

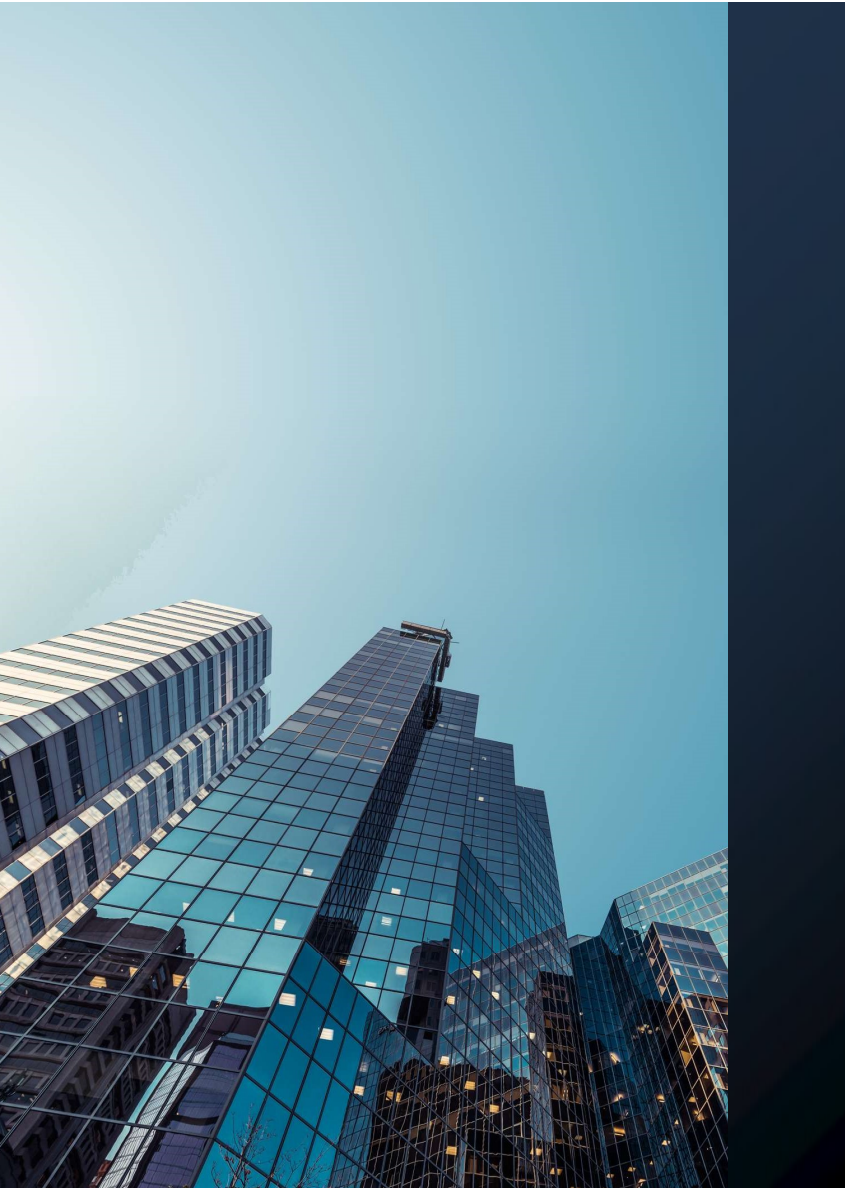
CITY OF ROSWELL, GEORGIA



Presented by Eon van Wyk, CPA
14 October 2025



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Presentation Outline

Overview of Management Report

Engagement Overview

Auditor's Opinion

Leveraging Technology in Audit

Key Audit Risks and Responses

Internal Controls and Compliance

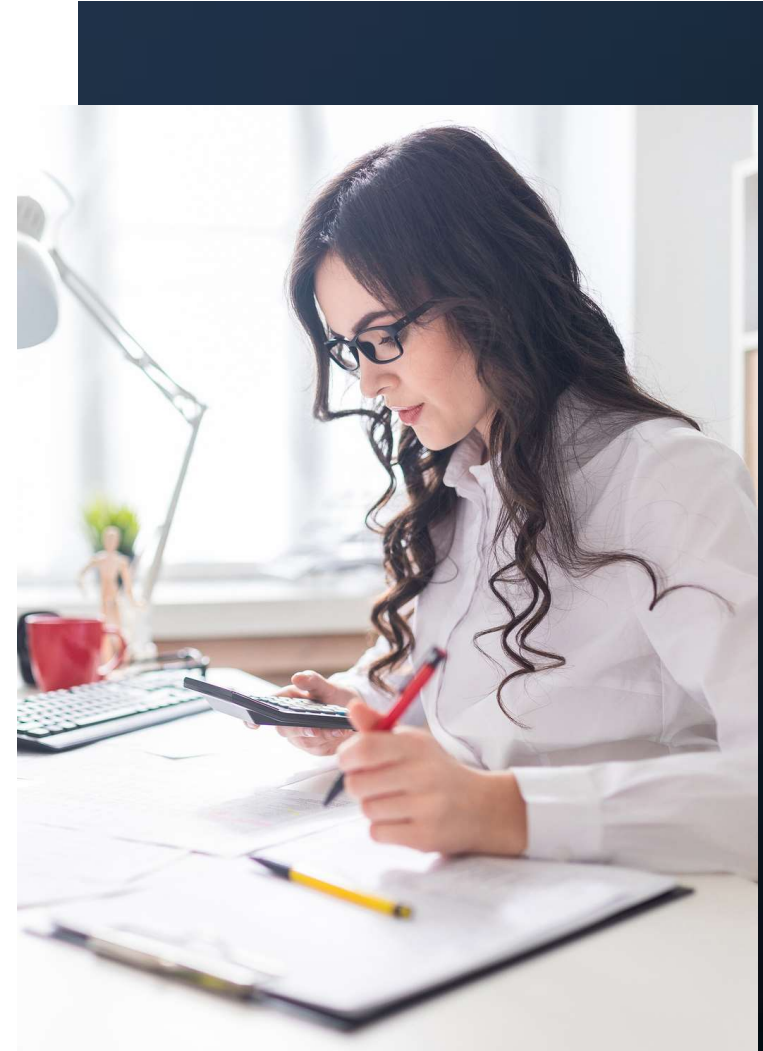
Significant Matters

Upcoming GASB Standards

Questions and Answers

OVERVIEW OF MANAGEMENT REPORT

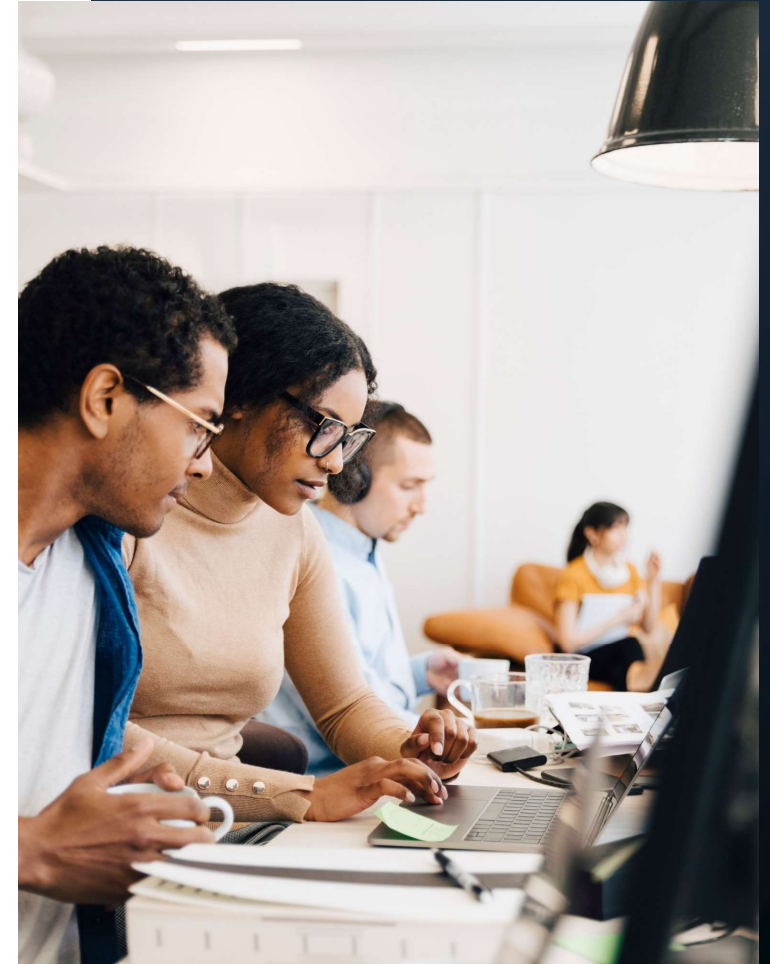
- ✓ Communicate results of the external audit of the City's financial statements
- ✓ Period covered: July 1 – December 31, 2024 (short period due to fiscal year change)
- ✓ Standards applied: GAAS, Government Auditing Standards, US GAAP, GASB accounting and reporting principles
- ✓ Intended for: City Council



ENGAGEMENT OVERVIEW

AUDITED PERIOD: JULY 1, 2024 – DECEMBER 31, 2024

1. Reason for Fiscal Year Change: Align with calendar year for construction projects and property tax cycle.
2. Extension approved by GDOAA and GFOA for audit timeline.
3. Adjustments required to accounting software setup and financial year-end schedules.
4. ACFR disclosures and presentations impacted.
5. Property tax revenue recognition discussions (match funding period).



