROJECT COSTS CLAIMED FROM SEPTEMBER 12, 1977  
THROUGH DECEMBER 5, 1980 AND COMPARISON OF ACCEPTED PROJECT  
COSTS WITH ESTIMATED PROJECT COSTS

EXHIBIT A

Cost classification	Costs claimed per ED-113A	Costs claimed from September 12, 1977 through September 30, 1979		Costs claimed from October 1, 1979 through December 5, 1980		Total costs claimed from September 12, 1977 through December 5, 1980		Cost estimate per grant	Overrun (Underrun)
		Audit recommendations		Audit recommendations		Questioned costs	Accepted costs		
		Questioned costs	Accepted costs	Questioned costs	Accepted costs				
1. Administrative expense	\$ 4,225				\$ 4,225		\$ 4,225		\$ 4,225
2. Basic architectural/engineering fees updating and/or completion of plans and specifications									
3. Other architectural/engineering fees									
4. Project inspection fees including audit									
5. Relocation expenses									
6. Relocation payments to individuals and business									
7. Demolition and removal									
8. Construction and project improvements	1,445,273		\$1,422,701		22,572		1,445,273	\$1,358,000	87,273
9. Equipment								70,000	( 70,000)
10. Contingencies (Note 4)								19,812	( 19,812)
11. MBE noncompliance (Note 3)									
Totals for project	<u>\$1,449,498</u>	<u></u>	<u>\$1,422,701</u>	<u></u>	<u>\$26,797</u>	<u></u>	<u>\$1,449,498</u>	<u>\$1,447,812</u>	<u>\$ 1,686</u>

SACRAMENTO, CALIFORNIA - PROJECT NO. 07-51-21715

STATEMENT OF STATUS OF GRANT FUND PAYMENTS

AT DECEMBER 5, 1980

EXHIBIT B

Total authorized costs per grant budget		\$1,447,812
Project overrun		<u>1,686</u>
Project costs (per ED-113A)		1,449,498
Less grant payments made:		
Total letter of credit authorized	\$1,445,812	
Less - payment vouchers processed by Wells Fargo Bank, Sacramento Branch	<u>1,445,812</u>	<u>1,445,812</u>
Available balance - letter of credit	<u>\$ -</u>	
Project costs funded by the City of Sacramento		<u>\$ 3,686</u>



CITY OF SACRAMENTO, CALIFORNIA  
LOCAL PUBLIC WORKS PROJECT NO. 07-51-21715

NOTES TO STATEMENTS OF PROJECT COSTS CLAIMED  
AND OF STATUS OF GRANT FUND PAYMENTS AT DECEMBER 5, 1980

NOTE 1 - STATEMENT OF PRESENTATION AND  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The statements presented are prepared from only the accounts and financial transactions of the Local Public Works Project No. 07-51-21715 of the City of Sacramento. Accordingly, they do not present the financial position or the results of operations of the City of Sacramento.

The financial transactions of the project are recorded in accordance with the terms and conditions of the grant, which are not inconsistent with generally accepted accounting principles.

Expenditures are recorded on the modified accrual basis of accounting.

NOTE 2 - APPROVED BUDGET:

The total budget as approved on Form ED-508LPW for Grant No. 07-51-21715 is \$1,447,812.

NOTE 3 - MINORITY BUSINESS ENTERPRISES:

The Public Works Employment Act of 1977 and Step A.15 of Part II of Appendix B of the Instructions state the following regarding minority business enterprise requirements:

"Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least ten percent of the amount of each grant shall be expended for minority business enterprises."

The City of Sacramento is in full and complete compliance with the ten percent minority business enterprise requirement.

NOTE 4 - CONTINGENCIES:

Inasmuch as the purpose of the contingency item of the approved budget (ED-508LPW) is to cover possible overruns on the other cost classifications, no costs for this item have been claimed on the ED-113A.

CITY OF SACRAMENTO

EDA GRANT #07-51-21715

ATTACHMENT II - COMPLIANCE WITH GRANT  
TERMS AND CONDITIONS AND EDA REQUIRE-  
MENTS:

A. Scope

We have reviewed the terms and conditions of the grant and the Department of Commerce "Audit Instructions for Local Public Works Grants Under Title I of the Public Works Employment Acts of 1976 and 1977," Second Edition of March 1978 and Revision No. 2 thereto (the Instructions), and have performed tests of the City's operations and records applicable to the compliance requirements set forth in Parts II A and B of the audit program in the Instructions.

B. Study results

Based upon these tests, we are of the opinion that the City complied in all material respects with all applicable items listed in Part II A of the audit program referred to above. Further, no significant conditions were disclosed relative to the items listed in Part II B of the audit program which we consider to be matters of noncompliance.