

STAFF REPORT

City Council Consent Item

DATE: June 5, 2023

TO: Honorable Mayor and Council Members

FROM: Aaron Felmlee, Finance Director

THRU: Merritt Perry, City Manager

SUBJECT: **City of Fortuna Basic Financial Statement Audit for the year ended June 30, 2022**

STAFF RECOMMENDATION:

Receive and file the City of Fortuna’s Basic Financial Statements Audit Report for the year ended June 30, 2022.

EXECUTIVE SUMMARY:

R.J. Ricciardi, Inc., Certified Public Accountants was engaged by the City of Fortuna to perform an all funds audit. The audit included the examination of the financial records and the financial statements of the City as of, and for, the fiscal year ended June 30, 2022. The auditor’s unqualified opinion stated in part:

“...[T]he financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Fortuna, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

The opinion provides assurance that the City’s financial statements are free of material misstatement. The finance department is pleased to present additional information along with the financial statements, which provides detail on the basic financial statements, such as a Management’s Discussion and Analysis, which can be found starting on page 4, and a statistical section, which can be found starting on page 65. The Management Discussion and Analysis is intended to be a discussion of compliance, risks, and future plans, such as goals and new projects as well as analyze the City’s performance to date. Staff would recommend starting here when reviewing the Basic Financial Statements Audit Report as this is a good place to get a general overview of how the City performed over the course of the last year. The statistical section provides 10 years’ worth of history, when available, about the City’s finances and operations and about the City’s constituents and economy. This is a great place to analyze trends and assists in projecting where the City is headed over the long term.

RECOMMENDED COUNCIL ACTION:

Receive and file the City of Fortuna's Comprehensive Annual Financial Report for the year ended June 30, 2022.

ATTACHMENTS:

- City of Fortuna Basic Financial Statements Audit Report for the year ended June 30, 2022