

(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; and

(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 subsection (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) 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 subsection (b) or (d) of this section, together with a 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 the provisions of this Act may be applied to audits for the 1992 Fiscal Year.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1992.

Approved May 5, 1992.

CHAPTER 186

(House Bill 745)

AN ACT concerning

St. Mary's County - Metropolitan Commission - Water Theft

FOR the purpose of prohibiting the removal of water from a public water system under the jurisdiction of the St. Mary's County Metropolitan Commission without a certain authorization; establishing a certain penalty; making stylistic changes; and