

**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
www.sbclafco.org

DATE: FEBRUARY 10, 2010

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, 2009

RECOMMENDATION:

Staff recommends that the Commission:

1. Receive and file the materials submitted by Lance Soll and Lunghard, LLP related to the Commission's audit for Fiscal Year 2008-09, and
2. Direct the Executive Officer to file a copy of the report with all appropriate agencies.

BACKGROUND:

The Commission is in the second 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, 2008 through June 30, 2009. 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 deficiencies in internal control that they considered to be material weaknesses.

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

MT/

Attachment