



REPORT/RECOMMENDATION

To: MAYOR AND COUNCIL	Agenda Item <u>Item No. V.A.</u>
From: John Wallin	<input checked="" type="checkbox"/> Action
Finance Director	<input type="checkbox"/> Discussion
Date: June 19, 2012	<input type="checkbox"/> Information
Subject: Receive Comprehensive Annual Financial Report (CAFR) For Year Ended December 31, 2011	

ACTION REQUESTED:

Recommend receipt of 2011 Comprehensive Annual Financial Report (CAFR). James Eichten, CPA, from Malloy, Montague, Karnowski, Radosevich, & Co., P.A., (MMKR) the Principal in charge of the audit, will be present at the meeting to present the CAFR and Management Report.

INFORMATION/BACKGROUND:

Attached is the following:

- Independent Auditors' Management Report**
- Independent Auditors' Special Purpose Audit Reports**
- 2011 Comprehensive Annual Financial Report.**

The Comprehensive Annual Financial Report can be viewed on the City's web site.

The purpose of each report is as follows:

The **Management Report** is a report by the auditors to communicate information relevant to city finances and to provide comments resulting from their audit process.

The **Special Purpose Audit Reports** is the result of the extensive audit performed to assess the City's internal controls and to assure compliance with all of the State's and Federal Government's statutes, laws and regulations. The auditors this year found one occurrence where the City did not comply with State statutes and Federal laws and regulations. Finance staff has responded to this finding. The auditors did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses.

The **2011 Comprehensive Annual Financial Report** is the accumulation of all Finance functions compiled in a format prescribed by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, The State of Minnesota, and The Federal Government.

The Comprehensive Annual Financial Report consists of a number of sections:

The Introductory Section has a letter from the Finance Director, a listing of elected and appointed officials and an organization chart.

The Financial Section includes the Auditors' Opinion and Management's Discussion and Analysis letter.

The Basic Financial Statements is the part of the report that details the 2011 accounting for the City, as well as the notes to the financial statements.

The Required Supplementary Information includes the budgetary comparison schedule for the General Fund along with the related notes.

The Combining and Individual Fund Statements and Schedules are the financial statements for the non-major funds.

The Supplementary Financial Information includes various schedules of debt and assessed valuation.

The Statistical Section has a number of schedules again required by the above mentioned boards and governments.

The Comprehensive Annual Financial Report has not been included in this packet. If you wish to view the report, you may access the report on the City's web site, cityofedina.com.