COUNTY OF PLACER

OFFICE OF
AUDITOR-CONTROLLER

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INDEPENDENT ACCOUNTANT'S REPORT

City of Lincoln
600 Sixth Street
Lincoln, CA 95648

Department of Public Works and Facilities
County of Placer
11476 C Ave
Auburn, CA 95603

We have examined the City of Lincoln's (City) and the County of Placer's (County) compliance with the Construction, Operations, and Joint Exercise of Powers Agreement (COJA), specifically sections 4.1.6 and 4.1.7, which require quarterly "spot" audits, for the period July 1, 2016 to September 30, 2016. Management of the City and the County are responsible for compliance with those requirements. Our responsibility is to express an opinion on the City's and the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's and the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's and the County's compliance with specified requirements.

Based on our review, the City and the County complied with Sections 4.1.6 and 4.1.7 of the COJA, which require quarterly "spot" audits, for the period July 1, 2016 to September 30, 2016, except for the following observation and recommendation:

COJA Project Completion Date

During our review of the COJA project, we noted the City and the County extended the Project Final Completion date to March 31, 2017 and did not amend the COJA Agreement or document the extension in a COJA Change Order as required by Section 1.1.10 of the COJA Agreement.

We recommend the County review all contracts when material modifications occur and amend as necessary to ensure contract compliance.

Department Response:

The Department agrees with the recommendation from the Auditor Controller's Office and the Department will review all contracts when material modifications occur and amend as necessary to ensure contract compliance.

This report is intended solely for the information and use of management of the City and the County and is not intended to be and should not be used by anyone other than these specified parties.

Nicole C. Howard, CPA
Assistant Auditor-Controller

June 14, 2017