

THIS AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1980, in accordance with Section 7-106 of the City Charter, and ORS 297.610 through 297.740, by and between TOUCHE ROSS & CO., Certified Public Accountants, hereinafter referred to as "Accountants", and the CITY OF PORTLAND, OREGON, a municipal corporation of the State of Oregon, hereinafter called "City",

W I T N E S S E T H:

For and in consideration of a sum not to exceed \$66,900.00, including expenses relating to preparation of report drafts but excluding actual printing and report cover costs, to be paid by City out of the fiscal year 1980-81 budget if approved, as hereinafter provided, Accountants agree to audit the records of the City, including all City funds, except as hereinafter stated, for the fiscal year ending June 30, 1980.

THE SCOPE OF THIS AGREEMENT AND THE AGREEMENTS OF THE PARTIES ARE AS FOLLOWS:

1. It is hereby agreed that Accountants shall conduct an audit of the accounts and fiscal affairs of the City for the fiscal year beginning July 1, 1979, and ending June 30, 1980, in accordance with the prescribed minimum standards of audits for Oregon municipal corporations.
2. Accountants agree that the services contracted to be performed under this contract shall be rendered by Mr. Roger A. Korvola or under his personal supervision, and that the work will be faithfully performed with care and diligence.
3. It is understood and agreed that should unusual conditions arise or be encountered, or the City fails to adequately prepare schedules during the course of the audit, whereby the services of the Accountant are necessary beyond the extent of the work contemplated, written notification of such unusual conditions shall be delivered to the City by the Accountants and any such extension of services shall be the subject of negotiations as to compensation therefor by both parties.
4. It is understood and agreed by and between the parties that this agreement for auditing services shall include an audit of the City's Consolidated Financial Report as well as the usual comprehensive report.
5. The audit shall be started as soon after this agreement is executed as is agreeable to the parties hereto, and shall be completed and a written report thereon rendered by December 1, 1980, and its form and content shall be in accordance with and not less than outlined in the minimum standards of audits for Oregon municipal corporations.
6. The compensation to be paid by the City to Accountants shall be paid on a time-billing basis upon monthly statements rendered by Accountants, with periodic billing to include the name of the field auditor and title, the account or schedule examined, hours worked, hourly rate and the amount billed. In no event shall the entire cost of the audit exceed the sum of \$66,900.00.

7. It is understood and agreed by and between the parties that this agreement for auditing services shall not include the auditing of the Municipal Boxing Commission, the Fire and Police Disability and Retirement Funds, the Exposition-Recreation Commission and the Portland Development Commission; however, it is understood and agreed that the Accountants will include in their audit report the financial statements of the departments and funds specified in this paragraph, and their professional opinion thereon will be based upon the reports of other qualified, independent accountants, who have been engaged by the said commissions and/or board.

IN WITNESS WHEREOF, Accountants have executed this agreement in triplicate through Roger A. Korvola, one of the resident partners of TOUCHE ROSS & CO., and the City of Portland by the Mayor as Commissioner of Finance and Administration, and the Auditor, all on the day and year first above written and pursuant to Ordinance No. \_\_\_\_\_.

TOUCHE ROSS & CO.

by \_\_\_\_\_

CITY OF PORTLAND

by \_\_\_\_\_  
Mayor, as Commissioner of Finance  
and Administration

by \_\_\_\_\_  
City Auditor

Approved as to Form:

\_\_\_\_\_  
City Attorney

*Touche Ross & Co.*

April 14, 1980

Mr. Ron Lappi, Jr.  
Finance Officer  
City of Portland  
Portland, Oregon

Dear Mr. Lappi:

This letter summarizes the principal aspects of our professional engagement to serve as independent certified public accountants for the City of Portland, Oregon. If you have any questions regarding our engagement as described herein, or believe there are additional items that should be included, please contact us.

Services to be rendered

The purpose of our engagement is to examine the financial statements, consolidated financial statements and the financial statements of the Bureau of Water Works for the year ending June 30, 1980, and evaluate the fairness of presentation of the financial statements in conformity with generally accepted accounting principles applied on a consistent basis. Our examination will be made in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations, which will include a review of the system of internal control and tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances. Accordingly, our examination will not include a detailed audit of transactions to the extent which would be required if it were intended to disclose defalcations or other irregularities, although their discovery may result.

We direct your attention to the fact that management has the responsibility for the proper recording of transactions in the books of account, for the safeguarding of assets and for the substantial accuracy of the financial statements. Such statements are the representations of management.

The objective of our examination is the expression of an opinion on the financial statements. Our ability to express an opinion, and the wording of that opinion, will be dependent on the facts and circumstances at the date of our report. If circumstances arise which would cause us to believe that our opinion will be other than unqualified, we will notify you promptly of such circumstances and, if such an opinion is issued, the reasons therefor will be fully disclosed in our report.

Mr. Ron Lappi, Jr.  
Finance Officer  
City of Portland  
April 14, 1980  
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In addition, we will submit, as a normal part of our examination, a letter of recommendations advising you of opportunities we have observed for improved internal controls or economies in your operations. It is our practice to review our comments on such matters with the appropriate members of management prior to issuance of the letter.

