

LAFCO

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/647-7647

www.sblafco.org ♦ lafco@sblafco.org

June 2, 2005 (Agenda)

Local Agency Formation Commission

105 East Anapamu Street

Santa Barbara CA 93101

Contract to Conduct Annual Financial Audit

Dear Members of the Commission:

RECOMMENDATION

It is recommended that the Commission direct the staff to either execute the audit engagement letter for Fiscal Year 2004-05 with Moss, Levy and Hartzheim or elicit proposals from accounting firms to prepare the financial review.

DISCUSSION

In 2002 the Commission obtained proposals from accounting firms to audit LAFCO's finances. After reviewing the submittals, the staff recommended and the Commission accepted a proposal from Moss, Levy & Hartzheim. That firm prepared audit reviews for the years ending June 30, 2002, 2003 and 2004, which was the agreed upon term.

In response to financial reviews conducted over the past two fiscal years the Commission and staff have made procedural modifications in terms of financial record keeping and reporting.

Moss, Levy & Hartzheim has submitted the enclosed audit engagement letter proposing to review the Commission's financial records for the year ending June 30, 2005. The proposal represents a minor increase in cost over the previous contract. As proposed, the fee for service would not exceed \$2, 290 plus out-of-pocket expenses.

This matter is presented to the Commission for direction. Prior to initially selecting Moss, Levy & Hartzheim the Commission reviewed proposals from three qualified accounting firms.

Commissioners: Tim Campbell, Chair ♦ Joe Centeno ♦ Dick DeWees ♦ John Fox ♦ Bob Orach ♦ Susan Rose ♦ Bernice Stableford

♦ Jack Hawxhurst ♦ Brooks Firestone ♦ Penny Leich ♦ Cathy Schlottmann ♦ **Executive Officer:** Bob Braitman

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Please contact the LAFCO office if you have any questions.

Sincerely,

BOB BRAITMAN
Executive Officer

cc: Bob Geis, Santa Barbara County Auditor-Controller
Moss, Levy & Hartzheim