



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA CITY COUNCIL AND MAYOR

FROM: MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

DATE: AUGUST 20, 2024

AGENDA TEXT: **2023 FINANCIAL STATEMENTS** - Presentation of the 2023 Financial Statements, Fiscal Health Analysis and Auditor's Report – *Finance Director/City Clerk Margaret Sell and Michael Jenkins, Managing Member for McMahan and Associates, LLC*

BACKGROUND

Michael Jenkins, Managing Member for McMahan and Associates, LLC will present the Independent Auditor's Report on the Financial Statements for the City of Fruita at December 31, 2023 as well as review their letter to the Governing Board.

The Financial Statements for fiscal year ending December 31, 2023, will then be presented to the City Council. This overview aims to provide a snapshot of the City's financial condition as of that date and lay the groundwork for discussions on the 2025 budget.

Additionally, the Fiscal Health Analysis (FHA) will be presented for Council review. The FHA consists of seven key financial ratios, developed by the Local Government Audit Division of the Office of the State Auditor, designed to assess the City's financial health. This analysis can help identify areas that may require further examination and potential action.

The following documents are attached for your information and review:

- City of Fruita Financial Statements for the fiscal year ending December 31, 2023
- PDF copy of the 2023 Financial Statements power point presentation
- PDF copy of the 2023 Fiscal Health Analysis for 2023.
- Governing Board Letter from McMahan and Associates, LLC

FISCAL IMPACT

N/A

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The Financial Statements and Fiscal Health Analysis provide insights into the City's financial condition and year-over-year changes. This information is critical for future planning, resource allocation, and identifying potential financial concerns. The audit serves to independently review the City's financial

statements, ensuring they are fairly presented in accordance with appropriate accounting principles. This review, required by both city charter and state law, enhances the credibility of the statements and supports accountability among city staff

.OPTIONS AVAILABLE TO THE COUNCIL

- Approve the Financial Statements for Fiscal Year 2023 and accept the auditor's report
- Request additional information

RECOMMENDATION

It is the recommendation of City Staff that the Council move to:

APPROVE THE CITY OF FRUITA 2023 FINANCIAL STATEMENTS AND ACCEPT THE AUDITORS REPORT