



Agenda Date: 3/22/2005
Agenda Placement: 8A
Set Time: 9:15 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: Acceptance of the County's 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 2003-2004.

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, 2004. The reports included for your acceptance are the County of Napa Comprehensive Annual Financial Report, 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 Bartig, Basler & Ray of \$54,000 is paid by the following budget units:

- Central Services \$42,000
- 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 the California Government Code Sections and the Federal Single Audit requirements.

Additional Information: None

ENVIRONMENTAL IMPACT

There is no Environmental Impact for this item.

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 opinions from the County's external auditors Bartig, Basler & Ray (BB&R). This is the first year that the County has prepared a Comprehensive Annual Financial Report (CAFR). 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. Because this is the first year for the CAFR, the Statistical Section required a significant amount of work gathering data for the past ten years. The Single Audit has been prepared based on Federal guidelines and must be completed and accepted by the Board of Supervisors by March 31, 2005. 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: Lorenzo Zíalcita