



STAFF REPORT	
SUBJECT: Presentation and Acceptance of the Annual Financial Report and Single Audit Report for Fiscal Year 2021-22; Resolution No. 2023-31	MEETING DATE: July 6, 2023
SUBMITTED BY: Kathy Wells, Director of Finance	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to adopt the Resolution No. 2023-31 to accept the FY 21-22 Audit and Single Audit.

BACKGROUND/DISCUSSION:

Each year the city hires an independent audit firm to complete an audit of the city’s books and records. For the fiscal year 2021-22, the city engaged auditing firm, Van Lant & Fankhanel, LLP, to complete the audit. The audit is complete and attached. Also, the City was required to have a Single Audit completed for FY 21-22, as the City’s Schedule of Expenditure of Federal Awards was 7.4 million dollars for the year – well above the Single Audit requirement threshold of \$750,000.

It should be noted this audit was delayed for a variety of reasons including changeover of personnel in the Finance Department, and carryover issues from prior fiscal years. It also should be noted that there is one finding of deficiency in internal controls regarding the timeliness of accounting records for.

Staff recommends adopting Resolution No. 2023-31 to accept the Annual Financial Report and Single Audit Report for FY 21-22.

OPTIONS:

1. Move to adopt Resolution No. 2023-31
2. Other direction

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

SUGGESTED MOTIONS:

Move to adopt Resolution 2023-31 to accept the FY 21-22 Audit and Single Audit.

- Attachments:**
 - 1) Resolution 2023-31
 - 2) Audit Conclusion Communication Letter
 - 3) Financial Statements
 - 4) Internal Control Report
 - 5) Single Audit Report

RESOLUTION NO. 2023-31
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE ACCEPTING THE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR 2021-22

WHEREAS, each year the City hires an independent audit firm to complete an audit of the City’s books and records; and

WHEREAS, the City’s citizens and others rely on the audited financial statements, and other related information published by the City to monitor the City’s financial health; and

WHEREAS, the Auditor has prepared an Annual Financial Report and a Single Audit Report, which includes the Basic Financial Statements as defined in Governmental Accounting Standards, as well as Supplemental Information, along with a report on internal controls, Corrective Actions and compliance identifying any significant deficiencies, material weaknesses and/or any other suggestions they feel might be of benefit to the city; and

WHEREAS, the Auditor was engaged to perform agreed upon procedures to verify the City’s Gann Limit calculations and has issued a related report thereto; and

WHEREAS, the reports prepared by the Auditor are attached.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Clearlake accepts the Annual Financial Report for the Fiscal Year 2021-22, incorporated by reference as Attachments 2-6.

PASSED AND ADOPTED by the City Council of the City of Clearlake, County of Lake, State of California, on this 6th day of July 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____

City Clerk

Mayor