



**FRUITA**  
COLORADO

## AGENDA ITEM COVER SHEET

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**TO:** FRUITA CITY COUNCIL AND MAYOR

**FROM:** MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

**DATE:** JULY 20, 2021

**AGENDA TEXT:** 2020 FINANCIAL STATEMENTS - Presentation of the 2020 Financial Statements, Fiscal Health Analysis, and Auditor's Report – Finance Director/City Clerk Margaret Sell and Lisa Hemann, Audit Principal with Chadwick, Steinkirchner, Davis and Co., P.C. (CSD)

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### BACKGROUND

The 2020 Financial Statements will be presented to the City Council. This overview is intended to provide information on the City's financial condition as of December 31, 2020 and a framework for upcoming discussions regarding the 2022 budget. Lisa Hemann with CSD will present the auditor's reports and findings on the financial statements and internal controls.

The Fiscal Health Analysis (FHA) will also be presented to the City Council for review. The FHA is a set of seven financial ratios developed by the Local Government Audit Division of the Office of the State Auditor to assess financial health. This information can assist the City in identifying areas to focus on for further examination and, if needed, take appropriate action.

The following documents are attached for your information and review:

- 2020 Financial Statements
- Auditors Report on Internal Controls
- Fiscal Health Analysis.

### FISCAL IMPACT

NA

### APPLICABILITY TO CITY GOALS AND OBJECTIVES

Financial Statements, the independent auditor's reports and the FHA all provide information related to the City's financial condition and changes in financial position from year to year. This information is important for future planning of the use of economic resources to meet the needs of the community and identify areas of concern with the City's financial condition.

The State of Colorado and the Fruita City Charter require an annual audit of the City's financial statements. This ensures that the financial statements and financial condition of the City are accurately reported and provides for accountability of the finance functions of the City.

### OPTIONS AVAILABLE TO THE COUNCIL

- Approve the 2020 Financial Statements
- Request additional information

## **RECOMMENDATION**

It is the recommendation of city staff that the City Council by motion:

**APPROVE THE 2020 FINANCIAL STATEMENTS FOR THE CITY OF FRUITA AND  
ACCEPT THE AUDITOR'S REPORT OF THE FINANCIAL STATEMENTS**