



# TOWN OF FAIRFAX

## STAFF REPORT

### September 9, 2017

**TO:** Mayor and Town Council

**FROM:** Michael Vivrette, Finance Director *MV GT*

**SUBJECT:** Acceptance of Fiscal Year 2015-16 Audited Financial Statements

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#### RECOMMENDATION

Accept Financial Statements and Independent Auditor's Report for FY15-16

#### DISCUSSION

The Town auditors, Maze and Associates, have issued the Audited Financial Statements for the Town consisting of the Basic Financial Statements and Independent Auditor's Report for June 30, 2016. Katherine Yuen of Maze and Associates will be available at the Council meeting for questions regarding the Financial Statements, the audit, or other concerns.

#### FISCAL IMPACT

The audit serves to give an independent professional opinion to fairness of the Town's financial statements at June 30, 2016. They have issued a "clean" opinion that the financial statements are free from material misstatement.

In Fiscal 2015-16, The General Fund increased \$707,912. All other funds increased by a total of \$206,905. General Fund revenues exceeded budget by \$491,543. General Fund expenses were under budget by \$269,609. Financial activity for FY16 has been factored into the fund balance carry forward in the current year's budget. The audit reflects the same carry-forward General Fund fund balance that was used in this year's budget (FY 2017-18). Therefore, no adjustment is necessary.

This audit is the second year for the implementation of GASB 68 and GASB 71, which require the reporting of the Town's proportionate share of net pension liability on the financial statements. The Town recorded a long-term pension liability of \$6,078,042 as of June 30, 2015. Because of adjustments in the PERS discount rate and other factors, the total is \$6,975,220 as of June 30, 2016. This liability will drop as on July 1, 2016 due to the refinancing of the sidefund and prior pension liabilities through the lease financing agreement the Town used to refinance this liability.

#### ATTACHMENTS

Basic Financial Statements

AGENDA ITEM # 2