AUDITOR'S OPINION



OPINION ISSUED: UNMODIFIED

- Governmental Activities
- Business-type Activities
- Each Major Fund, and Combining Nonmajor Funds
- Discretely Presented Component Units

KEY RISKS AND RESPONSES

Management Override of Controls

Reason for Risk:

Presumed significant risk per GAAS / GAGAS and Yellow Book

Auditor response:

- Increased professional skepticism
- Journal entry testing
- Review accounting estimates
- Evaluate significant and / or unusual transactions

Conclusion:

No issues identified

Improper Revenue Recognition

Reason for Risk:

Presumed fraud risk per GAAS / GAGAS and Yellow Book

Auditor response:

- Substantive testing over revenue streams
- Confirmed significant transactions
- Revenue recognition in accordance with GASB
- Reconciled subsidiary system to general ledger

Conclusion:

No issues identified

Improper Use of Restricted Resources

Reason for Risk:

Fund received for specified purposes (e.g., T-SPLOST and Bond proceeds)

Auditor response:

- Reviewed compliance with imposed restrictions
- Tested expenditures charged for allowability
- Reconciled restricted fund activity

Conclusion:

No issues identified

LEVERAGING TECHNOLOGY IN AUDIT

USE OF CASEWARE IDEA – ELECTRONIC DATA PROCESSING (EDP) SOFTWARE

TEST COMPLETENESS OF TRANSACTIONS

Import full datasets to confirm completeness, including utility billing, payroll and vendor disbursements

VALIDATE COMPLIANCE WITH POLICIES

Test procurement transactions against established thresholds and approval requirements

IDENTIFY ANOMOLIES AND IRREGULARITIES

Duplicate detection, gap analysis and trend analysis to identify duplicate transactions, and transactions exceeding approval limits

STRENGTHEN AUDIT TRAIL AND TRANSPARENCY

Maintain electronic audit trail of all procedures and results, enhancing transparency and supporting the reliability of audit conclusions

INTERNAL CONTROL AND COMPLIANCE

Access Controls:

- Verified access to bank accounts are restricted
- Verified access to financial and accounting software are restricted
- Tested modifications in the financial management systems

Revenues and Collections

- Reviewed the billing process for utilities and property taxes

Procurement and Disbursements

- Tested purchases in line with the procurement policy and related approvals
- Verified purchase order requests, invoice processing, account coding, and payment authorization
- Reviewed supporting documentation for procurement requiring formal bidding

INTERNAL CONTROL AND COMPLIANCE

Payroll and Human Resources

- Tested new hires and terminations to verify pay rates and access to payroll
- Reviewed segregation of duties of payroll preparation, approval and disbursement
- Reconciled payroll registers to the general ledger

Grants and Restricted Funds

- Reviewed financial reports for grant compliance and traced to supporting documentation and the general ledger to verify accuracy and completeness
- Tested expenditures from TSPLOST funds to verify compliance with restrictions

Budgetary and Governance Oversight

- Reviewed budget amendments and compared them to official meeting minutes to confirm appropriate approval and authorization.

INTERNAL CONTROL AND COMPLIANCE

Report on compliance for each major fund and internal controls (over Schedule of Expenditures of Federal Awards):

- Federal award selected for testing: US Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds
- Procedures performed:
 - Reviewed program objectives and procedures
 - Assessed compliance requirements
 - Tested compliance with the requirements:
 - Assessed allowable costs and cost principles
 - Scrutinized reporting requirements
 - Special tests and provisions
 - Evaluated internal controls
 - Reviewed financial reports

SIGNIFICANT MATTERS

NEW GASB STANDARD IMPLEMENTATION

GASB No.101 Compensated Absences – Recognize a liability for leave as soon as it is earned, even if not vested (results in earlier recognition of expense and liability).

Resulted in increase expense and liability of \$2.8m.

PENSION PLAN

Changes to the City's pension plan provider (Transamerica) and actuary (Foster & Foster).

Purpose of the change is to provide better benefits, and ensuring actuarial reporting is specific to the City.

ACCOUNTING ESTIMATES

Pension liability, allowance for doubtful accounts, compensated absences liability, and useful lives of capital assets.

Estimates were considered reasonable.

DISCLOSURE OF RELATED ORGANIZATION

Related organization: Friends of Roswell Parks Inc. – activities are closely aligned with the City of Roswell's Recreation, Parks, Historic and Cultural Affairs Department.

DEBT SERVICE FUND PRESENTATION

Previously reported as a nonmajor governmental fund, but met the quantitative criteria classified as a major fund for the six months ended December 31, 2024

DISCLOSURE OF COMPONENT UNIT

Component unit: Development Authority of Roswell, GA – increased activity expected due to the acquisition of land and planned construction projects.

SIGNIFICANT MATTERS

BUDGET TO ACTUAL REPORTING

No instances identified where actual expenditures exceeded the budget.

GRANT ACTIVITY

Coronavirus State and Local Fiscal Recovery (ARPA) funds expended during the six months – subject to Single Audit requirements.

LITIGATION

The City is a defendant in certain legal actions, however, the liability, if any, would not have a material adverse effect on the financial position

SUBSEQUENT EVENTS

Issuance of General Obligation Bonds, Series 2025 of \$93.4 million, for the acquisition, construction, and equipping of public safety facilities and recreation-related capital projects, funding capitalized interest, and paying costs of issuance.

The City, through its Public Facilities Authority, purchased a property for \$10m. The property will be used for parks and recreation purposes.



Questions?



Let's Stay in Touch



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the greatest value
through the best
experience."*

