

**LOCAL AGENCY FORMATION COMMISSION  
COUNTY OF SAN BERNARDINO**

215 North D Street, Suite 204, San Bernardino, CA 92415-0490  
(909) 383-9900 • Fax (909) 383-9901  
E-MAIL: [lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)  
[www.sbclafco.org](http://www.sbclafco.org)

---

**DATE: FEBRUARY 3, 2009**

**FROM: MICHAEL TUERPE, LAFCO Analyst**

**TO: LOCAL AGENCY FORMATION COMMISSION**

---

**SUBJECT: Agenda Item #5: Review and Accept Audit Report for Fiscal Year Ended June 30, 2008**

---

**RECOMMENDATION:**

Staff recommends that the Commission receive and file the materials submitted by Lance Soll and Lunghard, LLP related to the Commission's audit for Fiscal Year 2007-08.

**BACKGROUND:**

The Commission is in the first year of a three-year contract with the public accounting firm of Lance Soll and Lunghard, LLP (LSL) to perform the annual audit of LAFCO's financial statements.

The financial statements (a copy is attached to this staff report) are an independent review of the government activities of San Bernardino LAFCO during the period of July 1, 2007 through June 30, 2008. The financial statements consist of two parts – management's discussion and analysis, and the basic financial statements. The basic financial statements provide both short-term and long-term information about the Commission's overall financial status and include additional budgetary information. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Additionally, the auditor has outlined its professional responsibilities and findings and has identified and disclosed its compliance with current *Government Auditing Standards*. During the audit process, the auditor did not identify any issues relating to LAFCO's accounting procedures, current internal

controls, or office procedures; therefore, it did not issue a “management letter” to identify areas of concern.

A representative from LSL will be present at the hearing should you have any questions.

MT/

Attachment