

# **CITY OF COSTA MESA**

## **Review of Fiscal Year 2011 – 2012 Comprehensive Annual Finance Report (CAFR)**

**City Council Study Session  
February 12, 2013**

# AGENDA

- What is a CAFR?
- Why does the City produce a CAFR?
- Who compiles the CAFR?
- How does the CAFR get used?
- What information is in the CAFR?
- Comments/Questions

# What?

The CAFR is the financial statements of any state, municipal or government entity that complies with the accounting requirements of the Governmental Accounting Standards Board (GASB).

GASB is the source of Generally Accepted Accounting Principles (GAAP) for government entities.

# Why?

The City produces a CAFR for many purposes. Just a couple are:

- Ensure the public the financial records of the City are consistent with current accounting principals.
- To demonstrate to the public how much the City has, how much it owes, what comes in and what goes out.

# Who?

The CAFR is compiled by City staff and audited by the City's AICPA certified independent auditor to ensure compliance with GASB.

The CAFR usually takes about 2 months to compile and review after audit fieldwork is completed.

# How?

The CAFR is used by many including:

- External reporting agencies that review and comment on the City's financial health
- Internal staff to keep a history of past financial activity
- GFOA for annual review to ensure presentation of financial information is consistent with best practices

# What?

The CAFR is made up a lot of financial information, but is separated into different sections.

- Introduction and MD&A
- Government-wide and Fund F/S
- Notes to the F/S
- Supplementary Information (Details)

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