PUBLIC NOTICE IS HEREBY GIVEN THAT THE AUDIT COMMITTEE WILL MEET FOR A AUDIT COMMITTEE REGULAR MEETING IN THE

Commission Chambers 125 East Center Street, Moab, Utah
July 7, 2025 - 9:00 AM

9:00 AM
Zoom: Join Zoom Meeting
https://us02web.zoom.us/j/81170720683?pwd=fU8CSb9JSkLwvY2jz9NZG5uzUeKa9t.1
Meeting ID: 811 7072 0683
Passcode: 337515

Grand County Utah Government Live on YouTube
Join the Zoom Meeting

Zoom And Youtube Meeting Information

Zoom Link: https://us02web.zoom.us/j/81170720683 Zoom Passcode: 337515

Citizens To Be Heard

We are receiving public comments online through zoom. Zoom Link: https://us02web.zoom.us/j/81170720683 Zoom Passcode: 337515 The meeting is also being live streamed on YouTube at https://www.youtube.com/@GrandCountyUtahGovernment

Call To Order

General Business - Action Items - Discussion And Consideration Of Approval

1. **Welcome And Introductions With New Internal Auditor**

2. **Approve Initial Direction For The Internal Auditor**

3. **Approval Of Minutes For The Meeting Of June 13, 2025**

4. **Discussion And Consideration Of External Auditor RFP**

5. **Update On 2024 External Audit**

Mark Tyner, Commission Coordinator

Closed Session(S) (If Necessary)

Adjourn

NOTICE OF SPECIAL ACCOMMODATION DURING PUBLIC MEETINGS. In compliance with the Americans with Disabilities Act, individuals with special needs requests wishing to attend Grand County Commission meetings/hearings and other Grand County Boards, Commissions, or Committees are encouraged to contact the County two (2) business days in advance of these events. Specific accommodations necessary to allow participation of disabled persons will be provided to the maximum extent possible. T.D.D. (Telecommunication Device for the Deaf) calls can be answered at:(435) 259-1346. Individuals with speech and/or hearing impairments may also call the Relay Utah by dialing 711. Spanish Relay Utah: 1 (888) 346-3162

It is hereby the policy of Grand County that elected and appointed representatives, staff and members of the Grand County Commission meetings/hearings and other Grand County Boards, Commissions, or Committees may participate in meetings through electronic means. Any form of telecommunication may be used, as long as it allows for real time interaction in the way of discussions,questions and answers, and voting.

At the Grand County Commission meetings/hearings and other Grand County Boards, Commissions, or Committees any citizen, property owner, or public official may be heard on any agenda subject. The number of persons heard and the time allowed for each individual maybe limited at the sole discretion of the Chair. On matters set for public hearings there is a three-minute time limit per person to allow maximum public participation. Upon being recognized by the Chair, please advance to the microphone, state your full name and address, whom you represent, and the subject matter. No person shall interrupt legislative proceedings.

Requests for inclusion on an agenda and supporting documentation must be received by 5:00 PM on the Tuesday prior to a regular Commission Meeting and forty-eight (48) hours prior to any Special Commission Meeting. **Information relative to these meetings/hearings may be obtained at the GrandCounty Commission's Office,125 East Center Street, Moab, Utah; (435)259-1346.**

AGENDA SUMMARY

Audit Committee Meeting

Date: July 7, 2025

Title:	Welcome and introductions with new internal auditor
Fiscal Impact:	

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):	
Legal Review:	

Department:	Commission Administrators Office
Approved and within budget?	
Budget Number:	

Recommended Motion:

Background:

Attachments:

1. Internal Audit Services RFP Grand County
2. Grand Country RFP Response - GPP Analytics Inc (1)

GRAND COUNTY REQUEST FOR PROPOSALS

FOR

INTERNAL AUDIT SERVICES

Proposals are due by:

May 2, 2025 at 4:00 p.m.

Please submit responses to:

ELETRONIC SUBMISSIONS:

The preferred method to submit inquiries and proposals is via Utah Public Procurement Portal (U3P) – *https://utah.bonfirehub.com/opportunities/180096*

OR

Email required information to gwoytek@grandcountyutah.net with the subject line titled "Internal Audit Services"

Proposals submitted via email will not be reviewed until after the submission deadline.

OR

MAIL OR HAND DELIVER SUBMISSIONS:

Gabriel Woytek,
Clerk/Auditor's Office
125 E. Center Street Moab, UT
84532

For technical inquires contact: Gabriel Woytek, Grand County Clerk/Auditor, gwoytek@grandcountyutah.net, (435) 259-1322.

