



Agenda Date: 1/29/2008
Agenda Placement: 8D
Set Time: 9:45 AM
Estimated Report Time: 10 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Kindig, Pamela - Auditor-Controller
Auditor - Controller
REPORT BY: Tracy Schulze, Assistant Auditor-Controller - 299-1733
SUBJECT: Audit Report for Fiscal Year Ending June 30, 2007

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 2006-2007.

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, 2007. 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.

PROCEDURAL REQUIREMENTS

1. Chair announces the agenda item.
2. Staff reports on the item.
3. Questions by the Board.
4. Chair invites public comments.
5. Member makes a motion.
6. Different member seconds the motion.
7. Board discussion and debate on the motion.
8. Chair calls for the vote.
9. If roll call vote requested by member, Clerk calls the roll.
10. Chair announces the result of the vote.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The audit contract with BB&R of \$71,650 is paid by the following budget units: <ul style="list-style-type: none"> Central Services-\$59,650 Social Services-\$5,500 Health & Human Services-\$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:	

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 Sections 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 (clean) opinions from the County's external auditors BB&R.

This is the fourth year that the County has prepared a CAFR. On December 28, 2007 we submitted the County's CAFR to the Government Finance Officers Association (GFOA) 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. For two previous consecutive years, the County received the GFOA Certificate of Achievement for Excellence in Financial Reporting.

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, 2008. 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