

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

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**DATE:           JANUARY 8, 2008**

**FROM:           MICHAEL TUERPE, LAFCO Analyst**

**TO:             LOCAL AGENCY FORMATION COMMISSION**

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**SUBJECT:   Agenda Item # 6: Review and Accept Audit Report for Fiscal  
Year Ended June 30, 2007**

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**RECOMMENDATION:**

Staff recommends that the Commission receive and file the materials submitted by Moreland & Associates related to the Commission's audit for Fiscal Year 2006-07.

**BACKGROUND:**

The Commission is in the third year of a three-year contract with the public accounting firm of Moreland & Associates to perform the annual audits of LAFCO's financial statements. Attached to this report is a copy of the report for Fiscal Year 2006-07.

The Moreland report consists of three principal components:

- **Transmittal Letter** – a cover letter from Moreland & Associates outlining the auditor's professional responsibilities and findings.
  
- **LAFCO's Financial Statements** – an independent review of the government activities of San Bernardino LAFCO during the period of July 1, 2006 through June 30, 2007.
  
- **Government Auditing Standards** – a report identifying and disclosing the auditor's compliance with current Government Auditing Standards.

During the audit process, Moreland & Associates 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 Moreland & Associates will be present at the hearing if you have any questions.

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Attachments:

1. Moreland & Associates Transmittal Letter
2. LAFCO 2006-07 Financial Statements
3. Moreland & Associates Outline of Compliance with Government Auditing Standards