



Agenda Date: 12/7/2016
Agenda Placement: 8B

Napa Sanitation District Board Agenda Letter

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 2015-16

RECOMMENDATION

Accept the Comprehensive Annual Financial Report and associated Audit Report for Fiscal Year 2015-16.

EXECUTIVE SUMMARY

This is the 6th year the District has prepared a Comprehensive Annual Financial Report (CAFR). The District was awarded the Certificate of Achievement for Excellence in Financial Reporting for the last five 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 the District, 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.

This year we have retained the services of new auditors. The District entered into a Professional Services Agreement with Brown Armstrong, Certified Public Accountants for the next three years (through FY 2019). 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 the District's financial statements. This means that the financial statements fairly and accurately represent the financial position of the District, with no findings by the auditors of any material errors or omissions.

In addition to the audit of our financial statements, Brown Armstrong performed a Single Audit which is required when an entity expends \$500,000 or more in federal grants. The District received federal WaterSMART grant funding from the Water Reclamation and Reuse Program for the District's recycled water system and pipeline projects that exceeded \$500,000. There were no findings identified in the audit.

The FY 2015-16 CAFR, of which both the Audit Report and Single Audit Report are 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 . CAFR
- B . Required Communication

Napa Sanitation District: Approve
Reviewed By: Jeff Tucker