

RESOLUTION NO 06-007
SADDLE CREEK COMMUNITY SERVICES DISTRICT

A RESOLUTION OF THE BOARD OF DIRECTORS OF
SADDLE CREEK COMMUNITY SERVICES DISTRICT
AMENDING FINANCE REVIEW AND ACCOUNTING
PRACTICES AND PROCEDURES ESTABLISHED
JANUARY 8, 2006 BY RESOLUTION NO. 06-001

WHEREAS, the Board of Directors of Saddle Creek Community Services District (SCCSD) desires to insure that public funds under the control of the District are maintained, managed and expended in accordance with Government Code Section 61053, other controlling laws and sound government accounting standards;

NOW THEREFORE BE IT RESOLVED, that in effort to insure that District funds are maintained, managed and expended in accordance with controlling law and sound government accounting standards, the Saddle Creek Community Services District Board of Directors hereby orders and establishes the following District Finance Review and Accounting Practices;

1. **Management of Finances:** SCCSD shall manage its own finances in accordance with controlling laws and District policies and practices. District assessment funds are not currently being maintained by Calaveras County. Calaveras County collects assessment revenue for Saddle Creek Community Services District and turns those funds over to the District in three (3) distribution payments during each calendar year. This current practice shall continue unchanged.
2. **Supervision of Finances:** As required by Government Code Section 61050 (d), the SCCSD General Manager shall be responsible for supervision of District financial activities.
3. **Handling of Finances:** The Board of Directors of Saddle Creek Community Services District shall appoint a District Treasurer who, under supervision of the General Manager, shall manage District finances in accordance with controlling law and policies and procedures established by the SCCSD Board of Directors. To assist the District Treasurer with management of District finances, the General Manager may, with approval of the Board of Directors, employ the services of a bookkeeper. The District Treasurer and Bookkeeper shall not be a member of the Board of Directors.
4. **Bonding/Insurance Requirements:** The District shall secure a Dishonesty Bond or Dishonesty Insurance on the following employees, General Manager, District Treasurer

and Bookkeeper. The minimum amount of coverage provided by the Bond/Insurance shall be \$100,000. The District shall pay the fee required for Bonding/Insurance.



5. Adoption of Annual Budget: The Board of Directors shall adopt a District Budget for each fiscal year. The District's fiscal year shall run concurrently with the calendar year. The budget shall contain current and projected revenues and anticipated expenditures for operational expenses, salaries and capitol outlay. The Board of Directors shall hold at least one (1) public hearing on the proposed budget, prior to its adoption. As required by Government Code Section 61110 notice of the public hearing shall be published in a newspaper of general circulation at least two (2) weeks prior to the public hearing. Additionally, notices shall be posted at Saddle Creek Lodge and on the SCCSD web site.
6. In-House Audit Process: The District Treasurer shall insure that a financial status report is completed each calendar month. The report shall show budgeted amounts, expenditures to date, funds on deposit and bills and claims due for payment. The financial status report shall be included as a part of the regular agenda and shall be available to the public. The SCCSD Board of Directors shall review this report to determine its accuracy. Acceptance of the financial report and approval to pay the pending bills and claims shall be by majority vote of the Board of Directors.
7. Payment of Bills and Claims: Along with the monthly list of bills and claims scheduled for payment, the District Treasurer shall insure that checks are prepared for payment of the bills and claims after their approval by the Board of Directors. Payment checks shall require the signature of two (2) Directors who have been authorized by the Board of Directors to sign such payments. A list of those Directors authorized to sign payment checks shall be maintained by the District's designated financial institution. The District Treasurer shall cause payment of the bills and claims after the payment checks are approved and signed.
8. Payment for Salaries: The District Treasurer shall make payment of budgeted/approved employee salaries when such payment is due. No additional approval by the Board of Directors is required.
9. Independent Audit: SCCSD shall have an independent audit of District finances annually. The audit shall be conducted by a qualified accountant who is selected by the General Manager, with approval of the Board of Directors. The independent auditor shall not be a regular employee of the District. The audit shall be conducted in accordance with government accounting board standards. The auditors report shall be reviewed and accepted by the SCCSD Board of Directors at a regular meeting. Members of the public shall be allowed the opportunity to comment on the audit.
10. Designation of District Financial Institution: SCCSD Board of Directors hereby designates Mother Lode Bank, 172 West Stockton Road, Sonora, CA 95370 as the District's financial institution.

THE FOREGOING RESOLUTION was introduced at a regular meeting of the Saddle Creek Community Services District held on March 12, 2006, by Board Member Kenyon who moved its

adoption, which was duly seconded by Board Member Robinson and the Resolution was adopted by the following vote:

AYES: 5
NOES: 0
ABSTAIN: 0
ABSENT: 0

-SEAL-


Board President Merrill

CSD Clerk/Treasurer, Phyllis Richards