

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

October 5, 2006 (Agenda)

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

Arrangements for Financial Audits for Fiscal Year 2005-06

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission receive this report, direct the staff to contact additional firms if needed to secure an audit of the Commission finances for FY 2005-06 and continue this matter to the next Commission meeting.

DISCUSSION

For the past four fiscal years the Commission used Moss, Levy & Hartzheim to prepare audits. In June the Commission directed the staff to solicit bids from other local accounting firms to conduct the audit for Fiscal-Year 2005-06.

On July 14 we submitted requests for audit services to four Santa Barbara auditing firms:

- Bartlett, Pringle and Wolf
- MacFarlane, Faletti & Company
- McGowan Guntermann
- Nasif, Hicks, Harris and Company.

And on August 3 we mailed a request to Glenn, Burdette, Phillips & Bryson in Santa Maria.

Three of the firms have informed us they will not be submitting proposals either due to their current workload or because they have decided not to focus on public agency audits. We are still in communication with the remaining companies.

This difficulty to local auditing firms is not unique to the Santa Barbara LAFCO. I have been monitoring e-mail messages from other Executive Officers that complain about the paucity of firms to prepare these audits or the increased costs to have such audits prepared.

Please contact the LAFCO office if you have any questions.

Local Agency Formation Commission
October 5, 2006 (Agenda)
Page two

Sincerely,

BOB BRAITMAN
Executive Officer

Local Agency Formation Commission
October 5, 2006 (Agenda)
Page two

Firms that have declined to be considered

- Glenn, Burdette, Phillips & Bryson
- MacFarlane, Faletti & Company
- McGowan Guntermann