

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Auditor-Controller *SPK*

BOARD AGENDA # \*B-1

Urgent

Routine

AGENDA DATE October 18, 2011

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval to Modify the Hills Ferry Cemetery District Reporting Requirement from an Annual to a Biennial Audit

STAFF RECOMMENDATIONS:

Approve modification by unanimous vote of the Hills Ferry Cemetery District's required financial audit from an annual to a biennial audit.

FISCAL IMPACT:

There is no fiscal impact to the County to grant this request. The District anticipates a cost savings by switching from a yearly audit to a biennial audit.

BOARD ACTION AS FOLLOWS:

No. 2011-632

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. DC-2-15

Approval to Modify the Hills Ferry Cemetery District Reporting Requirement from an Annual to a Biennial Audit  
Page 2

**DISCUSSION:**

We have received correspondence from Hills Ferry Cemetery District formally requesting approval of an audit frequency of every two years. Subject to this approval, the District will be contracting with an accounting firm to perform an audit for a two-year period ending June 30, 2012.

Government Code Section 26909 provides that a Special District may, by unanimous request of the governing board of the District, with unanimous approval of the Board of Supervisors, replace the annual audit required by this section with a biennial audit covering a two-year period.

**POLICY ISSUES:**

This action is consistent with the Board of Supervisors' priorities of Effective Partnerships and promoting Efficient Delivery of Public Services.

**STAFFING IMPACT:**

There are no staffing impacts associated with this agenda item.

**CONTACT PERSON:**

Theresa Borrelli, Accountant II. Telephone: 525-5786

## HILLS FERRY CEMETERY DISTRICT

P.O. BOX 657  
NEWMAN, CALIFORNIA 95360  
209-862-0501  
FAX 209-862-1819

September 26, 2011

Stanislaus County Board of Supervisors  
Christine Ferraro-Tallman, Clerk of the Board  
1010 10th Street, Suite 6700  
Modesto, CA 95354

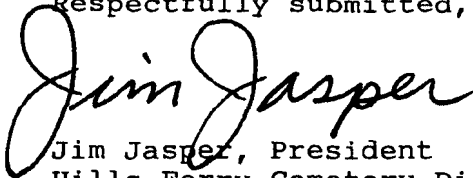
Clerk Ferraro-Tallman:

The Hills Ferry Cemetery District Board of Directors respectfully request that the Stanislaus County Board of Supervisors consider our District implementing a bi-annual audit. Our last completed audit was for Fiscal Year ending June 30, 2010.

The Hills Ferry Cemetery District Board of Directors, at their September 26, 2011 meeting, unanimously agreed to extend our audits, due to the escalation in the cost of performing an annual audit.

The Board of Directors appreciates your time in considering this matter.

Respectfully submitted,



Jim Jasper, President  
Hills Ferry Cemetery District

2011 SEP 29 A 9:54  
BOARD OF SUPERVISORS

26909. (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) Where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, the provisions of this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller, or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period, if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding the provisions of this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.