



DATE: November 22, 2010  
TO: STA Board  
FROM: Susan Furtado, Accounting & Administrative Services Manager  
RE: STA's Annual Audit Fiscal Year (FY) 2009-10

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**Background:**

The Solano Transportation Authority (STA) is annually required to prepare an audited financial statement in accordance with Government Accounting Standards Board Statement Number 34 (GASB 34) and the Office of Management and Budget (OMB) Circular A-133 (Audits of State, Local Government, and Non-Profit Organizations).

In October 2009, the STA issued a Request for Proposals (RFP) to several accounting firms to perform professional auditing service. The Vavrinek, Trine, Day (VTD) & Co, LLP, a Certified Public Accountant (CPA) firm from Palo Alto, California was selected to perform the STA's annual financial reviews and funding compliance, appraise STA's accounting internal controls, and issue Single Audit Reports. The VTD has extensive experience in conducting audits in accordance with Government Auditing Standards Board (GASB), the provisions of the Single Audit Act Amendments of 1996, and the OMB Circular A-133. In addition, they have years of auditing experience with similar governmental transportation agencies, such as the Santa Clara Valley Transportation Authority (VTA), the Golden Gate Bridge, Highway and Transportation District, the San Mateo County Transit District (SamTrans), the Monterey-Salinas Transit District (MST), and the Alameda County Transportation Improvement Authority (ACTIA).

**Discussion:**

In October 2010, Vavrinek, Trine, Day & Co, LLP performed their first STA's financial review, funding compliance, and internal controls audit. Their audit evaluation noted no concerns regarding transactions involving internal control over financial reporting and STA's operations were found to have no material weaknesses, deficiencies, or non-compliance.

Vavrinek, Trine, Day & Co, LLP issued STA's Basic Financial Statements and Single Audit for FY 2009-10, which reflects an overall financial position with no reportable deficiencies or material weakness that will adversely affect STA's primary missions. The audit did not disclose any reportable findings or questions in accordance with GASB 34 and OMB Circular A-133.

The annual audit for FY 2009-10 is the fifth consecutive fiscal year unqualified audit report issued to STA. This fiscal and administrative requirement is sufficient to ensure that STA funds are used in compliance with all applicable Federal statutory and regulatory provisions, and costs were reasonable and necessary for operating its programs.

**Fiscal Impact:**

None

**Recommendation:**

Receive and file.

Attachment:

- A. Solano Transportation Authority Basic Financial Statements for the Year Ended June 30, 2010. (Copies have been provided to the STA Board Members under separate enclosure. Copies are available upon request by contacting the STA office at (707) 424-6075.)