Mystic Mine Road Community Services District

P.O. Box 143, Rough and Ready, CA 95975

December 1, 2017

To: Nevada County Board of Supervisors

From: The Board of Mystic Mine Road Community Service District

Dear Sirs,

After much deliberation, and very helpful guidance from County Auditor Marcia Salter, the Board has passed Resolution 2017-04, which allows us to use an alternative annual auditing process, thereby reducing yearly expenses.

The Board hereby requests that Resolution 2017-04 be brought before the Nevada County Board of Supervisors for consideration and approval on January 9, 2018.

Sincerely,

Andrew Wedgbury Chair, MMRCSD

RESOLUTION NO. 2017-04

Resolution of the

Mystic Mine Road Community Service District
Request to Replace the Annual Audit with an Approved
Alternative

WHEREAS, the Mystic Mine Road Community Service District ("District") was formed in 1981 under the guiding statutes of the State of California as a Special District in the County of Nevada; and

WHEREAS, the audit requirements as outlined in California Government Code (GC) Section 26909 is that every special district is to undergo an annual audit of their accounts and records by a certified public accountant unless an alternative has been adopted; and

WHEREAS, the current provisions under GC 26909(c) does provide for a qualifying special district to replace their annual audit requirement with a financial review, or an agreed-upon procedure engagement in accordance with the appropriate professional standards, as determined by the county auditor; and

WHEREAS, the county auditor has determined that the District does meet the qualifications and has recommended that the annual audit requirement be replaced with a financial review for two years and a financial audit every third year, both which are to be performed by a certified public accountant in accordance with professional standards; and

WHEREAS, a special district may with a unanimous request of the governing board of the special district seek a unanimous approval of the Board of Supervisors for the District to adopt the recommended alternative to the annual audit which is expected to reduce its expenses while continuing to meet the financial reporting and auditing requirements,

NOW, THEREFORE, BE IT RESOLVED the Board of Director of the District requests of the Nevada County Board of Supervisors to approve the annual audit requirement of the District be replaced with a financial review for two years and a financial audit every third year performed in accordance with professional standards and request.

PASSES AND ADOPTED as a resolution of the Mystic Mine Road Community Service District this 28th day of November 2017 by the following vote:

Ayes 4

Absent____Abstain

Chairperson