

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE: JANUARY 12, 2011
FROM: MICHAEL TUERPE, LAFCO Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #4: Review and Accept Audit Report for Fiscal Year Ended June 30, 2010

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 2009-10.

BACKGROUND:

The public accounting firm of Lance Soll and Lunghard, LLP (LSL) has conducted the annual audit of LAFCO's financial statements. The auditors have independently verified the financial statements prepared by LAFCO staff for the period of July 1, 2009 through June 30, 2010 (copy attached to this staff report). The financial statements show a positive change in fund balance and net assets which include a reduction in liabilities (compensated absences, salaries and benefits payable, etc.). 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, include additional budgetary information, and include notes that explain some of the information presented.

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.

The Administrative Committee has previously been provided a copy of the financial statements and audit letters. Neither LAFCO staff nor the Administrative Committee has issues or concerns with the financial statements or audit letters provided by the independent auditors. Therefore, a representative from LSL was not requested to be present at the hearing. Should you have any questions, LAFCO staff and/or the Administrative Committee would be glad to answer them prior to or at the hearing.

MT/

Attachment