IMPORTANT NOTICE TO ALL RESPONDENTS: Grand County reserves the right to: disqualify incomplete solicitations, waive minor defects as it deems applicable in the written solicitations, request additional information from any respondent, change or modify the scope of the project at any time without penalty, negotiate terms with one or more of the respondents, reject any or all proposals without penalty, and take any steps necessary to act in the County's best interest. The County also reserves the unilateral right to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work. Proposals will not be considered for award if received by Grand County after the official closing date and time.

I. Introduction

Grand County, Utah is seeking proposals from qualified individuals and firms to provide internal audit services. The selected individual or firm will work with the Grand County Audit Committee ("Audit Committee") to develop, review and evaluate the adequacy and effectiveness of the County's internal control structure to ensure the following:

- Reliability and integrity of financial and operating records and reports
- Compliance with policies, procedures, plans, statutes and other appropriate mandates
- Safeguarding of assets
- Effective management and utilization of resources

The Audit Committee currently consists of three County Commissioners. Grand County will endeavor to negotiate a contract with the successful respondent. The initial term of the contract will be for a period of one-year. Grand County may, at its option, extend or renew the Agreement for three additional one-year periods on the same terms and conditions.

II. Scope of Work

Internal auditor services include but are not limited to the following:

1. In conjunction with the Audit Committee and key staff, perform a risk assessment of the County operations to prioritize areas of internal audit work. From this assessment propose a multiyear audit schedule and perform audit work according to prioritized schedule.
2. Provide an explanation of your Firm's ability to create capacity and flexibility for unplanned special audits that may be requested as an emergency item.
3. Review and report on the adequacy and effectiveness of the control environment and the internal control structure.
4. Continually assess risks areas and make recommendations to the Audit Committee as needed.
5. Provide recommendations to improve County's internal controls, accounting and operational processes and procedures.
6. Review compliance with policies, federal and state mandates, report non-compliance and provide recommendations for improvement.
7. Report on inaccuracies, irregularities, shortages, and defalcations, if any, and make recommendations for improvement.
8. Provide follow-up reports at least annually on remediation of findings throughout the year.
9. Provide staff availability to meet with the Audit Committee a minimum of 2 times per year to review internal audit reports and provide accessibility to the Audit Committee as needed.

III. Submission Requirements

Interested parties should include the following information in their proposal submission:

1. The full legal name, legal status (individual, corporation, partnership, sole proprietorship, limited liability company, etc.), address, telephone number, and email address of the respondent;

2. A letter of interest that includes the following:

    a. statement re. the respondent's willingness to enter into a contract with the County, if selected;
    b. brief narrative that specifically addresses the interested party's experience and capability to successfully perform the required services as summarized herein;
    c. description of any relevant experience and previous work experience with emphasis given to work within local governments and counties; and
    d. qualifications and experience to perform work for this project, including education, licenses or certifications, and any other information that would be useful to reviewers in selecting an internal auditor;

3. Cost/Fee Breakdown. The respondent shall propose a fee for these services, quoted at a standard hourly rate, which will include all reasonable out-of-pocket costs; and

4. Form I. Public Records Law (attached).

IV. Submittal Instructions

Submissions will be accepted online, by mail, hand delivery or email.

Electronic Submission:
The preferred method to submit inquiries and proposals is via Utah Public Procurement Portal (U3P) – *https://utah.bonfirehub.com/opportunities/180096*

OR

Electronic:
Email proposals to gwoytek@grandcountyutah.net with the subject line titled "Internal Auditor Services." Proposals submitted via email will not be reviewed until after the submission deadline.

OR

Mail or Hand Delivery:
Send/deliver one (1) copy of the proposal to the Grand County Clerk-Auditor's Office at 125 East Center St., Moab, Utah 84532 no later than **May 2, 2025 at 4:00 p.m.** The sealed envelope must be labeled with submitter's contact information and labeled "Internal Auditor Services."

V. Selection Process

Selection Schedule: Each proposal will be reviewed and considered by a selection committee after the submission deadline. The selection committee will be comprised of the Audit

Committee may include other elected officials and County staff. The committee will evaluate the proposals and rank each proposal on the considerations noted in this RFP. The committee may request the top respondents to attend an interview and provide additional information to the committee.

