



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

April 8, 2025

SUBJECT: Fiscal Year 2024 Audited Financial Report

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Staff recommends the City Council receive and file the audited Annual Financial Report for the fiscal year ending June 30, 2024.

Background/Discussion

Each year, an audit of the City's financial statements is conducted by an independent auditor and the results are presented to the City Council. The audit for the fiscal year ended June 30, 2024, was conducted by Chavan and Associates llp, CPAs. This is the first year this firm has audited the City.

The scope of the annual audit includes:

- An opinion from the auditor that the preparation of the financial statements by City staff fairly presents the financial position of the City. The opinion of the auditor is as follows:
"In our opinion, the 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."
- A separate audit called a Single Audit is required when the City receives over \$750,000 in federal funds. For fiscal year 2024 a Single Audit is not required.
- The auditor's letter to the City Council and City Management (Attachment 2) comments on the City's system of internal controls and provides recommendations for improvements. The auditor did not identify any deficiencies in internal control over financial reporting that would be considered a material weakness.

The Annual Financial Report for the Fiscal Year Ended June 30, 2024 (Attachment 1) includes a Management Discussion and Analysis (pages 15 through 25) which provides an overview of the City's financial activity.

The following are key highlights in the financial report:

- On June 30, 2024, the net position of **the City** (assets less liabilities) was \$21.9 million. This amount includes \$5.3 million in capital assets, \$11.5 million cash restricted for specific purposes, and \$5.1 million unrestricted cash.
- **The General Fund** had a positive change in net position (revenues minus expenses) of \$424,426 mainly due to excise tax revenue from development activity and a police vehicle insurance reimbursement.
- **The Water Fund** change in net position was \$241,994.
- **The Sewer Fund** change in net position was \$152,761.
- The City received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its fiscal year 2023 financial report. This was the fifth year in a row that the City received the award. The fiscal year 2024 financial report has been submitted to GFOA and the City is hopeful that it will earn the award for a sixth consecutive year.

Fiscal Impact

There is no fiscal impact associated with this item.

Attachments

1. Annual Financial Report for the fiscal year ended June 30, 2024.
2. Auditor's letter to the City Council and City Management