



M E M O R A N D U M
F i n a n c e D e p a r t m e n t

DATE: November 27, 2007

TO: City Council

FROM: Dave Warren
Director of Finance

**SUBJECT: BASIC FINANCIAL STATEMENTS, SUPPLEMENTAL INFORMATION
AND INDEPENDENT AUDITOR'S REPORT FOR FISCAL YEAR
ENDED JUNE 30, 2006**

RECOMMENDATION:

Acknowledge and file the Basic Financial Statements, Supplemental Information, and Independent Auditor's Report for Fiscal Year Ended June 30, 2006 (please see attached) published by Caporicci & Larson, Certified Public Accountants.

DISCUSSION:

The City's financial statements are audited annually by an independent Certified Public Accountant (CPA). The purpose of the year-end audit is for an independent CPA to express an opinion of whether or not the City's financial statements present fairly, in all material respects, the financial position of the City. Our auditors, Caporicci & Larson (C & L), conducted a rigorous audit of the City's financial statements for Fiscal Years 2005/2006. The audit included the examination of evidence supporting the amounts and disclosures in the basic financial statements, on a test basis, for the period encompassing July 1, 2005 through June 30, 2006. The audit also included the assessment of the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

The City's implementation of newly mandated Government Accounting Standards Board (GASB) pronouncements were also audited. The attached documents include the Independent Auditor's Reports that expresses an opinion of the City's financial statements. C & L has expressed an unqualified opinion which means they determined that the City's financial statements present fairly the financial position of the City as of June 30, 2006 and were in conformity with Generally Accepted Accounting Principles (GAAP).

Tonight, Gary Caporicci, of C & L, will present an overview of the 2005/2006 audit report and address any questions you may have.

Dave Warren
Director of Finance

Reviewed and Approved

John Driscoll, City Manager/City Attorney