



Information Item

March 9, 2010

To: Mayor and City Council
From: Carol Swindell, Director of Finance/City Treasurer
Subject: Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2009, and Auditors' Communication with Those Charged With Governance

Introduction

This report transmits and provides information concerning the City's Comprehensive Annual Financial Report (CAFR), the annual report of the financial status of all City funds, for the year ended June 30, 2009, and the auditors' communication with those charged with governance.

Discussion

As required by the City Charter, each year independent auditors audit the City's financial statements and issue an opinion on those statements. Mayer Hoffman McCann, P.C., has issued an unqualified (clean) audit opinion for the fiscal year ended June 30, 2009. Their Independent Auditors' Report, page 1 of the City's CAFR, is attached. The auditors have also issued a letter to those charged with governance outlining the auditors' responsibilities, scope and timing of the audit and significant findings from the audit. This letter is also attached.

Financial Highlights

The net assets of the City (total assets less total liabilities) increased by \$29.2 million during the fiscal year to \$1.54 billion at June 30, 2009. Revenues less expenditures for the fiscal year for the General Fund, the City's major operating fund, was \$5.0 million less than expected for the fiscal year; thus, only \$7.7 million of the anticipated \$12.7 million was available to reprogram to the current year to address the City's ongoing budget challenges.

A summary overview and analysis of the City's financial activities for the fiscal year ended June 30, 2009, can be found immediately following the independent auditors' report in the form of Management's Discussion and Analysis. This discussion and analysis complements the Letter of Transmittal and should be read in conjunction with it.

Summary

The City's CAFR and the Auditor's Communication with Those Charged with Governance are attached to this information item. The CAFR can also be accessed online at http://www.smgov.net/finance/financial_operations/index.htm.

Attachments: Comprehensive Annual Financial Report
Auditor's Communication with Those Charged with Governance