

## Holly, Ron x5493

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**From:** pauljingham93924@gmail.com  
**Sent:** Monday, March 11, 2013 11:30 AM  
**To:** Holly, Ron x5493  
**Subject:** CVRPD Financial Review  
**Attachments:** Financial Review\_Minutes\_Resolution.pdf; Adopted Budget CVRPD FY 2012\_2013.pdf

From: Paul J. Ingram, Board President  
Carmel Valley Recreation & Park District  
P.O. Box 334  
Carmel Valley, CA 93924

To: Ron Holly, Chief Deputy  
Monterey County Auditor-Controller  
168 West Alisal, 3rd Floor  
Salinas, CA 93901

Re: Moving CVRPD from Biennial Audit to Annual Financial Review

Dear Ron,

Thank you for your return phone call this morning. Carmel Valley Recreation and Park District is an independent special district of the County of Monterey, for the purpose of managing Carmel Valley Community Park on Ford Road in Carmel Valley Village. The district operates off of a benefit assessment totaling \$49,900 per year, with additional income of approximately \$15,000 from picnic area and meeting room rentals. [Please see attached adopted budget]. CVRPD is managed by an elected board of directors, who are responsible for all clerical duties of the district. The district has no paid staff and one independent contractor who maintains the landscape and restrooms. Also attached, please find the minutes and adopted resolution showing our board action in requesting this change.

Since financial audit requirements were instituted for special districts, CVRPD has been under a biennial audit requirement. This has been routinely undertaken by past boards, contracting with a Salinas based auditing firm. The latest audit that was performed, FYE June 30, 2008-2009, cost the district \$9,500. By year, this amounts to 6.8% of annual revenue. I had the opportunity to compare audit costs with the Financial Analyst for the former Carmel Valley Fire Protection District. Their yearly audit costs were approximately \$14,000 per year. But with annual revenues in the seven figure range, it amounted to less than .10 percent of annual income. It seems audit standards and procedures are fairly uniform, no matter the size or revenues of the various types of special districts.

Under Government Code 26909, CVRPD would qualify to be moved from financial audit to financial review. Last year, we issued a total of 90 auditors warrants. Copies of these warrants with their receipts are scanned and kept with our meeting documents. It would take minimal time to review these payments as well as all deposits and meeting documents. This could conceivably be performed within your department or by a local CPA. We would like to go to yearly financial review because we believe it is important to have our balance sheet reviewed and be able to input any general journal adjustments recommended by the reviewer.

As part of Government Code 26909, standards for Financial Review are determined by the Auditor-Controllers office. By this process, we would be interested to learn what those standards would be to make sure we are capable of adhering to them.

In summary, the potential for errors or malfeasance that the governmental audit standards are meant to prevent are very minimal with our particular district, and are easily given oversight by a simple financial review. The 6.8% of annual revenue that the current audit costs would be much better spent in improving our little park for the enjoyment of the community. We thank you for your attention in moving this issue forward with County government.

Sincerely,  
Paul J. Ingram, Board President