



Agenda Date: 1/10/2006
Agenda Placement: 8I
Set Time: 10:00 AM
Estimated Report Time: 15 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Pamela Kindig - Auditor-Controller
Auditor - Controller
REPORT BY: Pamela Kindig, Auditor-Controller, 253-4647
SUBJECT: Audit report

RECOMMENDATION

Auditor-Controller and Bartig, Basler & Ray, Certified Public Accountants, to present and request acceptance of the County of Napa Comprehensive Annual Financial Report, County of Napa Single Audit Report, and the County of Napa Management Report for Fiscal Year 2004-2005.

EXECUTIVE SUMMARY

Brad Constantine, a partner with the audit firm of Bartig, Basler & Ray (BB&R), will be present at your meeting to answer any questions regarding the County's audit for the year ended June 30, 2005. The reports included for your acceptance are the County of Napa Comprehensive Annual Financial Report (CAFR), County of Napa Single Audit Report, and the County of Napa Management Report. The reports are on file with the Clerk of the Board.

FISCAL IMPACT

Is there a Fiscal Impact? Yes
Is it currently budgeted? Yes
Where is it budgeted? The audit contract with BB&R of \$55,500 is paid by the following budget units:

- | Central Services-\$43,500
- | Social Services-\$5,500
- | Health-\$1,000
- | Training & Employment-\$2,000
- | Treasury Oversight Report-\$3,500 (Accepted by the Treasury Oversight Committee)

Is it Mandatory or Discretionary? Mandatory
Is the general fund affected? Yes
Future fiscal impact: The Auditor-Controller will include future year contracts in the annual budget.
Consequences if not approved: Napa County will be out of compliance with California Government Code Sections and the Federal Single Audit requirements.
Additional Information: None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Government Code Section 25250 and 12410.5 address the requirements of the County to have an examination of the financial statements in accordance with generally accepted auditing standards and the preparation and filing of the Single Audit Report with the State Controller. The audit reports before you today have unqualified opinions from the County's external auditors BB&R. This is the second year that the County has prepared a CAFR. On December 30, 2005 we submitted the County's CAFR to the Government Finance Officers Association to participate in the Certificate of Achievement for Excellence In Financial Reporting Program. The CAFR has four components as follows: (1) the Transmittal Letter signed by County Executive Officer Nancy Watt and Auditor-Controller Pam Kindig, (2) the Management Discussion and Analysis (MD&A), (3) the financial statements and notes and (4) the Statistical Section. The CAFR is an excellent resource for County financial and statistical information. The Single Audit has been prepared based on Federal guidelines and must be completed and accepted by the Board of Supervisors no later than March 31, 2006. The Management Report is also included in today's presentation. Once the Board of Supervisors officially receives the reports, the County Executive Officer will formally request responses from departments to reply to any audit findings in the Management Report.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve
Reviewed By: Maiko Klieman