Respondents are hereby advised of the following schedule and will be expected to adhere to the required dates and times:

Action	**Date**
RFP available to prospective respondents	March 28, 2025
Deadline for proposal submission	May 2, 2025, 4:00 p.m.
Evaluation of proposals	May 7, 2025 Audit Committee Meeting (date subject to change)
Contract awarded	May 20, 2025 (anticipated award date)

Areas of Consideration in the Selection Process: The selection of the successful respondent will be based upon the following criteria:

1. The professional competence, experience, and qualifications of the respondent of the Candidate.
2. Experience with local government internal audit functions.
3. Total cost to the County.
4. Willingness to perform in an informal advisory capacity to the Audit Committee.
5. Knowledgeable about internal controls and management/operational audits.
6. Familiarity with accounting, auditing, and financial reporting.

FORM I Public Records Law

THIS FORM MUST BE COMPLETED AND RETURNED WITH YOUR PROPOSAL

Upon selection of the award, submittals become "public records" and shall be subject to public disclosure consistent with the Governmental Records Management Act. Those who submit must invoke the exemptions to disclosure provided by law in the response to the solicitation, and must identify the data or other materials to be protected, and must state the reasons why such exclusion from public disclosure is necessary.

If you submit information exempt from public disclosure, you must identify with specificity which page(s)/paragraph(s) of your proposal package is (are) exempt from the Governmental Records Management Act and identify the specific exemption section that applies to each. The protected information must be submitted to the County in a separate envelope marked accordingly. By submitting an offer in response to this solicitation, you specifically agree to defend and indemnify Grand County, County Commission, and its officers, employees and agents, and hold them harmless from any claim or liability and defend any action brought against them for their refusal to disclose copyrighted material, trade secrets or other proprietary information to any person making a request therefore.

Company Name: ____

Authorized representative (printed): ________________________________

Authorized representative (signature): _______________________________

Date: ________________________

Requirements/Standards Governing RFP

SCOPE: The following terms and conditions, included in this section shall govern the submission of proposals. Any conflict with the terms and conditions contained in this section shall be controlled by the stricter term or condition. The County reserves the right to reject any proposals, which takes exception to the terms or conditions in this document.

COMPLETING PROPOSALS: Proposals must be submitted with the required forms herein and all forms must be completed in accordance with the instructions. Any and all corrections and/or erasures must be initialed and dated by the respondent. Each proposal must be signed by an authorized respondent and all required information must be provided. Each respondent may submit only one (1) proposal. The contents of the proposal submitted by the successful respondent will become part of any contract awarded as a result of this request.

ADDENDUM: All changes in connection with this request for proposals will be issued by the County's in the form of a written addendum. Signed acknowledgment of receipt of each addendum should be submitted with the proposal response.

TAX EXEMPT: Grand County is exempt from federal and state taxes. DO NOT include taxes in the proposal.

LATE PROPOSALS AND MODIFICATIONS OR WITHDRAWALS: Proposals received after the date and time indicated on the cover sheet shall not be considered and shall be returned (unopened if sealed) if the respondent is identified on the proposal envelope. Proposals may be withdrawn or modified in writing prior to the proposal submission deadline. Proposals that are resubmitted or modified must be sealed and submitted to the County prior to the proposal submission deadline. After proposal opening no changes in proposal prices or other provisions of proposals prejudicial to the interest of the County or fair competition shall be permitted.

NEGOTIATION: The County reserves the right to negotiate any and all elements of this proposal.

TIME LIMIT TO EXECUTE CONTRACT: The respondent must successfully execute a contract within the specified time after the County's notification to enter into contract. If the respondent fails to execute a contract within the required time, award to that respondent may be withdrawn and award made to the next highest rated respondent.

CODES AND REGULATIONS: All deliverables and work within the scope of this request shall be completed by the respondent in conformance with all applicable codes and regulations.

ASSIGNMENT OF CONTRACTUAL RIGHTS: Successful respondent shall not assign, transfer, convey or otherwise dispose of any contractual rights derived from this quotation request or its right, title or interest in or to the same, or any part thereof, without the previous written consent of Grand County.

COLLUSIVE PROPOSALS: The respondent certifies, by submission of a proposal, that their proposal is made without any previous understanding, agreement or connection with any person, firm or corporation making a proposal for the same products or services with prior knowledge of competitive prices, and is in all respects fair, without outside control, collusion, fraud or otherwise illegal action. Any evidence of collusion among respondents and prospective respondents acting to illegally restrain freedom of competition by agreement to offer a fixed price, or otherwise, will render the proposals of such respondent void.

CONFLICT OF INTEREST: The award hereunder is subject to provisions of Utah State Statutes and Grand County ordinances and policies. All respondents must disclose with their proposal the name of any officer, director, or agent who is also an employee of Grand County, Utah. Further, all respondents must disclose the name of any Grand County employee who owns, directly or indirectly, any interest in the respondent's firm or any of its branches.

