



MEMORANDUM

DATE: June 12, 2023

TO: Honorable Mayor and City Councilmembers
Dave Perrault, City Administrator

FROM: Gayle Bauman, Finance Director

SUBJECT: 2022 City Financial Statements

Budgeted Amount:
N/A

Actual Amount:
N/A

Funding Source:
N/A

Background/Discussion

The City’s auditor, Aaron Nielsen from MMKR, will be present at the June 12, 2023, City Council meeting to give an overview and answer questions. The auditors have issued an unmodified (“clean”) opinion on our financial statements for the year ended December 31, 2022. The total general fund balance at December 31, 2022 was \$3,366,237 with \$3,072,714 of unassigned balance; the new balance equates to an increase in the General Fund balance of \$196,425. The ending unassigned General Fund balance makes up approximately 55.6 percent of next year’s budgeted expenditures. The City’s total net position increased by \$1,834,798. The combined ending fund balances for governmental funds was \$10,663,705; the combined ending unrestricted net position for the enterprise funds was \$4,679,804, and internal service funds was \$178,179.

We have completed the report in the form prescribed by the Government Finance Officers Association of United States and Canada (GFOA) for their Certificate of Achievement for Excellence in Financial Reporting. In order to qualify for this, the report has to be published in an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

As a note of information, the Auditing Standards are constantly increasing and changing. With these changes, you may see increased findings. This does not mean that the City has done anything wrong compared to previous years, only that the reporting requirements have become much stricter. One finding was noted in the report related to Segregation of Duties. This finding was downgraded in 2020, from a material weakness to a significant deficiency, due to improvements made in the internal controls over financial reporting. We are pleased with the outcome of the audit.

Attachments

- A. Powerpoint presentation
- B. Management Report
- C. Annual Comprehensive Financial Report
- D. Special Purpose Audit Report