



Agenda Date: 12/6/2017

Agenda Placement: 8A

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors  
**FROM:** Jeff Tucker - Director of Administrative Services/CFO  
NS-Administration  
**REPORT BY:** Cyndi Bolden, Senior Accountant - 258-6001  
**SUBJECT:** Acceptance of Audited CAFR for Fiscal Year 2016-17

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### **RECOMMENDATION**

Accept the Comprehensive Annual Financial Report and associated Audit Report for Fiscal Year 2016-17.

### **EXECUTIVE SUMMARY**

This is the 7th year NapaSan has prepared a Comprehensive Annual Financial Report (CAFR). NapaSan was awarded the Certificate of Achievement for Excellence in Financial Reporting for the last six years.

The CAFR includes all of the information that is required for financial statements according to Generally Accepted Accounting Principles. It also includes additional information, such as a transmittal letter, table of contents, overview of NapaSan, and statistical information. The purpose of the additional information is to provide a context for the financial report and to improve the communication and understanding of the financial information in the report.

For the 2nd year in a row, NapaSan has retained the services of Brown Armstrong, Certified Public Accountants to perform the annual financial audit. The financial statements portion of the CAFR was audited by Brown Armstrong. There were no audit findings, and the auditors have issued an unqualified opinion on NapaSan's financial statements. This means that the financial statements fairly and accurately represent the financial position of NapaSan, with no findings by the auditors of any material errors or omissions.

This year, Brown Armstrong did not have to perform a Single Audit, which is required when an entity expends \$750,000 or more in federal grants. NapaSan did receive federal WaterSMART grant funding from the Water Reclamation and Reuse Program for NapaSan's recycled water system and pipeline projects; however, it was under the threshold of \$750,000.

The FY 2016-17 CAFR, of which the Audit Report is a part, is attached. The Required Communication letter to the Board has additional information regarding certain matters related to the audit. It is also attached.

Jian Ou-Yang from Brown Armstrong will be giving the Board a brief summary of the audit process and audited financial statements. He will also be available to answer any questions the Board may have.

**FISCAL IMPACT**

Is there a Fiscal Impact?                      No

**ENVIRONMENTAL IMPACT**

None.

**BACKGROUND AND DISCUSSION**

None.

**SUPPORTING DOCUMENTS**

- A . Required Communications Letter
- B . CAFR 1617

Napa Sanitation District: Approve  
Reviewed By: Jeff Tucker