



# City of Flagstaff June 30, 2021 Audit

July 5, 2022

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

# June 30, 2021 Summary

- Reports Issued

- Annual Comprehensive Financial Report
- Governance Communication
- Single Audit Report
- Highway User Revenue Examination Report
- Annual Expenditure Limitation Examination Report
- Passenger Facilities Charge Report
- Landfill Agreed-Upon Procedures Report



# June 30, 2021 at a Glance

## Governance Communication

- Significant estimates:
  - Estimated useful lives of assets
  - Estimate of fair value of investments
  - Allowance for uncollectibles
  - Unfunded pension/OPEB liability
  - Landfill closure and postclosure liability
  - Compensated absences
- No difficulties encountered
- One uncorrected misstatement
- No material audit adjustment
- No disagreements with management
- Obtain management representation
- No management consultation with other independent accountants
- No significant issues discussed with management



# June 30, 2021 at a Glance

## Annual Comprehensive Financial Report (ACFR)

- Unmodified (“clean”) opinion
- Audit basic financial statements
- Provide an in-relation-to opinion on the combining and individual nonmajor fund financial statements and schedules, and the financial data schedules (FDS)
- Disclaim an opinion on the required supplementary information, introductory section and statistical section
- GFOA Certificate of Excellence – 2020
- Submit 2021 ACFR for GFOA Award Program
- \$131 million issued in certificates of participation
- \$1.1 million increase in the single employer OPEB plan
- \$9.4 million increase in net pension liability
- \$3.1 million drawn down on a \$5.0 million WIFA loan



# June 30, 2021 at a Glance

## Single Audit Report

- GAS - No significant deficiencies; No material weaknesses
- UG – Unmodified (“clean”) opinion; no matters of noncompliance no control deficiencies

## Highway User Revenue Examination (HURF)

- Unmodified (“clean”) opinion

## Annual Expenditure Limitation Examination (HURF)

- Unmodified (“clean”) opinion
- Reconcile to the audited financial statements
- Test material additions, subtractions and exemptions



# June 30, 2021 at a Glance

- **Passenger Facilities Report (PFC)**
  - **Landfill Agreed-Upon Procedures**
- Do not provide an opinion on controls, but report on controls.
  - Unmodified (“clean”) opinion on compliance
  - Do not provide an opinion
  - Report any deviations from the agreed-upon procedures
  - No findings reported



# Single Audit

- *Government Auditing Standards* Report – Report on internal controls; do not provide an opinion
  - No material weaknesses
  - No significant deficiencies



# Single Audit Report

- Report on compliance for each major program, on internal control over compliance and the schedule of federal expenditures
  - Provide an opinion on compliance
  - Do not provide an opinion on controls, but report on controls
  - Provide an in-relation-to opinion on the schedule of federal expenditures



# Single Audit Report

- Major Programs Tested
  - **20.106 Airport Improvement Program**
    - \$3,898,976 in federal expenditures
  - **21.019 COVID-19 Coronavirus Relief Fund**
    - \$1,934,046 in federal expenditures
  - **14.218 CDBG – Entitlement Grants Cluster**
    - \$1,657,620 in federal expenditures
  - **14.850 Public and Indian Housing**
    - \$659,890 in federal expenditures
  - **14.872 Public Housing Capital Fund**
    - \$935,123 in federal expenditures



# Single Audit Report

- Total Federal Expenditures: \$15,362,728
- Total Federal Expenditures Tested: \$9,085,655
- Total Required Coverage: 40%
- Total Actual Coverage: 59.1%
- Unmodified (“clean”) opinion
- Current Year Compliance Findings
  - Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a)
- Prior Year Findings
  - There were no prior year matters required to be reported in accordance with 2 CFR 200.516(a)



# Items of Significance for 2022

- Governmental Accounting Standards Board Statement (GASBS) No. 87 – *Leases*
- 2022 Compliance Supplement was issued in April 2022





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