

CITY OF SURPRISE
Audit Committee Meeting
16000 North Civic Center Plaza
Surprise, AZ 85374
Wednesday, March 11, 2026 – 4:15 p.m.

CALL TO ORDER

Vice Chair Connie Bowers called the Audit Committee Meeting to order at 4:15 p.m. on Wednesday, March 11, 2026, at Surprise City Hall, Lobby Conference Room N1-150, 16000 North Civic Center Plaza Surprise, Arizona 85374.

ROLL CALL

Vice Chair Connie Bowers, Councilmember Chris Judd, Councilmember Earle Greenberg (virtual attendance), Committee Member Gloria Dailey, Finance Director Sandy Simmons, and Parks and Recreation Director Holly Osborn (absent).

PLEDGE OF ALLEGIANCE

CURRENT EVENTS AND REPORTS

None.

STAFF REPORTS

City Auditor Carol Holley has retired. Melissa Moreno will be the Acting City Auditor until the City Council appoints a City Auditor.

Tatiana Young has resigned from the audit committee. Gloria Dailey's term was corrected to end on June 30, 2028.

STAFF PRESENT

Acting City Auditor Melissa Moreno, Internal Auditor Angela Hanson, Acting Assistant Director of Finance Mari Lugo, Assistant Finance Director Nicole Lewis, Director of Human Resources Joesette Frausto, Payroll and HRIS Manager Rebecca Lee, Interim Fire Chief Kevin Spirlong, and Deputy Chief Fire Administration Cody Worrell.

CALL TO THE PUBLIC

Finance Director Sandy Simmons stated that Assistant Director of Finance Erick Martin is no longer with the City, and that Mari Lugo will serve as the Acting Assistant Director of Finance.

REGULAR AGENDA ITEM

- 1. Consideration and action pertaining to the Audit Committee meeting minutes of October 20, 2025.**

Councilmember Judd moved to approve the October 20, 2025, Audit Committee meeting minutes. Committee Member Dailey seconded. Motion approved 4-0.

2. Presentation and discussion pertaining to the fiscal year 2024-2025 Annual Comprehensive Financial Report (ACFR) and associated reports.

Heinfeld, Meech & Co., P.C. Engagement Partner Brittney Williams gave a virtual presentation and overview of the fiscal year 2024-2025 annual audit. She stated they had already presented to City Council in order to comply with State statutes to present within 90 days.

This year, they issued a clean opinion on financial statements with no material misstatements. The Independent Accountant's Report shows that highway user revenue fund money was used in accordance with state statute. The Single Audit Report included a financial statement report, which had an unmodified opinion, and a federal award report, which had an unmodified opinion. There were significant difficulties with suspensions and department awards related to procurement, but management has already implemented controls to address the issue.

Councilmember Judd expressed the great work on the audit and thanked Finance Director Sandy Simmons for the great work.

No motion was required for this item.

3. Presentation, discussion, and possible action pertaining to Capital Improvement Plan Audit Report.

Angela Hanson provided an overview of the Capital Improvement Plan Audit. She included that management responses have been updated to reflect discussion on this audit from the October 20, 2025, audit committee meeting.

The Finance Director explained that the management responses were updated to provide greater clarity on the actions they would take to revise the guidelines. Councilmember Judd stated that the management responses were now much clearer.

Committee Member Dailey moved to approve and distribute the Capital Improvement Plan Audit Report. Councilmember Judd seconded. Motion approved 4-0.

4. Presentation, discussion, and possible action pertaining to the Fire-Medical Payroll Audit Report.

Melissa Moreno provided an overview of the Fire-Medical Payroll Audit Report, which was then discussed by the committee members and the staff members present.

Councilmember Judd moved to approve and distribute the Fire-Medical Payroll Audit Report. Committee Member Dailey seconded. Motion approved 4-0.

5. **Presentation and discussion pertaining to the summary of the Audit Recommendations Status Report as of February 3, 2026.**

Melissa provided an overview of the Audit Recommendation Status Report covering the period from October 7, 2025, through February 3, 2026, to the Audit Committee, which committee members then discussed.

No motion was required for this item.

OTHER BUSINESS AND FUTURE AGENDA ITEMS

The next Audit Committee Meeting will be held on **June 3, 2026**, at 4:15 p.m.

EXECUTIVE SESSION

ADJOURNMENT

Vice Chair Bowers moved to adjourn the meeting. The meeting was adjourned at 4:44 p.m.

ATTEST:



Connie Bowers, Vice Chair



Melissa Moreno, Staff Liaison

CERTIFICATION:

I, Kristi Passarelli, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Audit Committee Meeting of **Wednesday, March 11, 2026**.

Kristi Passarelli, City Clerk, CERA