

RESOLUTION NO. 02-11

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL APPROVING
A CONTRACT WITH CAPORICCI, CROPPER, & LARSON FOR
CONDUCTING THE FY 2002 AND FY 2003 AUDIT, PREPARING THE
COMPREHENSIVE ANNUAL FINANCIAL REPORT, & CONDUCTING
THE GASB 34 CONVERSION**

WHEREAS, the City of Ridgecrest has engaged the professional services of Caporicci, Cropper, and Larson for auditing services since FY 1999; and

WHEREAS, the City Council desires to provide the community with an orderly transition to the GASB 34 Reporting model; and

WHEREAS, the auditing firm of Caporicci, Cropper, & Larson has the professional and technical resources to provide such services; and

NOW, THEREFORE, BET IT RESOLVED by the City Council of the City of Ridgecrest that:

1. The letter of engagement herein attached as Exhibit A with Caporicci, Cropper, and Larson for the auditing of the City and the Agency's financial records, preparation of the Annual CAFR, and providing technical assistance for the GASB 34 conversion is hereby approved.
2. The funding necessary to provide such services is hereby appropriated as required;
3. The letter of engagement with Caporicci, Cropper, & Larson is deemed a professional service and is exempt from the bidding requirements under State of California Law and City of Ridgecrest Purchasing Policy.

APPROVED AND ADOPTED this 6th day of February 2002, by the following vote:

AYES: Mayor Morgan, Council Members Carter, Holloway, Martin, and Rollins

NOES: None

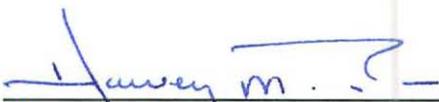
ABSENT: None

ABSTAIN: None



Steven P. Morgan, Mayor

ATTEST:



Harvey M. Rose
City Clerk



Caporicci, Cropper & Larson, LLP
 Certified Public Accountants

Offices located in:
 Bay Area
 Orange County
 Sacramento

November 9, 2001

Mr. James Winegardner
 Director of Finance
 City of Ridgecrest
 100 West California Ave
 Ridgecrest, CA 93555

RE: Audit Contract Extension

Dear Mr. Winegardner

It is my pleasure to present this letter regarding extending the Caporicci, Cropper & Larson, LLP, audit contract with the City of Ridgecrest (City) for the years ending June 30, 2002 and 2003. 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, OMB A-133, and Audits of States, Local Governments and Non-Profit Organizations.

We are responsive to the needs of the City, understand the City's operational environment, and pledge to you our complete commitment to providing a quality product, which meets the City's requirements. Also, we are committed to performing the required work, completing the audit, and issuing the necessary auditors' reports on a timely basis.

Our professional fees to perform the audit services to the City are based on the current year fee of \$24,750 adjusted by 5% to cover increased costs as follow:

| <u>Audit Year</u> | <u>Amount</u> |
|-----------------------------------|---------------|
| For the year ending June 30, 2002 | \$25,985 |
| For the year ending June 30, 2003 | 27,286 |

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

If you have any questions, please feel free to call either Nasi Raissian or myself at our toll-free telephone (877) 862-2200.

Sincerely,

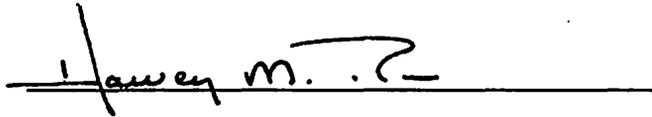


Stephen L. Larson
Senior Partner

This letter correctly sets forth the understanding of the City of Ridgecrest as listed above.

Acknowledged by:

City of Ridgecrest



2/12/02
Date