



Local Agency Formation Commission
LAFCO of Napa County

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February 2, 2009
Agenda Item No. 7c (Action)

January 26, 2009

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Financial Audit for Fiscal Year Ending June 30, 2008

The Commission will review a written report from an outside consultant auditing the agency's financial statements for the 2007-2008 fiscal year. The report is being presented to the Commission to receive and file.

It is the practice of the Local Agency Formation Commission of Napa County ("Commission") to retain an outside consultant to perform an audit on the agency's financial statements for each fiscal year completed. The purpose of the audit is for a third-party to assess the reliability of the financial statements by reviewing records and testing transactions to determine their compliance with generally accepted governmental accounting standards. The audit also provides an opportunity for the third-party to identify reporting errors and omissions as well as to make suggestions for improvements.

A. Discussion

In July 2008, the Commission authorized the Executive Officer to retain Bartig, Basler & Ray (BBR) to conduct an independent audit of the agency's financial statements for the 2007-2008 fiscal year. BBR completed its audit in December 2008 and found no material misstatements. The audit also found no instances of significant or unusual changes in reporting practices and does not include any suggestions for improvements. A copy of BBR's audit with an accompanying cover letter addressed to the Commission is attached.

B. Analysis

BBR's audit provides an unqualified opinion the Commission's financial statements for the 2007-2008 fiscal year are reliable representations of the agency's financial position as of June 30, 2008. This clean opinion indicates the Commission has established an effective level of internal control in managing its financial records and transactions which helps to ensure maximum accountability with respect to the agency's use of public funds.

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Representative of the General Public

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

C. Recommendation

It is recommended that the Commission take the following action:

- 1) Receive and file the attached "Audit Report for the Year Ending on June 30, 2008" prepared by BBR.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachment: as stated