

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

DEPT: Auditor-Controller *AK*

BOARD AGENDA # *B-1

Urgent

Routine

AGENDA DATE January 10, 2012

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Modify the Orestimba Creek Flood Control District Reporting Requirement from a Three Year Audit to a Five Year Audit

STAFF RECOMMENDATIONS:

Approve modification by unanimous vote of the Orestimba Creek Flood Control District's required financial audit from a three year audit to a five year 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 three year audit to a five year audit.

BOARD ACTION AS FOLLOWS:

No. 2012-009

On motion of Supervisor Chiesa, Seconded by Supervisor De Martini
and approved by the following vote.

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

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. DFC-01-19

Approval to Modify the Orestimba Creek Flood Control District Reporting Requirement from a Three Year Audit to a Five Year Audit

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DISCUSSION:

We have received correspondence from Orestimba Creek Flood Control District formally requesting approval of an audit frequency of every five years, along with their budget for fiscal year ending June 30, 2012, which clearly falls below the ceiling of \$100,000 in annual revenue. Subject to this approval, the District will be contracting with an accounting firm to perform an audit for a five-year period ending June 30, 2013.

Government Code Section 26909(b) 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 or if the District's annual budget does not exceed an amount specified by the Board of Supervisors, an audit covering a five-year period.

On December 14, 1982, the Board of Supervisors approved Resolution No. 82-1992, setting the amount to qualify for five year audits at under \$100,000 in annual revenue and further stating that all of the special districts in Stanislaus County would qualify for five-year audits provided the District's budget did not exceed this limit.

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

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.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

Date: December 14, 1982

No. 82-1992

On motion of Supervisor Ulm , Seconded by Supervisor Starn
and approved by the following vote,

Ayes: Supervisors: Terry, Starn, Ulm, and Chairman Simon

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

B-5

THE FOLLOWING RESOLUTION WAS ADOPTED:

IN RE: SPECIAL DISTRICT AUDITS

WHEREAS, the Knights Ferry cemetery District has requested approval of audits covering a five-year period; and


WHEREAS, Government Code Section 26909 grants this authority to the Board of Supervisors provided that the District's annual budget does not exceed a specified amount to be established by the Board of Supervisors; and

WHEREAS, all of the special districts in Stanislaus County would qualify for five-year audits should this Board fix the ceiling be placed at under \$100,000,

NOW, THEREFORE, BE IT RESOLVED that the ceiling for five-year audits of special districts be and hereby is, set at under \$100,000.

BE IT FURTHER RESOLVED and ordered that the five-year audit of the Knights Ferry Cemetery District be, and hereby is, authorized to be conducted.

ATTEST: LLOYD R. BROUILLARD, Clerk,
Stanislaus County Board of Supervisors,
State of California,



9710-08

File No. S-2-A-3

Orestimba Creek Flood Control District BOARD OF SUPERVISORS

21907 Morris Road · Crows Landing, CA 95313

Phone (209) 837-4612

2011 NOV -9 A 10:20

October 31, 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 Orestimba Creek Flood Control Board of Directors respectfully requests that the Stanislaus County Board of Supervisors consider our District implementing a five year audit instead of a three audit. Our last completed audit was for Fiscal Year ending June 30, 2008.

The Orestimba Creek Flood Control District's Board of Directors, at their October 7, 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,



Clyde Peters, Fiscal Officer
Orestimba Creek Flood Control District

C

Orestimba Creek Flood Control District

21907 Morris Road · Crows Landing, CA 95313

Phone (209) 837-4612

Budget for FYE 6/30/12

REVENUES	
Special Assessments	\$ 7,600.00
Interest income	<u>100.00</u>
TOTAL REVENUES	7,700.00
EXPENDITURES	
Labor & dredging	1,000.00
Services – Accounting	<u>200.00</u>
TOTAL EXPENDITURES	<u>1,200.00</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 6,500.00</u>

This budget is reflecting a non-audit year; therefore the accounting services are lower than in audit years.