

**BOARD OF PORT COMMISSIONERS
PORT OF REDWOOD CITY**

AGENDA SHEET

SUBJECT: Motion Approving and Authorizing Execution of Extension of Audit Services Agreement for the Fiscal Years Ending June 30, 2008-2011 (Caporicci & Larson, CPAs) **DATE:** November 14, 2007
ITEM NO.: VI-A
Submitted by: C. Hampton

AGENDA CLASSIFICATION

- Policies Leases
 Finance Construction
 Legal Maintenance
 Personnel Other

PROGRAM AREA

- General Operations
 Marine Terminal Operations
 Yacht Harbor Operations
 Property Management
 Administration

BACKGROUND

Caporicci & Larson, CPAs, has provided audit services to the Port for the past five fiscal years ended June 30, 2003 through June 30, 2007. C&L has been responsive in addressing specific questions which arise throughout the year and have performed the annual audits with due diligence and professionalism. Frequent turnover of personnel is common in the audit profession, and C&L has done its very best to ensure continuity of staff assigned to the Port's audits.

The agreement with C&L to provide audit services ended after its recent presentation of the June 30, 2007 audit results to the Board of Port Commissioners. At Port staff's request, C&L has submitted a proposal to extend its services for the next four years (FY 08,09,10,11) subject to the same terms as the original agreement except for fees. Listed below is a table of contractual, actual and proposed fees. Note that C&L reduced its FY2005 fee by \$1,000 and held the reduced rate for the subsequent two year extension (FY2006 & FY2007).

Fiscal Year Ended	Contracted Fees	Actual Fees	Proposed Fees	Proposed Increase
June 30, 2003	\$ 9,800	\$ 9,800		
June 30, 2004	\$11,150	\$11,150		
June 30, 2005	\$12,500	\$11,500		
June 30, 2006	\$11,500	\$11,500		
June 30, 2007	\$11,500	\$11,500		
June 30, 2008	\$11,845		\$11,845	3%
June 30, 2009	\$12,200		\$12,200	3%
June 30, 2010	\$12,450		\$12,450	2%
June 30, 2011	\$12,700		\$12,700	2%

C&L has also provided audit services to the City of Redwood City for the past five years, and the City has extended its agreement with C&L for an additional four years (FY08-FY11). It is Port staff's recommendation that the motion to approve and execute the four year contract extension with Caporicci & Larson, CPAs be approved.

Executive Director's Approval

MCS *11-9-07*
Date

October 10, 2007

Ms. Cynthia Hampton
 Director of Finance and Administration
 Port of Redwood City
 675 Seaport Boulevard
 Redwood City, CA 94063

Dear Ms. Hampton:

I would like to take this opportunity to thank you and your staff for the confidence and support you have provided to us over the past five years. I would also like to take this opportunity to present this letter for your consideration regarding extending the Caporicci & Larson audit contract with the Port of Redwood City (Port).

Over the past years, we have developed an understanding of the Port's operation that has aided us in providing quality audit services. With that knowledge, we've been able to expand our audit efforts and provide observations that, hopefully, have assisted Port staff. We have also demonstrated our ability to respond to requests of the Port and our ability to deliver a quality product. We trust the Port has been satisfied with our efforts.

Per your request, we are pleased to present this proposal to provide audit services the Port for the years ended June 30, 2008 through 2011. The objective of our audit is to issue an opinion regarding the fairness of presentation of the City's financial position for each year in accordance with generally accepted accounting principles. The audit to be performed will follow generally accepted auditing standards, U.S. General Accounting Office's Government Auditing Standards, Single Audit Act, and OMB A-133.

Our fees for the year 2008 through 2011 will be as follows. The fees represent a slight increase to include the cost of living indexes (approximately 2%):

<u>Audit Year</u>	<u>Amount</u>
For the year ending June 30, 2008	\$11,845
For the year ending June 30, 2009	\$12,200
For the year ending June 30, 2010	\$12,450
For the year ending June 30, 2011	\$12,700

Toll Free Ph: (877) 862-2200

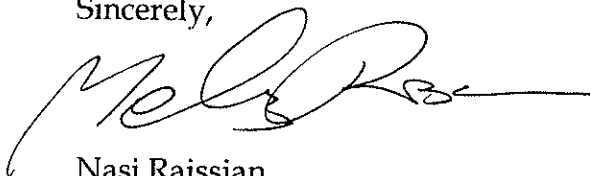
Toll Free Fax: (866) 436-0927

Ms. Cynthia Hampton
Port of Redwood City
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The services we will provide will follow the guidelines as outline in the original proposal to the Port. We would very much like to continue our relationship with the Port and stand ready to provide the level of service and commitment for which the Port has become accustomed.

If you have any questions, please feel free to call me at our toll-free number (877) 862-2200, ext. 126.

Sincerely,



Nasi Raissian
Partner
Caporicci & Larson, CPAs

RESPONSE:

This letter correctly sets forth the understanding of the Port of Redwood City.

By: _____

Title: _____

Date: _____