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Title: Submission and Acceptance of the City of Fresno Comprehensive Annual Financial Report (CAFR) and the Comprehensive Annual Debt Report (CADR) for Fiscal Year 2017.

Sponsors: Finance Department

Indexes:

Code sections:

Attachments: 1. Supplement - CAFR and CADR.pdf

Date	Ver.	Action By	Action	Result
1/25/2018	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

January 25, 2018

FROM: MICHAEL LIMA, Finance Director/Controller
Finance Department

SUBJECT

Submission and Acceptance of the City of Fresno Comprehensive Annual Financial Report (CAFR) and the Comprehensive Annual Debt Report (CADR) for Fiscal Year 2017.

RECOMMENDATION

Staff recommends that the City Council accept the CAFR and the CADR for the fiscal year ended June 30, 2017 (FY 2017).

EXECUTIVE SUMMARY

The CAFR of the City of Fresno (City) for the fiscal year ended June 30, 2017, is hereby formally submitted for the Council's acceptance. This report is the official publication of the City's financial position as of June 30, 2017; presenting the operational results for all City activities and funds. The CAFR is prepared in conformity with accounting principles generally accepted in the United States of America.

The Auditor's Opinion on the CAFR is an unqualified or unmodified opinion. This means that there are no reservations concerning the financial statements and that the auditors believe them to be fairly presented. City management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

The CADR is also being submitted for the Council's acceptance. Production of the CADR is required under the Debt Management Policies adopted by Council. The CADR provides the readers with an overview of the City's debt program as of June 30, 2017.

BACKGROUND

All governmental or public entities are required under law to have the financial statements for the entity's fiscal year end be audited. Once those statements are audited, many agencies, including the City, release those statements in the form of a CAFR. Information from this document is used not only by City policy makers, but also by citizens, investors, and external agencies to assess and determine the organization's financial viability. As required by the City Charter, the amounts reflected in the 2017 CAFR have been audited by an independent certified public accounting firm. The unqualified opinion of Brown Armstrong is included in the CAFR report.

The City will meet the reporting and disclosure requirements for the Electronic Municipal Market Access system (EMMA®), which is the official repository for financial and other information on virtually all municipal bonds.

Additionally, the filing deadline for the Government Finance Officers Association (GFOA) will be met in order to participate in their Certificate of Achievement in Excellence in Financial Reporting Program. The City has been awarded the Certificate of Achievement for Excellence in Financial Reporting for 24 straight years. Staff believes the Fiscal Year 2017 CAFR has a strong probability of maintaining that streak.

Under the Debt Management Policies adopted by Council, the Finance Department is required to issue a CADR "as soon as practical following the issuance of the [CAFR]." The FY 2017 CADR is being presented for acceptance in conjunction with the CAFR. The CADR provides policy makers, investors, and other interested parties an overview of the City's debt portfolio: Including a summary of debt issued in FY 2017, a comparison of key metrics versus goals set within the Debt Management Policies, and a comparison of Fresno's debt metrics versus the debt metrics of the ten largest California cities by population.

ENVIRONMENTAL FINDINGS

Per the definition provided in the California Environmental Quality Act Guidelines Section 15378, this item does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

LOCAL PREFERENCE

Local preference was not a factor due to the fact that there is no bid involved, nor is State or federal money involved with this item.

FISCAL IMPACT

This report relates only to the submission of informational financial accounting data and calls for no approval for spending or acceptance of receipts.

A complete copy of both the CAFR and the CADR for the fiscal year ended June 30, 2017 may be viewed upon request at the City Clerk's Office. The CAFR and the CADR will be published on the City of Fresno Website under the Financial Reports section on the Finance Department webpage upon acceptance by Council. The Letters to Management will be posted upon issuance.

Attachments: City of Fresno Comprehensive Annual Financial Report
City of Fresno Comprehensive Annual Debt Report