

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MARCH 28, 2007

REGULAR MEETING

TO: Ted Long, Chairman, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #2e: APPROVAL OF THE CONTRACT WITH MORELAND &
ASSOCIATES, INC. FOR THE PROVISION OF AUDIT
SERVICES

RECOMMENDATION

Staff recommends that the Commission approve the contract with Moreland & Associates, Inc. to provide audit services to El Dorado LAFCO Office and authorize the Chair to sign the final document. There are sufficient funds in the Annual Audit (general ledger #6030) account of the El Dorado LAFCO 2007-08 Budget to fund this contract.

REASON FOR RECOMMENDED ACTION

Moreland & Associates, Inc. submitted the most qualified offer to LAFCO for audit services. The firm is extremely familiar with LAFCO operations since it has three other LAFCOs as its clients.

BACKGROUND

For the past three fiscal years, El Dorado LAFCO has contracted with Bartig, Basler & Ray, LLP to conduct and prepare its General Purpose Financial Statements. The contract ends with the Fiscal Year 2005-06 audit. When this office circulated an audit request for proposals for this agency alone, it received only one response and the costs would have increased from \$3,000 to \$12,000.

Thinking that the agency was simply too small to be competitive, El Dorado LAFCO staff discussed, negotiated and agreed to be the lead on a joint RFP for auditing services with three other LAFCOs (Placer, Shasta and Yuba). It called for a qualified independent Certified Public Accounting firm to audit the LAFCOs' financial statements for the fiscal year ending June 30, 2007, with options for extensions for the fiscal years ending June 30, 2008 and June 30, 2009. The audits are to be conducted in accordance with auditing standards generally accepted in the United States of America,

Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (GASB Statement #34). The agencies further requested that the selected firm provide advice on how LAFCO can comply with the requirements of GASB #45. While the RFP was issued jointly and the four LAFCO executive officers had to agree to grant their contract to a single respondent, each LAFCO must approve its own contract.

Moreland & Associates has extensive local agency experience and is familiar with general LAFCO operations since it currently prepares the financial statements for Orange, Riverside and San Bernardino LAFCOs. The cost of the contract is only \$500 over the current FY 2005-06 cost. Should El Dorado LAFCO grant the two year extension, the costs would increase at a moderate rate over the course of the two-year period. El Dorado LAFCO Counsel has reviewed the contract. Staff recommends the approval of the contract and for the Commission to authorize the Chairman to sign it. Please note that the Moore & Associates response to the RFP, which is referenced in the contract as "Exhibit 'A'," is not included in the packet but is available at the LAFCO Office for review.

Attachment:

Attachment A: Consulting Contract with Moreland and Associates, Inc.