Agenda Item No.: **43.**

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: JANUARY 6, 2010

DEPARTMENT: FINANCE AND BUSINESS SERVICES
DIRECTOR: MARK R. VINCENT ☐**Consent** ☒ **Discussion**

SUBJECT:
ABEYANCE ITEM - Discussion and possible action on the City of Las Vegas Comprehensive Annual Financial Report (CAFR) for Fiscal Year ending June 30, 2009

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**

Amount:
Funding Source:
Dept./Division: Finance and Business Services

PURPOSE/BACKGROUND:
NRS 354.624 requires an annual audit of the City be conducted by an independent public accounting firm. It further requires the audit report and the CAFR be presented to the governing body with the recommendations and the summary of narrative comments. The audit was conducted by Kafoury, Armstrong & Co. The City received an unqualified opinion.

RECOMMENDATION:
Receive the audit report and provide guidance for any management actions.

BACKUP DOCUMENTATION:
1. Submitted after Final Agenda - PowerPoint Presentation by Staff
2. Submitted at Meeting - City of Las Vegas Comprehensive Annual Financial Report by Staff

Motion made by GARY REESE to Accept the report

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0
RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:
MARK VINCENT, Chief Financial Officer, provided a PowerPoint presentation regarding the City of Las Vegas Comprehensive Financial Report (CAFR). The annual audit was performed by Kafoury, Armstrong & Company, an independent public accounting firm. MR. VINCENT mentioned that changing outside auditors might save the City about $100,000 in this year fees as a result of the competitive process.

The audit was conducted in accordance with governmental standards. The audit report is available on line at the City of Las Vegas website under the Finance Department. The auditors found no issues on compliance but made some recommendations the City will follow up on.

Regarding the Cash & Cash Equivalents slide, MR. VINCENT pointed out that only $71 million is General Fund money. The majority is tied up with Capital Projects to pay for future construction projects that have been authorized.

COUNCILMAN BARLOW asked which line items fall within the $14.1 million in Debt Services. MR. VINCENT replied that the Debt Service Fund is responsible for servicing all the debt of the City. Some of those debt obligations require security reserves that have to be carried in compliance with the Bond Covenant.

MR. VINCENT indicated that the Build America Bonds will be under the Capital Projects category next year due to the City Hall construction project. It will increase approximately by $185 million in bonds, and it will be reflected in next year's CAFR report.

MR. VINCENT continued with his presentation and provided some CAFR highlights, such as the growth in assets due to the significant capital projects put into operation.

MR. VINCENT discussed with COUNCILMAN ANTHONY that the auditor's report was delivered to the Council without the auditor's opinion because it was not available. However, it is available on line. COUNCILMAN ANTHONY stated he would have preferred reading the report and the letter before a vote is taken.

COUNCILWOMAN TARKANIAN confirmed that the Council received the CAFR report with the exception of the opinion letter.

TAMMY MIRAMONTES, Engagement Shareholder for the Audit, explained that an unqualified opinion related to the financial statements was issued, which means they are materially correct as presented. The auditors also issue an opinion on the statements of scheduled expenditures, because in addition to doing the City's audit, they also perform in accordance with A 133, which is for federal monies the City receives. The second report is on government audit standards, which is a report on internal controls and compliance with the new laws and regulations related to government auditing standards. They did not note any significant deficiencies or material weaknesses. The third report is on the major programs which they determined to test, and they had a clean opinion on compliance with the federal regulations, and they did not any internal control issues related to that federal money.