



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-1

For the meeting of: September 23, 2014

Date: August 22, 2014

To: Board of Supervisors

From: Auditor-Controller MSM

Subject: Petrolia Cemetery District review schedule

RECOMMENDATION(S):

That the Board of Supervisors:

1. Unanimously approve the policy that the Petrolia Cemetery District shall replace their current audit requirement with annual financial reviews in accordance with California Government Code 26909(c)(1).

SOURCE OF FUNDING:

Not applicable.

DISCUSSION:

CA Government Code 26909(c)(1) reads as follows:

(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).

Prepared by Joseph Mellett, Auditor-Controller

CAO Approval

*Amy Jensen*

REVIEW:

Auditor \_\_\_\_\_ County Counsel Sm Personnel \_\_\_\_\_ Risk Manager \_\_\_\_\_ Other \_\_\_\_\_

TYPE OF ITEM:

- \_\_\_\_\_ Consent
- \_\_\_\_\_ Departmental
- \_\_\_\_\_ Public Hearing
- \_\_\_\_\_ Other \_\_\_\_\_

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Bass  
Seconded by Supervisor Sundberg  
And unanimously carried by those members present,  
The Board hereby adopts the recommended action  
contained in this report.

PREVIOUS ACTION/REFERRAL:

Board Order No. \_\_\_\_\_

Meeting of: \_\_\_\_\_

Dated: Sept. 23, 2014  
Kathy Hayes, Clerk of the Board

By: *Jan Huntwell*

DISCUSSION (continued):

The Board of the Petrolia Cemetery District has unanimously approved replacing its audit requirement with an annual fiscal review (Attachment A, item 9.1). The Cemetery District has since closed its outside checking account and deposited that money in the County treasury (Attachment B) and will transact all revenues and expenditures through the County's financial system. The District's total revenues last year were \$8,181.14 (Attachment C), which is far below the \$150,000 limit specified in Government Code.

The Petrolia Cemetery District meets all the requirements for replacing its annual audit requirement with an annual fiscal review. Given that this District has such a basic financial profile, the Auditor-Controller believes that the public interest would be appropriately served by allowing the District to contract for annual reviews.

FINANCIAL IMPACT:

None.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The recommendation could be denied, leaving the District required to contract for audits.

ATTACHMENTS:

Minutes of the Board of Commissioners of the Petrolia Cemetery District unanimously approving the change from their current audit requirement to an annual review.

Copy of deposited funds from Petrolia Cemetery District's checking account.

Copy of Fund 2650 balance at June 30, 2014.

Copy of California Government Code Section 26909.

## Petrolia Cemetery District

### Meeting Minutes

July 17, 2014, 7 PM, Mendes Home

**Board Members Present:** Nick Mendes, Patty Mendes, Teresa Jordan (Tody), Kelton Chambers

**Other Present:** Secretary, Deva Wheeler; Jason Smith

1. **Call to Order: 7:05**
2. **Adjustment to the Agenda:** Ash Garden was moved to the top of the agenda since Jason Smith was present to discuss construction.
3. **Ash Garden:** Jason gave some flagstone prices from Hensel's Materials. It costs \$.35/lb by the piece. He will get prices on whole pallets when he has a better estimate of the amount needed. The group agreed to stay away from the red-toned flagstone. The group agreed that the ash pit would measure about 10 ft X 10 ft. on the inside, but would be roughly octagonal. The walls of the pit would be three or four layers of flagstone tall plus the top layer. Patty showed Jason a picture of what she wanted the bench next to the ash garden to generally look like. The bench would also be flagstone and should measure around 4-5 ft. The flagstone surrounding the ash garden and bench would be grouted. Jason agreed to be in touch with Nick to visit the cemetery and mark out the location of the ash garden so that a design and further plans can be determined.
4. **Minutes** from the April, 2014 meeting were reviewed. **Kelton moved, Tody seconded and all agreed to approve the minutes with the following corrections: typographical correction in 7.3; change "Owens" to "Smith" in 8.2; remove word "slab" in 8.2.**
5. **Chair Report:** Patty noted that Tody has purchased a tractor and will be available for grave digging in the cemetery when she gets the necessary implements. She also noted that Franny Cook is still planning on doing the concrete work in the Table Cemetery, but is not yet available.
6. **Secretary Report:**
  - 6.1. **Allen Luster** has not yet paid the endowment care to reserve plots C 1-3 in the Table Cemetery. Deva agreed to remind him one more time.
  - 6.2. **Jeanne Mattole:** In reference to Jeanne Mattole's previous inquiries, the board agreed to review regulations regarding placing cremains in a family member's burial plot, and placing multiple cremains in a burial plot.
7. **Treasurers Report:** The financial report was reviewed. It was noted that accounts are up to date and accurate.
8. **Maintenance Report: NA**

