

# SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

For Agenda of: January 26, 2006

To: Board of Directors  
Sacramento Metropolitan Air Quality Management District

From: Larry Greene  
Air Pollution Control Officer

Subject: Financial Statements and Independent Auditors' Report for Fiscal Year 2002/2003

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## **Recommendations**

Staff recommends the Board approve the attached Resolution accepting the Financial Statements and Independent Auditor's Report for Fiscal Year 2002/2003; and authorizes the Chairperson of the Board to sign it on behalf of the Sacramento Metropolitan Air Quality Management District (District).

## **Audits**

Gilbert Associates, Inc., an independent auditing firm, is responsible for expressing an opinion on the financial statements of the District based upon their audit. The audit also assesses accounting principles used and significant estimates made by the management of the District.

## **Presentation of Financial Statements**

Gilbert Associates, Inc. presents the Financial Statements of the District to the Board of Directors and will answer any questions regarding their independent auditors' report.

Gilbert Associates, Inc. found no material weaknesses during their audit of the District. However, they noted two reportable conditions the first relating to the year-end closing process and the second related to accounts receivable billing. The District has experienced vacancies within the accounting division that delayed the closing process and the audit. Staff shortages have also caused delays in billings. Steps have already been taken by the District to correct this situation. A permanent District Accountant/Controller has been hired; two new fiscal positions and an Administrative Assistant position have been filled within the last year. The reportable conditions are now being addressed. There is a focus on interim and year-end reconciliation procedures and account analysis to ensure timely submission of future audits. In addition, the district is current on its billings to other agencies.

## **Attachments**

Attached are copies of the fiscal year 2002/2003 Financial Statements and Independent Auditors' Report.

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Respectfully submitted,

Larry Greene  
Air Pollution Control Officer

**SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT**

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

Resolution No. \_\_\_\_\_

Whereas, Gilbert Associates, Inc. (Auditor) has audited the general-purpose financial statements included in the attached Financial Statement of the Sacramento Metropolitan Air Quality Management District (District) as of June 30, 2003; and

Whereas, these general-purpose financial statements are the responsibility of the District's management; and

Whereas, it is the Auditor's responsibility to express an opinion on the financial statements based upon their audit; and

Whereas, the Auditor has conducted an audit in accordance with Generally Accepted Accounting Standards and Governmental Auditing Standards, issued by the Comptroller General of the United States; and

Whereas, in the opinion of the Auditor, the general-purpose financial statements attached present fairly, in all material respects, the financial position of the District as of June 30, 2003, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Therefore, be it resolved, the Board of Directors accepts the Financial Statements and Independent Auditors Report for the year ended June 30, 2003; and

On a Motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Directors of the Sacramento Metropolitan air Quality Management District this 26<sup>th</sup> day of January, 2006 by the following vote, to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, Board of Directors

(SEAL)

ATTEST. \_\_\_\_\_  
Clerk of the Board of Directors