No person involved in making the award decisions may have personal investments in any business entity that will create a substantial conflict between their private interests and their public duties. Any person involved in making procurement decisions is guilty of a felony if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use of benefit of any other person or organization from any person or organization interested in selling to the County.

DISCLAIMER OF LIABILITY: Grand County or any of its agencies will not hold harmless or indemnify any respondent for any liability whatsoever.

HOLD HARMLESS: The respondent agrees to protect, defend, indemnify, and hold the Grand County, and its officers, council members, commissions, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character resulting from the error, omission, or negligent act of the respondent, its agents, employees or representatives, in the performance of the respondent duties under any agreement resulting from award of this proposal. The respondent further shall agree to investigate, handle, respond to, provide defenses for and defend any such claims, etc., even if such claim in groundless, false or fraudulent.

ANTI-DISCRIMINATION CLAUSE: No respondent on this proposal request shall in any way, directly or indirectly, discriminate against any person because of age, race, color, handicap, sex, national origin, or religious creed.

PUBLIC RECORD: Grand County is governed by the Governmental Record Management Act (except from exemptions allowed by state law). Information or data pertinent to the respondent's proposal and of a confidential nature must be bound and placed in a separate sealed envelope and included with each copy of the respondent's proposal. Grand County requests that a minimum amount of confidential material be used by the respondent in preparing responses to the proposal. Materials consisting merely of general descriptive information will not be considered confidential under any circumstances.

INCURRED EXPENSES: This proposal does not commit Grand County to make an award, nor shall the County be responsible for any cost or expenses which may be incurred by any respondent in preparing and submitting any offer, or expenses incurred by any respondent prior to the execution of a purchase order or contract agreement.

NO WAIVER OF FUTURE RIGHTS: No provision in this document or in the respondent's proposal shall be construed, expressly or by implication, as a waiver by Grand County of any existent or future right and/or remedy available by law in the event of any claim or default or breach of contract.

RFP DISCLAIMER. Grand County reserves the right to disqualify incomplete proposals, waive minor defects, as it deems applicable, in the written proposals, to request additional information from any respondent, change or modify the scope of the project at any time, without any penalty, negotiate terms with one or more of the respondents, reject any or all proposals, without a penalty, and take any steps necessary to act in the County's best interest. The County also reserves the unilateral right to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.

GPP Analytics Proposal for:

Grand Country, Utah

GC10011 - INTERNAL AUDIT SERVICES

Professional Services for Internal Audit Services

May 2nd, 2025

—

GPP Analytics Inc.
info@gppanalytics.com
(805) 242-2071

Transmittal Letter

May 2nd, 2025

Grand County Audit Committee
125 East Center Street
Moab, UT 84532

Dear Commissioners and Members of the Audit Committee:

Thank you for the opportunity to submit our proposal for internal audit services in response to the Grand County Request for Proposals. GPP Analytics Inc. is a seasoned team exclusively supporting state and local governments, with our senior staff bringing over six decades of combined experience in internal control and performance audits. We are familiar with Utah's local government operations, holding a master contract with the State of Utah and recently performing audit work for the Utah Division of Emergency Management.

If selected, our approach will include:

1. **Develop a Risk-Based Plan** – Collaborate with the Audit Committee to create a prioritized, flexible multiyear audit schedule.
2. **Strengthen Internal Controls** – Assess and recommend improvements to safeguards and processes, ensuring compliance with federal and state requirements.
3. **Foster Collaboration & Transparency** – Provide ongoing reporting, meet at least twice annually with the Audit Committee, and remain available for unplanned audits.

We welcome the opportunity to discuss any aspect of our qualifications or approach and look forward to the possibility of contributing to Grand County's continued success.

Thank you for your consideration. If you have any questions, please feel free to contact me directly at (415) 290-1032 or by email at jmetcalf@gppanalytics.com.

Sincerely,

Julian Metcalf

Julian Metcalf, Chief Executive Officer
GPP Analytics Inc.
(415) 290-1032 mobile
jmetcalf@gppanalytics.com

Background

Firm Information

GPP Analytics Inc. is an S Corporation registered in California, with team members located in California, Texas, and Oregon.
Phone: (415) 290-1032
Address: 2478 Tierra Drive, Los Osos, CA 93402
Email: info@gppanalytics.com

Contract Statement Affirmation

If selected, GPP Analytics Inc. will negotiate a contract with the Grand County Audit Committee for an initial term of a one-year period, with interest to extend or renew the Agreement for three additional one-year periods on the same terms and conditions.

