

LAFCO

Santa Barbara Local Agency Formation Commission

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February 7, 2013 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street, Room 403
Santa Barbara CA 93101

Financial Statements for Fiscal Years Ending June 30, 2011 and 2012

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission receive and accept Financial Statements for the fiscal years ending June 30, 2011 and June 30, 2012 that accompany this report.

DISCUSSION

The firm of Bartlett, Pringle & Wolf, LLP having reviewed the Commission's financial records completed the enclosed Independent Auditor's Report for the Fiscal Years 2011 and 2012.

We emailed the draft financial statements to the members of the Commission on November 15, 2012 for your early review since the last time an audit was presented some members expressed their interest in seeing the audit in its draft form.

The firm concludes the financial statements "present fairly, in all material respects, the financial position of the Commission as of June 30, 2011 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America."

Please contact the LAFCO office if you have any questions.

Very truly yours,



BOB BRAITMAN
Executive Officer

cc: John J. Britton, Bartlett, Pringle & Wolf, LLP
Bob Geis, County Auditor Controller (with report)

Commissioners: Jeff Moorhouse, Chair ♦ Roger Aceves ♦ Doreen Farr ♦ Craig Geyer ♦ Bob Orach ♦ Bob Short
Janet Wolf ♦ John Fox ♦ Steve Lavagnino ♦ Jim Richardson ♦ Roger Welt
Executive Officer: Bob Braitman

AGENDA ITEM NO. 8



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

November 9, 2012

Members of the Commission
Santa Barbara Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara, CA 93101

Dear Members of the Commission:

We are pleased to present this letter related to our audit of the financial statements of the Santa Barbara Local Agency Formation Commission (the Commission) for the year ended June 30, 2012. This letter summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Commission's financial reporting process.

Auditors' Responsibility Under Professional Standards

As stated in our engagement letter dated April 11, 2012, our responsibility is to conduct our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error, fraudulent financial reporting, or misappropriation of assets. Accordingly, a material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets, may remain undetected. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. As a result, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our report.

An audit of financial statements also includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses.

Accounting Practices

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Commission. The Commission did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Alternative Treatments Discussed with Management

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.

Management's Judgments and Accounting Estimates

We noted no significant accounting estimates reflected in the Commission's financial statements.

Audit Adjustments

An audit adjustment in the amount of \$14,083 was required to be made to the financial statements in order to record accounts payable at June 30, 2012.

Uncorrected Misstatements

There were no uncorrected misstatements noted during our audit.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Certain Written Representations between Management and Our Firm

In conjunction with the audit of the financial statements, we have been provided a letter of certain representations from management.

Conclusion

This letter is intended solely for the information and use of the Members of the Commission and is not intended to be and should not be used by anyone other than the Members of the Commission.

Bartlett, Pringle + Wolf, LLP

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants