



# NEVADA COUNTY CALIFORNIA

GINA S. WILL, AUDITOR-CONTROLLER

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## NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

**DATE OF MEETING:** March 11, 2025

**TO:** Board of Supervisors

**FROM:** Gina Will, Auditor-Controller

**SUBJECT:** Resolution Authorizing Western Gateway Recreation & Park District to Replace Its Annual Audit with Two Years of Annual Financial Reviews Followed by a One-Year Financial Audit, Beginning with the Fiscal Year Ended June 30, 2023 (Unanimous Vote of the Board of Supervisors Required)

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**RECOMMENDATION:** Approve the attached resolution.

**FUNDING:** Not applicable.

**BACKGROUND:** According to Government Code §26909, the county auditor is responsible for ensuring that every special district's books and records are audited annually in accordance with generally accepted auditing standards. Sections 26909 (b) and (c) provide the auditor with the discretion to propose modifications to the frequency and scope of audits for districts with smaller budgets and limited resources. However, any recommendations require unanimous approval from both the district's governing board and the Board of Supervisors.

To assist districts in complying with these audit requirements, the Auditor's Office has consulted with external auditors and other county auditors to explore viable options that meet statutory requirements. Discussions have also taken place with select special districts. The following audit recommendations have been formulated to ensure ongoing assurance and transparency regarding financial positions while offering relief to certain special districts:

- **For special districts with annual revenues not exceeding \$150,000:**
  - Conduct an annual financial review.
- **For special districts with annual revenues between \$150,000 and \$500,000:**
  - Implement two years of annual financial reviews followed by a one-year financial audit.
- **For special districts with annual revenues exceeding \$500,000:**
  - Conduct an annual financial audit.

The Western Gateway Recreation and Park District falls within the revenue range of \$150,000 to \$500,000 and has received unanimous approval from its board to adopt a modified financial audit

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schedule. Therefore, I am recommending that the Board unanimously approve the attached resolution, allowing this district to transition from annual audits to a structure of two years of annual financial reviews followed by a one-year audit, starting with the fiscal year ended June 30, 2023. It is understood that they will provide our office with a report each year within twelve months of the end of each fiscal year and should their revenue exceed \$500,000 in any given year, an official financial audit will be required.

Thank you for your consideration.

**Item Initiated and approved by: Gina Will, Auditor-Controller**