#### Professional staff and timing

Mr. Roger Korvola will continue to be the partner responsible for all work we perform and will endeavor to ensure that you consistently receive a high level of professional service. If necessary, he will call upon other individuals within our firm who have the specialized knowledge to fulfill unique requirements which might arise. Mr. Robert C. Thompson will monitor the performance of the audit engagement and supervise the other members of our staff.

We would like to commence our work on April 21, 1980, for three weeks and perform the balance of our work starting August 4, 1980, for approximately ten weeks. Unless unforeseen circumstances arise, we will deliver our report on examination on or before December 1, 1980. The proposed timing contemplates a timely year-end closing and a reasonable degree of assistance by your personnel in the preparation of schedules and analyses.

#### Fees for professional services

Our fees are based on the amount of time required at various levels of responsibility, plus actual expenses. Invoices are normally issued monthly as work progresses and are payable upon presentation. Our fees are estimated not to exceed \$66,900.

Mr. Ron Lappi, Jr.  
Finance Officer  
City of Portland  
April 14, 1980  
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If the foregoing is in accordance with your understanding, please indicate your agreement by signing and returning a copy of this letter. We appreciate this opportunity to continue to serve the City of Portland, Oregon, and we look forward to providing additional services throughout the year.

Yours very truly,

*Touche Ross & Co.*

Certified Public Accountants

Accepted by:

Signature \_\_\_\_\_

Date \_\_\_\_\_

## ORDINANCE NO. 149550

An Ordinance authorizing the employment of Touche Ross & Co., Certified Public Accountants, to perform an audit of the financial records and transactions of the City of Portland for the fiscal year 1979-80 at a cost not to exceed \$66,900, including expenses relating to preparation of report drafts, but excluding actual printing and report cover costs, providing for the drawing and delivery of warrants, and declaring an emergency.

The City of Portland ordains:

Section 1. The Council finds:

1. Section 7-106 of the City Charter and ORS 297.610 et. seq., requires an official annual audit of the financial affairs and transactions of the City of Portland.
2. The Mayor as Commissioner of Finance and Administration and the Finance Officer have recommended the firm of Touche Ross & Co., Certified Public Accountants, who are qualified to perform the necessary audit.
3. Touche Ross & Co. has submitted its proposal dated April 14, 1980, to conduct the necessary audit for the City. A copy is attached to the original only of this ordinance.

NOW, THEREFORE, the Council directs:

- a. Employment of Touche Ross & Co., Certified Public Accountants, One S. W. Columbia, Suite 1500, Portland, Oregon 97258, to perform an audit of the financial affairs and transactions of the City of Portland for the Fiscal Year 1979-80 to be paid out of the FY 1980-81 budget if approved, at a cost not to exceed \$66,900, excluding actual printing and report cover costs.
- b. The Mayor and Auditor to enter into an agreement with Touche Ross & Co. for performance of such independent audit, said agreement to be substantially in accordance with the form of agreement attached to the original only of this ordinance, marked Exhibit "A", and by this reference made a part hereof.
- c. The Mayor and Auditor to draw and deliver warrants in payment of such services upon proper billing, said warrants to be drawn against and charged to the General Fund Appropriation, Bureau of Financial Affairs (308:210), City Auditor (336:210) and the Water Fund Appropriation (181:210) Fiscal Year 1980-81.

## ORDINANCE No.

Section 2. The Council declares that an emergency exists in order that there may be no unnecessary delay in providing arrangements for audit services for FY 1979-80; therefore, this ordinance shall be in force and effect from and after its passage by the Council.

ORDINANCE NO. 149550

CITY OF PORTLAND

MAY 7 1980

CLERK OF CITY

Passed by the Council,

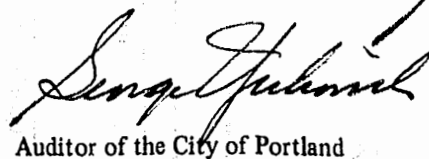
MAY

7 1980

Mayor Connie McCready  
RML/irre  
April 28, 1980

Attest:

  
Mayor of the City of Portland

  
Auditor of the City of Portland

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
Ivancie		
Jordan		
Lindberg		
Schwab		
McCready		

FOUR-FIFTHS CALENDAR	
Ivancie	
Jordan	
Lindberg	
Schwab	
McCready	

Calendar No. 1535

## ORDINANCE No. 149550

### Title

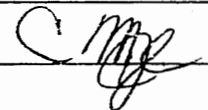
An Ordinance authorizing the employment of Touche Ross & Co., Certified Public Accountants, to perform an audit of the financial records and transactions of the City of Portland for the fiscal year 1979-80 at a cost not to exceed \$66,900, including expenses relating to preparation of report drafts, but excluding actual printing and report cover costs, providing for the drawing and delivery of warrants, and declaring an emergency.

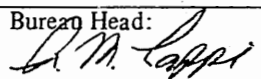
Filed MAY 2 1980

GEORGE YERKOVICH  
Auditor of the CITY OF PORTLAND

By George Yerkovich  
Deputy

INTRODUCED BY
Mayor Connie McCready

NOTED BY THE COMMISSIONER
Affairs
Finance and Administration 
Safety
Utilities
Works

BUREAU APPROVAL
Bureau: Financial Affairs
Prepared By: R.M. Lappi/me      Date: 4/28/80
Budget Impact Review: <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Not required
Bureau Head:  R. M. Lappi, Finance Officer

NOTED BY
City Attorney
City Auditor
City Engineer 