

## FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Fiona Earle, CIA, ACA, Principal Management Auditor		2. Telephone No. 3-3539	3. Bureau/Office/Dept. Office of the City Auditor/Audit Services Division
4a. To be filed (date) April 28, 2011	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: April 25, 2011

### **1) Legislation Title:**

\*Extend contract with Moss Adams, LLP by one year and increase by \$657,000 for financial audit of fiscal year 2010-2011 and professional services. (Ordinance; amend Contract No. 37298)

### **2) Purpose of the Proposed Legislation:**

To authorize the extension of the City's contract (No.37298) with Moss Adams, LLP Certified Public Accountants, to provide audit and other professional services to the City and its component units during fiscal years 2010-11 and 2011-12, relating to the financial statements of fiscal year 2010-11. These annual financial and/or compliance audits are required by Section .500 of the Federal Office of Management and Budget's Circular A-133, Oregon Law ORS 297.425, City Charter, and/or Section 10a of the Power Sales Agreement with Portland General Electric Company dated April 12, 1979.

### **3) Revenue:**

**Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.**

This contract extension will not generate or reduce revenue coming to the City.

### **4) Expense:**

**What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)**

The total cost for this contract extension is \$657,000. Portland Development Commission will recompense the Office of the City Auditor for the contract extension amount relating to PDC's financial audit, which will be \$100,750. The costs for the current fiscal year amount to an estimated \$108,500. These funds have been set aside for this contract although this estimate is subject to downward change.

Although this contract relates to the audit of the financial statements for FY 2010-11, most of this work will take place during FY 2011-12. The total cost for FY 2011-12 is \$548,500. Of this amount, \$313,850 is from the General Fund; \$154,250 of the remainder will be reimbursed to the Auditor's Office through Interagency Agreements with Portland Development Commission and other City bureaus; and \$37,000 contingency costs will be paid by the Office of Management and Finance under certain circumstances. The Hydroelectric Power Fund and the Fire & Police Disability & Retirement Funds will pay \$16,275 and \$27,125 of the remainder respectively.

### **Staffing Requirements:**

**5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)**

No positions will be created, eliminated or reclassified in the current year as a result of this contract extension.

**6) Will positions be created or eliminated in *future years* as a result of this legislation?**

No positions will be created or eliminated in future years as a result of this contract extension.

**Complete the following section if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.**

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

LaVonne Griffin-Valade, City Auditor



APPROPRIATION UNIT HEAD (Typed name and signature)