

# Agenda Item Number 7.

## FY 2009-10 Financial Statements and Audit Report

**Presenter:** George Kloeppel

**Action Recommended:** Accept FY 2009-2010 Financial Statements and Audit

### **Background:**

The “*Annual Financial Report*” for the year ended June 30, 2010 was prepared by the LCOG fiscal staff and audited by the accounting firm of Jones & Roth, PC. The document, which includes the agency’s *Financial Statements* for the past year, has been reviewed by the LCOG Audit Committee and is available digitally on the LCOG Internet site for your consideration.

The *Financial Report* can serve several distinct purposes. To be assured that the agency’s fiscal procedures are adequate, turn to the “Independent Auditors' Report” on pages 1 and 2 and the supporting "Audit Comments and Disclosures," beginning on page 83. For the period covered, LCOG's operations were found to be in conformity with "generally accepted accounting principles." These pages of *Annual Financial Report* are attached.

The Grant Compliance Review section, beginning on page 85, addresses LCOG’s compliance with the requirements of both the state and federal governments. The reports included in this section disclose that we have no material weaknesses in our internal controls and that LCOG complied with the provisions of the laws and regulations which pertain to contracts and grants. There is one significant deficiency in internal control that was listed as a finding by the Auditor.

For a more explicit representation of the financial transactions during the past fiscal year, your attention is directed to the "Statement of Net Assets" on page 12, the "Statement of Activities," on page 13 and "Schedule of Resources and Requirements--Budget and Actual," on page 53. In order to make the best possible use of the *Report*, a review of the “Notes to General Purpose Financial Statements” on pages 24 through 44, and the narrative entitled “Management’s Discussion and Analysis,” prepared by Bob Swank, LCOG’s Associate Director, on pages 3 through 11 might be helpful.

If questions regarding the *Financial Report* or the independent audit arise prior to the December 9 Board meeting, please contact George Kloeppel at 682-4395.