



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

FY 2008-09 Comprehensive Annual Financial Report (CAFR)

RECOMMENDED MOTION:

Accept and File FY 2008-09 Comprehensive Annual Financial Report

SUMMARY

State law requires that every general-purpose government publish within six months of the close of each fiscal year a complete set of audited financial statements. This Comprehensive Annual Financial Report (CAFR) is published to fulfill that requirement for the fiscal year ended June 30, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Maze & Associates, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Sausalito's financial statements included in the CAFR for the year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Excerpts from the MD&A are included in this staff report.

Analysis of the financial statements will result in readers coming to the following conclusions:

- ✓ The City's Near-Term Financing is in good condition.
- ✓ The City's Financial Position as of June 30, 2009 reflected an overall increase in Net Assets
- ✓ The City's Long-Term Economic Condition will be challenging

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DISCUSSION

On May 9, 2006, the City entered into a professional consulting services agreement with Maze & Associates to perform audit services for the City's financial statements for the Fiscal Years 2005-06, 2006-07, and 2008-09, with two options to extend the term of the agreement for an additional period of one year each.

In June 2009, Maze & Associates began the interim test work on the FY 2008-09 audits. The auditor returned at the end of September 2009 to complete the necessary field work. Maze and Associates issued the City an "unqualified opinion" on the FY 2008-09 audited financial report.

FINANCIAL HIGHLIGHTS

As highlighted and discussed in detail in the Management's Discussion and Analysis (MD&A) section immediately following the independent auditor's report, the financial highlights of the results of operations during fiscal year ending 2009 are as follows:

- ✓ The assets of the City of Sausalito exceeded its liabilities at the close of the most recent fiscal year by \$48,204,847 (net assets). Of this amount, \$10,629,180 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ The government's total net assets increased by \$1,447,038. A significant portion of this increase is a result of the \$1,342,811 in net revenues earned from the business-type activity, the Parking Fund, and then transferred as an Operating Transfer to the City's General Fund.
- ✓ As of the close of the current fiscal year, the City of Sausalito's governmental funds reported combined ending fund balances of \$28,592,918, a decrease of \$2,318,148 in comparison with the prior year. This decrease in fund balances is a result of budgeted and planned capital projects spending in the Public Safety Building Fund from previously issued general obligation bonds; and offset by surpluses in the City's General Fund, Tidelands Fund and other Governmental Funds. Of the \$28,592,918 in combined ending fund balances, approximately 9.9 percent or \$2,836,037 is available for spending at the government's discretion (unreserved, undesignated fund balance).
- ✓ At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$1,775,993, or 14.4 percent of total general fund expenditures.

FISCAL IMPACT

The all-inclusive maximum total fee of \$36,689 for the FY 2008-09 audit was budgeted in the Non-department budget in the FY 2009-10 budget.

STAFF RECOMMENDATIONS

Staff recommends that the City Council accept and file the Audited Comprehensive Annual Financial Report for FY 2008-09.

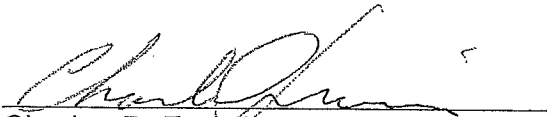
ATTACHMENTS

Reference copy is available for review at library or administration/finance front counter.

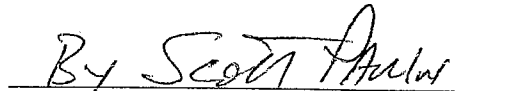
Electronic version of CAFR is also available at www.ci.sausalito.ca.us

SUBMITTED BY:

APPROVED BY:



Charles D. Francis
Administrative Services Director/Treasurer



By Scott Adler
Adam Politzer
City Manager

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