



Agenda Item No. 5

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of March 22, 2007

From: Joseph M. Wire, Auditor-Controller  
Celia G. Kupersmith, General Manager

Subject: **RECEIVE THE INDEPENDENT AUDITOR'S ENGAGEMENT LETTERS  
BY MACIAS GINI & O'CONNELL LLP FOR THE ANNUAL FINANCIAL  
AUDIT**

**Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors receive the independent auditor's Engagement Letters as submitted by Macias Gini & O'Connell LLP for the following audit services:

- a. FY 06/07 Financial Audit; and
- b. FY 05/06 Supplemental Retirement Plan.

**Summary**

Attached is the Engagement Letter for the FY 06/07 Financial Audit from the District's external auditors, Macias Gini & O'Connell LLP. As stated in the annual contract, the external auditors are reconfirming their understanding of services with the District to ensure compliance in accordance with *Government Auditing Standards*. Along with auditing the basic financial statements of the District for the Fiscal Year ending June 30, 2007, the external auditors will:

- Submit documentation that will include the Schedule of Expenditures of Federal Awards that will not be audited, but will be subject to "in-relation-to" procedures applied during the audit of financial statements;
- Audit the National Transit Database Report and the Transportation Development Act Compliance Report;
- Submit the Management Discussion and Analysis required by the Governmental Accounting Standards Board (GASB); and,
- Audit the District's Supplemental Retirement Plan. Note: A separate engagement letter is attached for FY 05/06 as this was not a part of the original contract. The contract has since been amended to incorporate this into the scope of the audit.

**Fiscal Impact**

There is no fiscal impact as this report is informational.

Attachments