

STAFF REPORT

City of Lancaster

CC 14
6/10/2025
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Date: June 10, 2025

To: Mayor Parris and City Council Members

From: George N. Harris II, Senior Director/Treasurer – Admin Services

Subject: Fiscal Year 2023/24 Financial Audit.

Recommendation:

Receive audited annual financial report for the City of Lancaster, CA, Fiscal Year ending June 30, 2024.

G.C. Section 84308: No

Fiscal Impact:

There is no fiscal impact on the City of Lancaster, CA.

Background:

The City of Lancaster has recently completed its annual financial audit for the fiscal year ending June 30, 2024. The audit was completed by CliftonLarsonAllen LLP (CLA). The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. These procedures include a review of internal controls, testing of transactions, and review of the financial statements for the auditors to express an opinion on the financial statements. Based on the audit, CLA expressed that the financial statements as of June 30, 2024, present fairly, in all material respects, the financial position of the City of Lancaster. In addition to the financial statements, the auditors issued an Audit Communication Letter, a Government Auditing Standards Letter, and an Appropriations Limit Letter. The Audit Communication Letter (attached) aims to communicate significant audit matters (if any) to the City Council. No significant audit matters were identified as a result of the audit procedures. The Government Letter (attached) aims to communicate the auditor's report on internal controls over financial reporting. The auditors found a Material Weakness in Internal Control over Financial Statement Close. A corrective action plan has been implemented to address the single area noted for improvement. As a result, the organization has been diligently working on improving policies and procedures related to year-end transactions, specifically for Land Held for Resale. Lastly, the attached Appropriations Limit Letter aims to communicate any exceptions to the Appropriations Limit. No exceptions were noted.

Attachment:

City of Lancaster Annual Financial Report for Fiscal Year Ending June 30, 2024

Audit Communication Letter dated May 22, 2025

Government Auditing Standards Letter dated May 22, 2025

Appropriations Limit Letter dated August 05, 2024