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Presentation of the City of Chandler Annual Financial Audit For the Fiscal Year Ended June 30, 2024

Presented by Joshua Jumper, Partner
January 23, 2025

HeinfeldMeech

Requirements

- The City is required by City Charter and State Statute to issue an annual audited financial report, and federal law requires the City to undergo an annual single audit (A-133) of federal financial assistance.
- Effective September 29, 2021, ARS §9-481(H), as amended by Laws 2021, Ch 427, §1, auditors must present audit results and any findings to the Council in a regular meeting without the use of a consent agenda within 90 days of audit completion.
- ACFR posted online; at least 5 years reports.

Importance of the Audit

- Verify management representations regarding finances
- Demonstrate stewardship and accountability to:
  - Citizens
  - Governing body
  - Grantors
  - State agencies
  - Federal agencies
  - Bond holders
  - IRS
  - Creditors
- Review compliance with certain laws and regulations
- Governing body ultimately must ensure management fulfills its responsibility

Audit Process

- Engagement letter and initial planning of the audit began in May
- Site visits in July, August, October, and November
- Various audit procedures performed remotely between site visits
- Audit reports issued in December & January

Audit Related Reports Issued

- Audit communication to those charged with governance
- Annual Comprehensive Financial Report (ACFR)
- Single Audit Reporting Package
  - Report on internal control for audit under *Government Auditing Standards*
  - Report in internal control and compliance for federal awards as required
- Agreed-upon procedures report for ADEQ landfill requirements
- Highway User Revenue Fund (HURF) Accountant’s Report on Compliance
- Annual Expenditure Limitation Report

Key Items from FY 2023-24

1. Unmodified (clean) audit opinion dated December 20, 2024

2. No internal control deficiencies noted

3. COVID-19 related funding continues to require significant attention and focus for audit team
   - Approximately $9.1M spent in fiscal year 2024

Other Important Communication

- Communication to those charged with governance provided by the audit firm at the completion of the audit also includes the following:
  - Engagement letter provided by the audit firm to management at the initiation of the audit
  - Management representation letter provided by management to the audit firm at the completion of the audit

Audit Team Contact:

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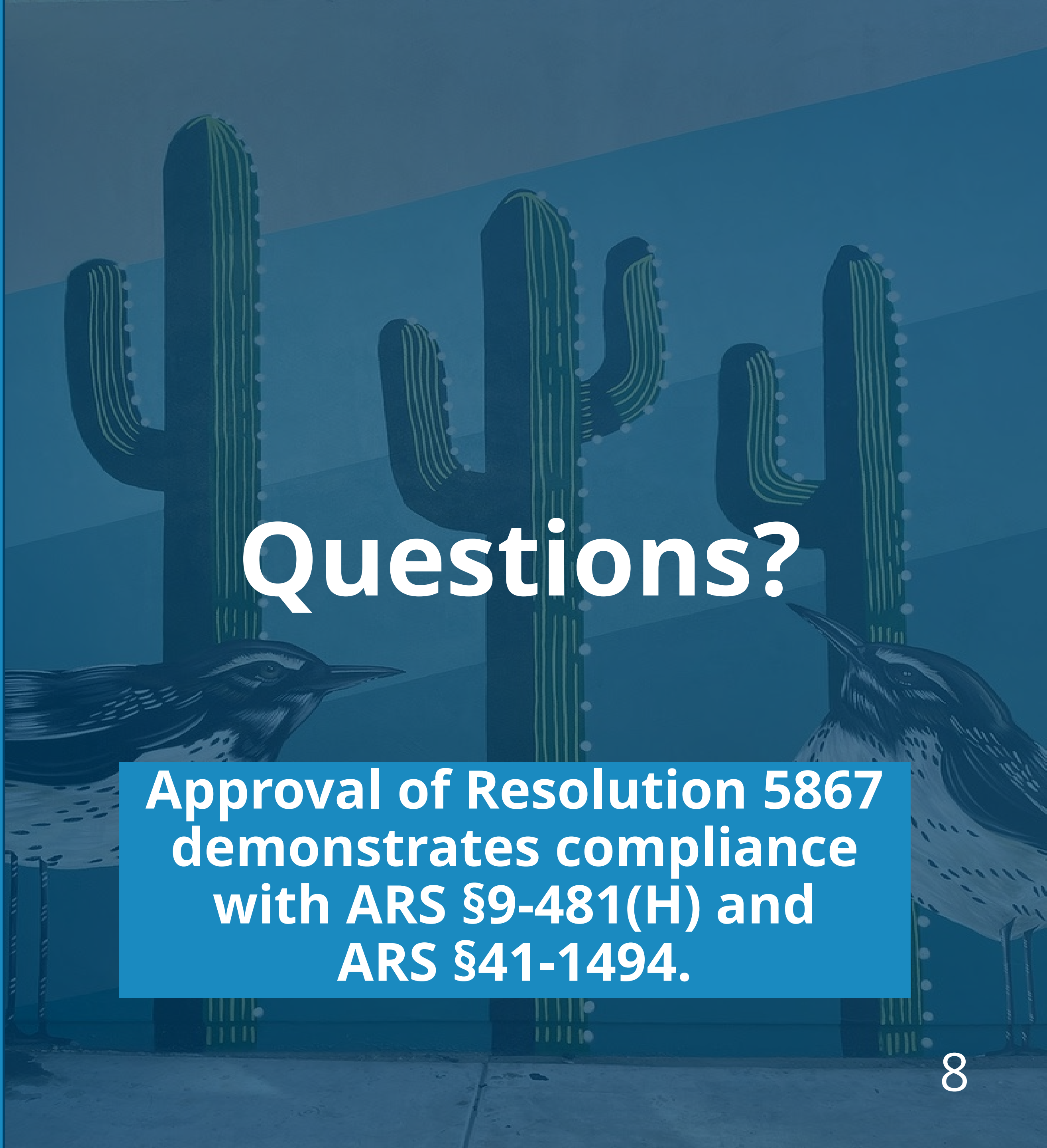

Questions?

Approval of Resolution 5867 demonstrates compliance with ARS §9-481(H) and ARS §41-1494.