

Agenda Item Number 11.D.

FY 2001-02 Financial Statements and Audit Report

Presenter: George Kloeppel

Action Recommended: Accept FY 2001-2002 Financial Statements and Audit; authorize submission to the State

Background:

The enclosed *Annual Financial Statements* for the year ended June 30, 2002 were prepared by the LCOG fiscal staff and audited by the accounting firm of Jones & Roth, PC. The document is submitted for your review and acceptance.

The *Financial Statements* can serve several distinct purposes, depending upon the needs and interests of the reader. To be assured that the agency's fiscal procedures are adequate, turn to the "Independent Auditors' Report" on page 1 and the supporting "Audit Comments and Disclosures," beginning on page 75. For the period covered, LCOG's operations were found to be in conformity with "generally accepted accounting principles."

The Grant Compliance Review section, beginning on page 77, addresses the requirements of *Government Auditing Standards* and OMB Circular A-133. 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 were no "Findings or Questioned Costs."

For a more explicit representation of the financial transactions during the past fiscal year, your attention is directed to the "Combined Balance Sheet All Fund Types" on pages 2 and 3, the "Combined Statement of Revenues, Expenditures and Changes in Fund Balances," on page 4 and "Schedule of Resources and Requirements--Budget and Actual," on page 42. In order to make the best possible use of the financial statements, a review of the Notes on pages 10 through 26 might be helpful.

If questions regarding the *Statements* or the Audit Report arise prior to the December 12 Board meeting, please contact George Kloeppel at 682-4395.

