NAPA COUNTY MOSQUITO ABATEMENT DISTRICT

MANAGEMENT REPORT

For The Year Ended
JUNE 30, 2009
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To the Board of Directors
Napa County Mosquito Abatement District
American Canyon, California

In planning and performing our audit of the basic financial statements of Napa County Mosquito Abatement District for the year ended June 30, 2009, we considered Napa County Mosquito Abatement District's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control.

Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

However, during our audit, we did not note any matters involving the internal control structure and other operational matters that we considered worthy of your consideration.

This report is intended solely for the information and use of management of Napa County Mosquito Abatement District and is not to be used for any other purpose.

We thank Napa County Mosquito Abatement District's staff for its cooperation during our audit.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
November 25, 2009
We have audited the basic financial statements of Napa County Mosquito Abatement District for the year ended June 30, 2009. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated June 23, 2009, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the basic financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Napa County Mosquito Abatement District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Napa County Mosquito Abatement District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Napa County Mosquito Abatement District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The most sensitive estimate(s) affecting the financial statements were:

- Accrual and disclosure of compensated absences;
- Capital asset lives and depreciation expense.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Of the misstatements detected as a result of audit procedures and corrected by management most were material, either individually or in the aggregate, to the financial statements taken as a whole.
Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated November 5, 2009.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Napa County Mosquito Abatement District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Napa County Mosquito Abatement District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Napa County Mosquito Abatement District
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Current Year Observations
There were no current year observations.

Prior Year Observations

1) Payroll tax return reconciliation

Observation:
During our audit it was noted that the payroll tax returns were not reconciled to the general ledger.

Recommendation:
It is important to have all the accounts up to date to reflect the accurate financial position of Napa County Mosquito Abatement District. We recommend Napa County Mosquito Abatement District reconcile the payroll tax returns to the general ledger on a quarterly basis.

Status:
This recommendation has been implemented.