

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

|   |   |  |                      |
|---|---|--|----------------------|
| (1) DEPARTMENT<br>Auditor - Controller -<br>Treasurer - Tax Collector   | (2) MEETING DATE<br>7/8/2014                | (3) CONTACT/PHONE<br>Kerry Bailey 788-2979   |                      |
| (4) SUBJECT<br>Request by the Board of Directors of Squire Canyon Community Services District to replace the annual audit with a biennial audit covering a two-year period. All Districts.                          |   |  |                      |
| (5) RECOMMENDED ACTION<br>It is recommended that the Board unanimously approve Squire Canyon Community Services District's request to replace the annual audit with a biennial audit covering a two-year period.    |   |  |                      |
| (6) FUNDING SOURCE(S)<br>N/A  | (7) CURRENT YEAR FINANCIAL IMPACT<br>\$0.00 | (8) ANNUAL FINANCIAL IMPACT<br>\$0.00  | (9) BUDGETED?<br>N/A |
| (10) AGENDA PLACEMENT<br><input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___) |   |  |                      |
| (11) EXECUTED DOCUMENTS<br><input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A                                      |   |  |                      |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)<br>N/A  |   | (13) BUDGET ADJUSTMENT REQUIRED?<br>BAR ID Number:<br><input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A |                      |
| (14) LOCATION MAP<br>N/A  | (15) BUSINESS IMPACT STATEMENT?<br>No       | (16) AGENDA ITEM HISTORY<br><input checked="" type="checkbox"/> N/A    Date: _____   |                      |
| (17) ADMINISTRATIVE OFFICE REVIEW<br><i>Nikki J. Schmidt</i>  |   |  |                      |
| (18) SUPERVISOR DISTRICT(S)<br>All Districts  |   |  |                      |

# County of San Luis Obispo



TO: Board of Supervisors

FROM: James Erb, CPA, Auditor - Controller - Treasurer - Tax Collector

DATE: 7/8/2014

SUBJECT: Request by the Board of Directors of Squire Canyon Community Services District to replace the annual audit with a biennial audit covering a two-year period. All Districts.

## **RECOMMENDATION**

It is recommended that the Board unanimously approve Squire Canyon Community Services District's request to replace the annual audit with a biennial audit covering a two-year period.

## **DISCUSSION**

California Government Code 26909 requires an annual audit of a special district's accounts and records; however, a special district may, by unanimous request of its governing board, and by unanimous approval of the board of supervisors, replace the annual audit with a biennial audit covering a two-year period (Government Code 26909(b)(1)). Squire Canyon Community Services District (CSD) is current on their annual financial audits and received an unqualified opinion for the year ended June 30, 2013.

On April 1, 2014 the Squire Canyon CSD governing Board of Directors unanimously passed resolution 040114-1 to petition the San Luis Obispo County Auditor-Controller and Board of Supervisors to replace the annual auditing requirement from yearly to biennially as an annual audit is deemed to be a financial burden for the District by virtue of its lack of size and complexity.

Squire Canyon CSD reported revenues and expenditures for Fiscal Year 2012-13 of \$30,601 and \$12,063 respectively. Of the annual expenditures an audit cost of \$2,500 represents 21% of the District's total expenditures. Changing the audit requirement from annually to biennially will save the District approximately \$1,500 over a two year period.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

The Board of Directors of Squire Canyon CSD.

## **FINANCIAL CONSIDERATIONS**

There are no County financial considerations for this item. Savings for Squire Canyon CSD will be approximately \$1,500 every two years.

## **RESULTS**

The Board's unanimous approval of this item will allow Squire Canyon CSD to undergo a biennial audit covering a two-year period and reduce the cost of audits.

## **ATTACHMENTS**

1. Squire Canyon Board Resolution 040114-1