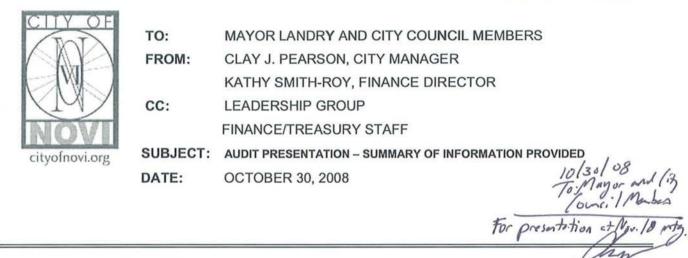
## MEMORANDUM



The purpose of this memorandum is to transmit the reports relating to the fiscal year ended June 30, 2008 as follows:

- Comprehensive Annual Financial Report (CAFR)
- Federal Awards Supplemental Information Report (also known as Single Audit Report for grants)
- Audit Presentation Graphs from Plante & Moran, PLLC
- Economic Development Corporation Annual Financial Report

The City of Novi received for the tenth time the Government Finance Officers Association (GFOA) award for the Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The application for this award for the report for the year ended June 30, 2008 is being submitted. Since the City received greater than \$500,000 in federal grant funds, the City was also required to have a Single Audit, through its auditors, Plante & Moran, PLLC.

## **Elements of the Reporting Model**

The financial section of the report now includes:

- Management's Discussion and Analysis (pages 3-10), which provides a narrative overview of the City's financial activities for the fiscal year.
- The Statement of Net Assets and Statement of Activities (pages 11) are statements presented on a basis similar to private-sector business reporting and provide a longerterm perspective on the City's finances by including such items as capital assets, infrastructure (i.e. roads, drains, etc.), and long-term debt (i.e. bonds payable). This format primarily distinguishes between activities of the general government and business-type activities.

• The "traditional" financial statements are presented in a revised format, but have not changed in content (page 14, with the reconciliation between page 11 and 14 presented on page 15).

## **Financial Highlights**

- The City received a "clean opinion" (page 1 of CAFR) on its financial statement audit.
- As a result of the continuing growth in the City, services have been maintained-even enhanced – and the millage rate continues to be one of the lowest in Oakland County.
- The City maintains 3,565 individual accounts and over 91 funds which require separate financial statements to be produced throughout the year, and then they are combined for audit and year-end financial reporting purposes.
- The Capital Assets schedule (page 39-40 of the CAFR) includes all land, buildings and equipment as well as infrastructure (roads, drains, bridges, etc.) The information includes assets acquired since 1980.

Marina Neumaier and Suzanne Moreno did a great job in preparing the report, compiling the audit work papers, and making the City compliant with all of the new reporting requirements. We also want to recognize the Plante & Moran audit team for their contributions by way of interpretation of recent guidelines and document review.

If you have any questions or need any additional information, please let me know. Thanks.