



# CITY OF CLEARLAKE

City Council

## STAFF REPORT

**SUBJECT:** Presentation and Acceptance of the Annual Financial Report for Fiscal Year 2020-21; Resolution No. 2023-15

**MEETING DATE:**  
March 16, 2023

**SUBMITTED BY:** Kathy Wells, Director of Finance

**PURPOSE OF REPORT:**  Information only  Discussion  Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to adopt the resolution to accept the 20-21 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 2020-21, the city engaged auditing firm, Van Lant & Fankhanel, LLP, to complete the audit. The audit is complete and attached.

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.

### OPTIONS:

1. Move to adopt the resolution
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 2023-15

- Attachments:**
  - 1) Resolution 2023-15
  - 2) Audit Conclusion Communication Letter
  - 3) Financial Statements
  - 4) Internal Control Report

**RESOLUTION NO. 2023-15**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEARLAKE ACCEPTING THE ANNUAL**  
**FINANCIAL REPORT FOR THE FISCAL YEAR 2020-21**

**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, which includes the Basic Financial Statements as defined in Governmental Accounting Standards, as well as Supplemental Information, along with a report on internal controls 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 2020-21, incorporated by reference as Exhibits A-C.

**PASSED AND ADOPTED** by the City Council of the City of Clearlake, County of Lake, State of California, on this 16th day of March 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_

City Clerk

\_\_\_\_\_

Mayor