ATTACHMENT A

9. New Business:

**9.1. Fiscal Audit:** Deva presented emails exchanged with Supervisor Bohn and Joe Mellett, the County Auditor. According to Mr. Mellett, in order for the Petrolia Cemetery District to be eligible for the alternative schedules in GC 26909, all of our revenues and expenditures must be transacted through the county's financial system. In order to be in compliance with this mandate, **Kelton moved, Nick seconded and all agreed to close our Bank of America petty cash checking account and return the funds to the county treasury.**

Further, **Kelton moved, Nick seconded and all agreed** to seek approval from the County Board of Supervisors to be eligible to submit fiscal reviews annually, in place of fiscal audits, as described in Government Code 26909 section C.

**9.2 Niche Wall:** The discussion was tabled.

**9.3 Landscaping - Table Cemetery:** The discussion was tabled.

**9.4 Easement - Pioneer Cemetery:** Tody reported that after watching the traffic in and out of the Pioneer Cemetery, The Cooks would like to have an opening and closing time added to the sign. The sign needs to be redone anyway, and should include: "Open for Public Access from 9:00 AM to 5:00 PM"

**9.5 Comments:** NA

**9.6 Next Meeting:** A Tentative date of **October 9th, at 7:00** was selected.

**9.7 Adjourn:** 8:25

Minutes completed by Secretary, Deva Wheeler and respectfully submitted

Patty Mendes, Board Chair

ATTACHMENT B

# Petrolia Cemetery District

PO Box 162, Petrolia, CA 95558  
707 629 3508 – devawheeler@hotmail.com

9/2/2014

Dear Humboldt County Auditor/Controller,

Please find a check for \$2174.11 enclosed. The check is to be deposited in fund 2650 and is the balance of our Bank of America petty cash account.

Best,

Deva Wheeler  
Secretary/Treasurer  
Petrolia Cemetery District

7650000 800940 Re  
9/4/14  
CLOSE BOFA ACCOUNT

**PETROLIA CEMETERY DISTRICT**  
PO BOX 62 (707) 629-3305  
PETROLIA, CA 95558

599  
11-35/1210  
704

Date 9/2/2014

Pay to the Order of Humboldt County Auditor/Controller \$ 2174.11  
Two thousand one hundred seventy four and 11/100 Dollars

**Bank of America**  
Henderson Center  
2844 F St  
Eureka CA  
800.237.8052

VALUED Customer Since 2004

For FUND 2650

*Duck*

⑆ 121000358⑆ 0599⑆ 07043⑆ 006458⑆

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## ATTACHMENT C

Ledger: GI  
Start Date 07/01/2013  
Report Date 06/30/2014

Trust Fund Account Balance  
County of Humboldt

Period: 12  
Fiscal Year: 2014

2650000 Petrolia Cemetery District

<u>Account</u>	<u>Description</u>	<u>Actual</u>
11	Cash	57,130.52
33	Beginning Fund Balance	51,709.48
21	Accounts Payable	1,600.00
80001	Property Taxes-Current-Secured	4,987.57
80002	Property Tax-Current-Unsecured	193.63
80003	Property Taxes-Prior Years	3.22
80004	Supplemental Taxes-Current	40.23
80004	Supplemental Taxes-Prior Years	9.13
80045	Homeowners Prop Tax Relief	82.48
80046	State-Other	270.36
80094	Other Revenue	2,278.00
80019	Interest Income	316.52
7000	Trust Fund Expenditures	3,560.10
5012	Salary-District Secretary	800.00
	Revenue Total	8,181.14
	Less Expenditure Total	4,360.10
	Net Total	<u>3,821.04</u>

California Government Code Section 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.