

AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT
Treasurer, Finance and Technology Director
DATE: December 2, 2015
RE: Approval of Audit Reports

For the Agenda of December 7, 2015

Background The public accounting firm of Andrews, Hooper & Pavlik (AHP) of Midland, Michigan conducted an independent audit of the City of Clare's financial records for the City's fiscal year ending June 30, 2015. A qualified representative from the firm is scheduled to publicly present the results of the audit to the Clare City Commission at its regularly scheduled meeting on December 7, 2015. The audit results are unqualified meaning that no significant adverse findings were discovered or noted during the course of the independent audit. A draft copy of the complete audit report will be provided during the meeting to each City Commissioner (earlier if available).

The Treasurer/Finance Director, City Clerk and City Manager will have each reviewed the audit report prior to the meeting and will have formally acknowledged the results in writing.

The City Commission is asked to formally approve the audit findings and results as presented by Andrews, Hooper & Pavlik.

Issues & Questions Specified Should the Clare City Commission formally approve the audit report?

Alternatives

1. Approve the audit findings.
2. Do not approve the audit findings.
3. Defer/delay decision to a subsequently scheduled City Commission meeting. Note that the City's annual audit report is required to be completed, presented to the City Commission and submitted to the State Treasury no later than December 31st each year to be in compliance with State law.

Financial Impact The City of Clare is required to file the results of its annual audit with the Michigan Department of Treasury; failure to do so will result in the withholding of state revenue sharing and render the City ineligible for other state and federally funded programs to include grants and loans. Approval of the audit is necessary to allow City Staff to file the audit and other related reports with appropriate state and federal agencies.

Recommendations I recommend that the City Commission formally approve the audit results presented by Andrews, Hooper & Pavlik by adoption of attached Resolution 2015-131.

Attachments

1. Cover Letter and Audit Report (To be provided during the meeting).
2. Management Acknowledgement Letter (To be provided during the meeting).
3. Fiscal Year 2014/15 Independent Audit Report (To be provided during the meeting).
4. Resolution 2014-131.

RESOLUTION 2015-131

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE ANNUAL AUDIT REPORT FOR THE CITY OF CLARE'S FISCAL YEAR 2014/2015.

WHEREAS, an independent audit of the financial statements of the City of Clare for the City's fiscal year ending on June 30, 2015 was conducted by the public accounting firm of Andrews, Hooper & Pavlik (AHP) of Midland, Michigan; and

WHEREAS, said audit resulted in no significant or adverse findings and an unqualified (clean) audit opinion from Andrews, Hooper & Pavlik of the City being in good fiscal condition. Said results being verbally presented to the Clare City Commission by a representative of said accounting firm at a scheduled and noticed public meeting held on December 7, 2015; and

WHEREAS, it is necessary for the Clare City Commission to approve the results of said audit to facilitate the filing of the audit and other related reports with appropriate State of Michigan and certain federal agencies; and

WHEREAS, the City Treasurer/Finance Director, the City Manager and the City Clerk have each reviewed, acknowledged, and formally concurred with the results of the audit; and

WHEREAS, the City Commission was provided with and has had ample time to review a draft copy of said audit report; and

WHEREAS, the City Commission has concluded that said audit report is acceptable and reflects an accurate statement of the fiscal status of the City of Clare.

NOW THEREFORE BE IT RESOLVED that the Clare City Commission hereby approves the results of the independent audit of the financial statements of the City of Clare for the fiscal year ending June 30, 2015. Said audit being conducted by the independent public accounting firm of Andrews, Hooper & Pavlik of Midland, Michigan.

BE IT FURTHER RESOLVED that the City Commission directs its Treasurer and Finance Director to file the appropriate reports of said audit findings and other reports with the various agencies and departments of the State of Michigan and the Federal Government.

The Resolution was introduced by Commissioner and supported by Commissioner . The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 7th day of December 2015.

Diane Lyon, City Clerk