



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/9/2017
Agenda Placement: 10C

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Tracy Schulze - Auditor-Controller
Auditor - Controller

REPORT BY: Tracy Schulze, Auditor-Controller - 299-1733

SUBJECT: Workshop on Governmental Fund Accounting and Cash Flow Management

RECOMMENDATION

Auditor-Controller to provide a general overview of governmental fund accounting concepts, including cash flow management for capital projects and budgeting.

EXECUTIVE SUMMARY

Auditor-Controller will provide a general overview of governmental fund accounting concepts, including cash flow management for capital projects and budgeting. This is an informational item only, no action required.

PROCEDURAL REQUIREMENTS

No Board Action Required

FISCAL IMPACT

Is there a Fiscal Impact? No

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

At the Budget Study Session held in April, the County Executive Officer requested the Auditor-Controller provide a workshop on cash flow management as it pertains to governmental accounting and capital projects.

In June, the County Executive Officer will present the County's budget for Fiscal Year 2017-18 which includes both operating costs as well as capital projects. Over the last three years, Napa County has experienced a great number of large capital projects due to funding opportunities such as the State funding received for the re-entry facility and the new jail facility, as well as three consecutive years of natural disasters. In addition, the County continues to require resources for on-going repair and maintenance of the County's roads and buildings, as well as long-term liabilities such as pension and other post employment benefits. The ability to have a strong understanding of governmental fund accounting principles and cash flow management is a vital piece of the County being able to fund its various priorities with a finite amount of resources.

The presentation will address the following:

- | Core principals of governmental fund accounting and cash flow management;
- | The difference between fund balance and cash;
- | County's capital project structure and funding procedures; and
- | Impacts on cash due to reimbursement funding.

The ultimate goal of the presentation is to provide a general framework of the cash flow/cash management process as most governmental entities usually focus on appropriations, not cash, as a topic of discussion. Understanding the County's cash position and process for cash flow management is important to the County's overall fiscal health and the various scenarios that can impact the County's ability to complete projects, fund its general operations, and take advantage of fiscal strategies such as pre-funding long-term liabilities to maximize savings.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Bret Prebula