

(3) Include the following financial statements:

- (i) Balance sheet;
- (ii) Statement of revenues;
- (iii) Statement of expenditures and encumbrances; and
- (iv) Statement of changes in fund balance.

(4) Be completed and filed with the appropriate county officials not later than 90 days following the close of the fiscal year.

(d) For a special district CREATED BY AND SITUATED WITHIN THE COUNTY with annual expenditures of less than \$50,000, the county shall require annual financial reports and shall require an audit every 4 years, unless the county determines, on a case-by-case basis, that more frequent audits are required.

(e) If a special district subject to subsections (b) or (d) of this section does not submit a financial report or audit report as required by the county, the county may withhold the distributions of taxes imposed on behalf of the special district until the financial report and/or audit report is received.

(f) [A copy of each audit under subsections (b) and (c) of this section shall accompany the uniform financial report required to be submitted by the county to the Department of Fiscal Services.] AT THE TIME IT FORWARDS ITS AUDIT REPORT TO THE LEGISLATIVE AUDITOR, THE COUNTY ALSO SHALL FORWARD COPIES OF ALL AUDIT REPORTS AND FINANCIAL REPORTS RECEIVED FROM THE SPECIAL DISTRICTS SUBJECT TO THE SUBSECTIONS (B) OR (D) OF THIS SECTION, TOGETHER WITH A STATEMENT PERTAINING TO THE COUNTY'S REVIEW OF THE REPORTS ON THE FORM OR FORMS AND IN THE MANNER THE LEGISLATIVE AUDITOR PRESCRIBES SEPARATE REPORT TO THE LEGISLATIVE AUDITOR ON THE RESULTS OF THE COUNTY'S REVIEW OF EACH DISTRICT'S COMPLIANCE WITH THE PROVISIONS OF SUBSECTIONS (B) THROUGH (E) OF THIS SECTION. THE LEGISLATIVE AUDITOR SHALL REVIEW THE AUDIT REPORTS AND INFORMATION RECEIVED FROM THE COUNTY AND SUBMIT RECOMMENDATIONS AS APPROPRIATE BASED ON THE RESULTS OF THE REVIEW.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1988.

Approved May 27, 1988.