



Auditor-Controller COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: October 2, 2018 – REVISED

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
County Counsel Sign-Off	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>

CONTACT PERSON: Cass Cook PHONE: 636-5200

SUBJECT: Cemetery Special Districts' Request for a Five-year Audit

REQUEST(S):

That the Board of Supervisors:

1. Authorize cemetery special districts to replace the required annual audit with an audit covering a five-year period if annual revenues do not exceed \$30,000.
2. Approve Eshom Valley Cemetery District's request to replace their biennial audit with an audit covering a five-year period (unanimous vote required).

SUMMARY:

Pursuant to California Government Code Section 26909 (b) a special district may, by unanimous request of the governing board of the special district and with unanimous approval of the Board of Supervisors, replace the required annual audit with an audit covering a five-year period if the district's annual revenues do not exceed an amount specified by the Board of Supervisors.

Based on the current sizes of the cemetery special districts, and taking into consideration the desired risk tolerance level, it is recommended that the Board of Supervisors establish an annual revenue threshold of \$30,000 for cemetery special districts who wish to replace the required annual audit with an audit covering a five-year period. Cemetery special districts with lower annual revenues will be able to better serve their small district by reducing administrative expenses associated with audits performed on a more frequent basis.

SUBJECT: Cemetery Special Districts' Request for a Five-year Audit
DATE: October 2, 2018

The Auditor-Controller's Office has received correspondence from Eshom Valley Cemetery District (the District) formally requesting the approval of an audit frequency of every five years (Attachment A). The District's governing Board of Directors unanimously approved the change in audit frequency (Attachment B); deeming its current biennial audit to be a financial burden for the District.

The District reported revenues for the two-year period ended June 30, 2016 of \$26,433. Of this amount, \$11,880 was for Fiscal Year 2015 and \$14,563 was for Fiscal Year 2016. Therefore, the District's annual revenues do not exceed the \$30,000 threshold.

The District reported administrative expenditures for the two-year period ended June 30, 2016 of \$18,855. Of this amount, \$9,457 was for Fiscal Year 2015 and \$9,398 was for Fiscal Year 2016. An audit cost of \$3,400 represents 18% of the District's total administrative expenditures. Changing the audit frequency from a biennial audit to a five-year audit will save the District approximately \$4,000 over a five-year period.

If approved for a five-year period audit frequency, the District's next audit would cover Fiscal Years 2017 through 2021.

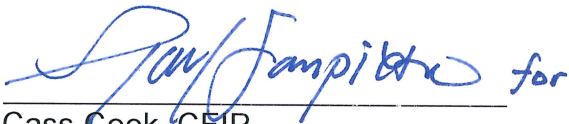
FISCAL IMPACT/FINANCING:

There is no fiscal impact associated with this request.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year strategic plan includes the Organizational Performance Initiative to provide for the stability of county operations through periods of economic fluctuations, changing priorities and service demands.

ADMINISTRATIVE SIGN-OFF:



Cass Cook, CFIP

Auditor-Controller/Treasurer-Tax Collector, Deputy

cc: County Administrative Office

Attachment(s)

1. Attachment A – Letter from Eshom Valley Cemetery District's Board requesting an audit covering a five-year period for future reporting periods.
2. Attachment B – Minutes of Eshom Valley Cemetery District's Board meeting on July 30, 2018.

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF CEMETERY SPECIAL)
DISTRICT REQUEST FOR A FIVE-YEAR) Resolution No. _____
AUDIT) Agreement No. _____
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: MICHAEL C. SPATA
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

1. Authorized cemetery special districts to replace the required annual audit with an audit covering a five-year period if annual revenues do not exceed \$30,000.
2. Approved Eshom Valley Cemetery District's request to replace their biennial audit with an audit covering a five-year period (unanimous vote required).



Attachment A

Eshom Valley Cemetery District

51300 Eshom Valley Drive
Badger, CA 93603

16 July 2018

Tulare County Board of Supervisors:

The Eshom Valley Cemetery District Board has approved a request (see attached Board Minutes) to change the auditing process from the current biennial process to an audit covering a five-year period, as specified in AB 2613.

Currently, the district is funded only by tax revenue and the occasional burial (2 or three/year). The total revenue runs around 11,000.00 per year. Of that amount, approximately \$7,000.00 goes to lawn service and maintaining the cemetery infrastructure, and about \$1000.00 goes to PGE. The biennial audit costs about \$3500.00, a substantial portion of the district's meager resources, once maintenance and electric bills are paid.

Additionally, the finances of the district are quite simple. There are typically two bills paid each month, one for the fee to lawn service and another to PGE. Income comes primarily from tax revenue from the county and the very occasional burial. Thus, it should not take an auditor much time to review even five year's worth of documents.

The Board would be happy to answer any questions you have of us, but hope that this matter can be expedited as we head into a new fiscal year.

Sincerely,

Larry Jordan, President
Eshom Valley Cemetery District

Attachment B

Minutes

EVPCD Board Meeting

Date: July 30, 2018 9:00-11:00 a.m.

