



AUDITOR-CONTROLLER

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July 16, 2010

The Honorable Jack M. Jacobson
Presiding Judge of the Superior Court
800 11th Street
P. O. Box 3488
Modesto, CA 95353

**SUBJECT: AUDITOR-CONTROLLER RESPONSE
2009-2010 STANISLAUS COUNTY CIVIL GRAND JURY
FINAL REPORT**

This letter will serve as the Auditor-Controller's response to the Grand Jury Final Report for the 2009-2010 year. The Auditor-Controller's Office is unable to comment on all of the findings and recommendations contained in the report. In some instances, a finding or recommendation deals with a specific issue the Auditor-Controller's Office has no previous knowledge of, on which to base a response.

We have included the Grand Jury findings and recommendations followed by our response.

Empire Sanitary District - Grand Jury Case Nos. 10-12C, 10-14C, 10-15C and 10-C.

FINDINGS

F3. There is no indication in the meeting minutes that the District Board conducted the yearly independent audit of its financial standing mandated by California Government Code Section 26909 during the period studied by the Civil Grand Jury (2006 to present).

The respondent agrees with the finding.

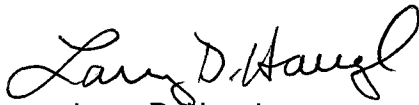
RECOMMENDATIONS

R3. Commission an independent audit of the District's finances pursuant to the provisions of California Government Code Section 26909.

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The recommendation has not been implemented, but will be implemented within the next 12 months. Government Code 26909 requires all special districts to submit a copy of their audited financial statement to the State Controller's Office and to the County Auditor of the county in which the district is located. We will work with the District to ensure their compliance with California Government Code Section 26909.



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C: Honorable William O'Brien, Supervisor – District 1
 Honorable Vito Chiesa, Supervisor – District 2
 Honorable Jeff Grover, Chairman Board of Supervisors – District 3
 Honorable Dick Monteith, Supervisor – District 4
 Honorable Jim DeMartini, Supervisor – District 5
 Rick Robinson, Chief Executive Officer