

**RESOLUTION NO. 181**

**A RESOLUTION OF THE FRESNO LOCAL AGENCY FORMATION COMMISSION  
AUTHORIZING THE CHAIR TO EXECUTE A RESPONSE LETTER  
TO THE FRESNO COUNTY GRAND JURY**

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**WHEREAS**, the Fresno County Grand Jury Report No. 3 (“Report”) focuses on inconsistencies in some Fresno County special districts’ financial audit reporting to Fresno County Auditor-Controller/Treasurer-Tax Collector’s office; and

**WHEREAS**, the Report determined that “there is a systematic failure by the county entity responsible for audit compliance in the follow-up of the special district’ financial audit reporting; and

**WHEREAS**, the Grand Jury understands that LAFCo is not responsible for the behavior of other agencies but through the Municipal Service Reviews process strives to assist special districts to improve their accountability, their fidelity to their principle acts, and their financial reporting requirements as required by statute; and

**WHEREAS**, a draft response letter to the Honorable Alan M. Simpson, Presiding Judge of the Fresno County Superior Court with LAFCo’s responses on the Report was attached for the Commission’s approval; and

**NOW, THEREFORE, BE IT RESOLVED that the Fresno Local Agency Formation Commission does HEREBY RESOLVE and DETERMINE as follows:**

The Commission authorizes the Chair to execute the response letter to the Fresno County Grand Jury as set forth in Attachment “A.”

**ADOPTED THIS 8<sup>TH</sup> DAY OF AUGUST, 2018, BY THE FOLLOWING VOTE:**

**AYES: COMMISSIONERS PARRA, SANTOYO, PACHECO, SILVA, QUINTERO**

**NOES: NONE**

**ABSENT: NONE**

**ABSTAIN: NONE**

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STATE OF CALIFORNIA)  
COUNTY OF FRESNO)

**CERTIFICATION**

I, David E. Fey, Executive Officer, Fresno Local Agency Formation Commission, hereby certify that the foregoing resolution was adopted by the Commission on the 8<sup>th</sup> day of August 2018.



\_\_\_\_\_  
David E. Fey, Executive Officer  
Fresno Local Agency Formation Commission

DATE

The Honorable Alan M. Simpson, Presiding Judge  
Fresno County Superior Court  
1100 Van Ness Avenue  
Fresno, CA 93724-0002

Sir,

On behalf of the Fresno Local Agency Formation Commission (LAFCo), we are in receipt of Grand Jury Report No. 3. Pursuant to the correspondence we received June 19, 2018, this letter constitutes LAFCo's response pursuant to California Penal Code (PC) section 933.05(f).

Responses to findings

*Finding F5. Through the municipal service review process, the Fresno County Local Agency Formation Commission is aiding and educating the special districts in the proper methodology in the operation of the special district, subject to available resources.*

Response to finding F5: We agree with the finding.

Please note that Fresno LAFCo is an independent governmental agency authorized by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) and should be referred to as the "Fresno Local Agency Formation Commission."

*Finding F6. Per the Fresno County Auditor-Controller/Treasurer-Tax Collector's Office, current and accurate financial information was unavailable on the noncompliant special districts.*

Response to finding F6: We agree with the finding.

LAFCo staff appreciates the timely and professional assistance given by AC/TTC staff during the MSR process. AC/TTC staff provides data that assists LAFCo to determine the extent to which special districts comply with government code requirements for financial reporting. LAFCo's experience is that many special districts do not comply with the requirement under GC sec. 26909 to provide the AC/TTC with financial information.

*Finding F7. In August 2017, the California Little Hoover Commission produced Report #239: "Special Districts: Improving Oversight & Transparency", offering recommendations for improving oversight and transparency of California special districts.*

Response to finding F7: We agree with the finding.

Responses to recommendations

*Recommendation R5. The Fresno County Local Agency Formation Commission should continue to utilize and expand the municipal service review process to aid and educate all special districts. (F5)*

Response to recommendation R5: We agree with the recommendation.

*Recommendation R6. Fresno County Local Agency Formation Commission and the Fresno County Auditor-Controller/Treasurer-Tax Collector's Office should encourage and support the recommendations of the California Little Hoover Commission "Special Districts: Improving Oversight & Transparency", Report #239, August 2017. (F7)*

Response to recommendation R6: We agree with the recommendation.

Sincerely,

Sal Quintero  
Chair

c: Fresno LAFCo Commissioners and alternates  
Ken Price, LAFCo Counsel  
Sonia De La Rosa, Principal Administrative Analyst, CAO

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