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## CITY OF PORT LAVACA

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**CITY COUNCIL MEETING:** May 8, 2023

**DATE:** May 3, 2023

**TO:** THE HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**FROM:** SUSAN LANG, FINANCE DIRECTOR 

**SUBJECT:** CONSIDER APPROVAL OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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**BACKGROUND:**

The City is required to engage in an independent audit of its financial statement on an annual basis. The City's financial statements were audited by the public accounting firm of Pattillo, Brown & Hill, L.L.P (PBH).

The results of the audit and highlights of the City's financial position were shared with the Finance Committee on April 24, 2023. Present at the meeting were City Council members: Tim Dent, Jerry Smith and Allen Tippitt. City staff included Interim City Manager, Jody Weaver and Finance Director, Susan Lang. Representatives from PBH reporting the results included Audit Partner, Paula Lowe and Audit Supervisor, Travis Rogers.

The City received an Unqualified Opinion, which is the highest level of assurance that the financial statements are presented fairly, in all material respects, and are presented in accordance with generally accepted accounting principles.

**FINANCIAL IMPLICATIONS:**

The audited financial statements for the fiscal year ended Sept. 30, 2022 showed an increase in total Net Position, which may serve over time as a useful indicator of a government's financial position, of \$1,919,576. Additionally, the combined governmental ending fund balances for the year ended 9/30/22 were \$10,243,050. The City's general fund, which is the major operating fund for the city, had an unassigned fund balance of \$7,701,244, or 66% of the total general fund expenditures. This represents a healthy reserve.

**IMPACT ON COMMUNITY SUSTAINABILITY:**

Audits provide financial information to the public and other interested third parties. Audits portray a city's financial strength or weakness and determine whether a city's financial statements are free of any material misstatements to the reader.

**RECOMMENDATION:**

Motion to approve the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022.