1. Call to order:

Larry Jordan called the meeting to order at 9:20.

2. Review minutes of previous meeting

Joni Jordan reviewed the minutes of the previous meeting.

3. Treasurer's Report/Budget

a. Income and expenses since Feb meeting: Joni reviewed the expenses since the previous meeting as noted below:

1414	02/15/2018	Joy Baxter	600.00	February Maintenance
1415	02/15/2018	Joni Jordan	44.71	IRS reimburse for late payroll tax 2nd qtr 2017
	02/15/2018	Joni Jordan	9.86	Reimburse for PGE-Jan/Feb 2018
	02/15/2018	Joni Jordan	234.69	Reimburse for Insurance premium to Lib Mutual(MKNI Insurance Svcs)
1416	03/10/2017	Joy Baxter	600.00	March Maintenance
1417	04/13/2018	Joy Baxter	600.00	April Maintenance
1418	04/13/2018	Liberty Mutual Insurance	590.31	Remainder of Insurance premium
1419	05/20/2018	Joy Baxter	600.00	May Maintenance
1420	06/15/2018	Joy Baxter	600.00	June Maintenance
1421	07/20/2018	Joy Baxter	600.00	July Maintenance
1422	07/20/2018	Joni Jordan	166.08	Reimburse PGE bills for
1423	07/22/2018	Joy Baxter	200.00	Setting headstones (2) for Dick family

b. Approval date for vouchers (requires a Board meeting date):

Joni asked if we could have a set approval date at the beginning of each fiscal year for all operating expenditures. The county voucher form has a line that asks for the Board approval date for each voucher sent in, so rather than having a meeting for each bill, the thinking is to approve basic operations costs (cemetery maintenance, electric bill,

auditor's bill and insurance) at the beginning of the fiscal year, then that date could be used for most of the vouchers. Any costs out of the basic operations would be held until the next Board meeting.

Motion (JJ) for expenditures for operating expenses to be approved at this meeting for FY2018-19. Motion seconded and approved unanimously.

Motion to also approve related expenses for burials (pre-burial costs) for FY2018-19. Motion seconded and approved unanimously.

c. Review of annual income and expenses:

Joni reported that the cemetery's total income for last year was \$11,755.00. Expenditures were 10,400.00. The good news is that we ended up with a balance, but only because there wasn't an audit this year. The audits typically cost \$3,500.00.

The main expenses were:

Joy—6600.00 (7200.00 going forward)

PGE 1600.00 (this seems higher than the bills are for this year so far)

Insurance 830.00

Auditing 450.00 (for the annual report, which can be done without the CPA in the future, hopefully)

The annual budget is due by the end of this month. Discussion about other items for the budget focused on a new pump. Joni will check into the contingency line of funding to see if we can use that money for the pump project. Anything else that we need on the budget?

4. Old business

a. The Pump!

Larry noted we need to find out what it will cost to put in a new pump. Bill will talk to Leroy Wicks to find out the cost for getting a new one installed. Other discussion about the well report. Joni will look up well report and share with others. Further discussion about funding led to approval for Joni to create a gofundme.com. Does the site take a percentage? Joni find out. The Board agreed that it is better to get a whole new system including a pressure tank and housing that could be secured.

b. Changing audit to five-year review:

Discussion about pros and cons of moving from a two-year to five-year audit. **Motion (JJ) to apply for a five year auditing process with the Board of Supervisors. Motion seconded and approved unanimously.**

There was further discussion about finding a CPA who could do the job more cost efficiently. Suggestions were Jan Beatty and Greg Hardcastle (the latter for recommendations).

c. Webpage:

After trying unsuccessfully to get Facebook to house the Eshom Valley Cemetery information and make it work for both information storage and news, Joni turned to a webpage provider (Wix) and bought a site license (as a donation to the cemetery) for one year. Discussion of sections that would be useful included one for board meetings for both meeting announcements and agendas and minutes. It should also include a Friends of Cemetery section. It could list the Friends (with each person's approval) as a way of recognizing them. Friends page would also have funding information (gofundme page).

Also include a Links page that will have links to findagrave.com and others that would be useful (also mentioned, Facebook links to Badger News and the old EVC Facebook page for public comments and news).

The page could also include a calendar of events.

d. Update on Friends of Cemetery:

On the list for FOC: Kenny, Mike Jones, Dan Elrod, Board members. Put out a call for more Friends on Badger News FB page.

Discussion of the need for a work party soon. Decision was made to set it for August 18 (Saturday) at 9:00 a.m. Tasks that need to be completed include:

- Fix Olson grave
- Fix fence posts/gates
- Tractor over the cuttings pile
- Scrape the driveway
- Dig up and fix water leak
- Putting the door back together—look at it to see what it needs for parts.

5. New Business

a. Biennial Review of Conflict of Interest:

Each Board member signs this review upon coming onto the Board. There have been no changes regarding conflicts of interest by Board members, so Joni will send in the form that reflects that status.

6. Other

Larry potential project: make a map of where people are buried.

Next meeting Wednesday, September 18 at 9:00 a.m. at Jordan's deck.

7. Adjourn