



## **CITY OF MENIFEE**

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SUBJECT: Annual Comprehensive Financial Report (ACFR) for Fiscal Year End June 30, 2022

MEETING DATE: February 15, 2023

TO: Mayor and City Council

PREPARED BY: Margarita Cornejo, Deputy Finance Director

REVIEWED BY: Regina Funderburk, Chief Financial Officer

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Receive and file the Annual Comprehensive Financial Report (ACFR) and other audit reports for the fiscal year end June 30, 2022.

### **DISCUSSION**

Following the completion and receipt of the City's annual financial audit, the Finance Department will present to the City Council the City's annual financial statements and financial audit. The statements are referred to, collectively, as an ACFR. The format and content requirements for ACFRs are set forth in guidelines developed by the Government Finance Officers Associations of the United States and Canada and the California Society of Municipal Finance Officers.

The ACFR is divided into three major sections: the introductory section, the financial section, and the statistical section. The introductory section includes the letter of transmittal, a directory of City officials in office as of the report date and an organization chart. The financial section includes the independent auditors' report, management's discussion and analysis, and the financial statements, including notes to the financial statements. The statistical section includes financial trend information and demographic information about the City.

The financial statements were audited by the independent public accounting firm of Rogers, Anderson, Malody & Scott, LLP Certified Public Accountants, whose unmodified opinion is included within the financial section of the report. An unmodified opinion indicates that the financial statements present fairly the financial position of the City of Menifee as of June 30, 2022, and that the results of operations are in accordance with generally accepted accounting principles.

The audited financial statements are for the City of Menifee, which is the primary government. The City does not have any component units, such as a Redevelopment Agency.

As part of the audit, the audit firm also reviewed and performed tests of the City's internal accounting control procedures to determine if there are any material weaknesses or instances of non-compliance. Based on the audit, no material weaknesses were noted.

Two other reports are also included in the packet that support these findings: 1) the report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; and 2) the Communication with those Charged with Governance (also referred to as the SAS-114 letter)

The City's ACFR for the fiscal year end June 30, 2022 is attached to this staff report and is also available for review in the City Clerk's Office and Finance Department. In addition, the ACFR will be distributed to the City Council, various federal and state government agencies, rating agencies and financial institutions, and will be made available on the City's website for interested citizens.

### **STRATEGIC PLAN OBJECTIVE**

Responsive and Transparent Community Government

### **FISCAL IMPACT**

There is no fiscal impact associated with the recommended action.

### **ATTACHMENTS**

1. 2022 ACFR
2. Independent Accountants Report
3. Report on Internal Controls
4. SAS-114 Letter