About GPP Analytics

GPP Analytics Inc. was founded in California in 2022 to help local governments solve complex problems, improve operations, reduce risks, and deliver effective services to their communities. We are a focused and nimble team of four experienced and dedicated auditors, analysts, and local government experts. Our team is dedicated solely to helping governments, and combined we have over six decades of experience to draw from in providing management audit services similar in size and scope to that requested by the Grand County.

We have partnered with a number of cities, counties, special districts, and states including the Utah Division of Emergency Management, San Francisco Bay Area Rapid Transit's (BART) Office of Inspector General, the Monterey County Auditor-Controller, the City of Richmond, the City of Sacramento, the Regional Transportation District, Denver, CO, and currently hold a master contract with the State of Utah to perform audits and consulting.

Our Services

We work exclusively with government agencies to help them understand and analyze operational effectiveness, providing a broad range of analytical services in that pursuit. Our core services include:

- **Internal and Performance Audits:** We offer comprehensive internal audit services that provide objective evaluations of internal controls, compliance with regulations, and overall operational efficiency and effectiveness within government agencies. Our audits deliver actionable recommendations to enhance performance, ensure accountability, and promote transparency.

- **Risk Assessment:** Our risk assessments leverage quantitative data from various systems to analyze both large-scale and small-scale patterns, along with qualitative inputs from our evaluation of inherent risks. By combining these quantitative and qualitative methods, we identify and evaluate potential risks within government programs and operations. This comprehensive approach helps agencies prioritize and mitigate risks, strengthen internal controls, and enhance overall risk management strategies.

We integrate both traditional audit techniques—such as site visits, staff interviews, and document reviews—and advanced analytics, including data analytics and machine learning for continuous monitoring. This balanced approach allows us to uncover key information in real time, identify broader trends, and address risk more effectively.

Hybrid Firm Approach

Our decentralized model leverages senior-level expertise while minimizing overhead. Though we are located in multiple states, we emphasize in-person engagement where it adds the most value. At the same time, we maintain efficiency by conducting background analysis and data review remotely. This flexibility is cost-effective and responsive to the needs of each client engagement.

Our Team

Below we have provided an organizational chart of the team that will provide services to Grand County, Our team consists of Project Manager Julian Metcalf, Senior Managers Ofu Iyok-Nfonsam and Eric Spivak, Auditor Emily Taron, and Mark Decker IT and Security Specialist.

We are nimble, senior-level team and can create capacity and flexibility as needed. For example, we were able to support Utah's Department of Emergency Management in a request to accommodate their unexpected and extended workload. In addition, our team is available to meet with the Audit Committee or other relevant stakeholders multiple times a year and would arrange travel in alignment with the county preferences and as appropriate to effectively complete the audit plan.

Qualifications and Experience

GPP Analytics is exclusively focused on supporting state and local governments, and we have extensive experience performing internal audit services similar to the one the Grand County is requesting.

GPP Analytics is a boutique firm dedicated solely to state and local governments, bringing Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE) credentials and a proven Yellow Book/IIA methodology to our audit work. Our multidisciplinary team routinely performs the full spectrum of tasks Grand County lists in its RFP—enterprise-wide risk assessment, multiyear audit planning, targeted compliance reviews, and follow-up monitoring—while remaining flexible for emergent, high-priority reviews. We present results directly to elected audit committees, translate technical control issues into clear operational actions, and have successfully guided clients through post-audit implementation and peer-review scrutiny. This focus on practical, well-documented recommendations aligns with Grand County's stated goals of strengthening internal controls, safeguarding assets, and ensuring reliable financial and operational reporting.

Our recent portfolio illustrates depth across diverse operational areas. For the **Utah Division of Emergency Management**, we audited more than $250 million in local COVID-19 FEMA claims, resolving documentation gaps and accelerating federal reimbursement. **Monterey County's Auditor-Controller** engaged us to examine Water Recycling Agreement expenses; our work tightened cost-allocation methodologies and improved transparency for ratepayers. A management and performance audit of the **Port of Richmond** identified revenue-capture opportunities and governance reforms that are now incorporated into the Port's strategic plan. In **Sacramento**, a GAGAS audit of the Animal Care Services Division produced staffing, facilities, and fiscal recommendations that City leadership is actively implementing. Most recently, the **San Francisco Bay Area Rapid Transit (BART) Office of Inspector General** relied on us to assess construction-change-order practices. Across each assignment we coordinated closely with stakeholders, adhered to Yellow Book and IIA standards, and delivered actionable insights that strengthened operations and fiscal oversight—experience directly transferable to Grand County's internal audit needs.

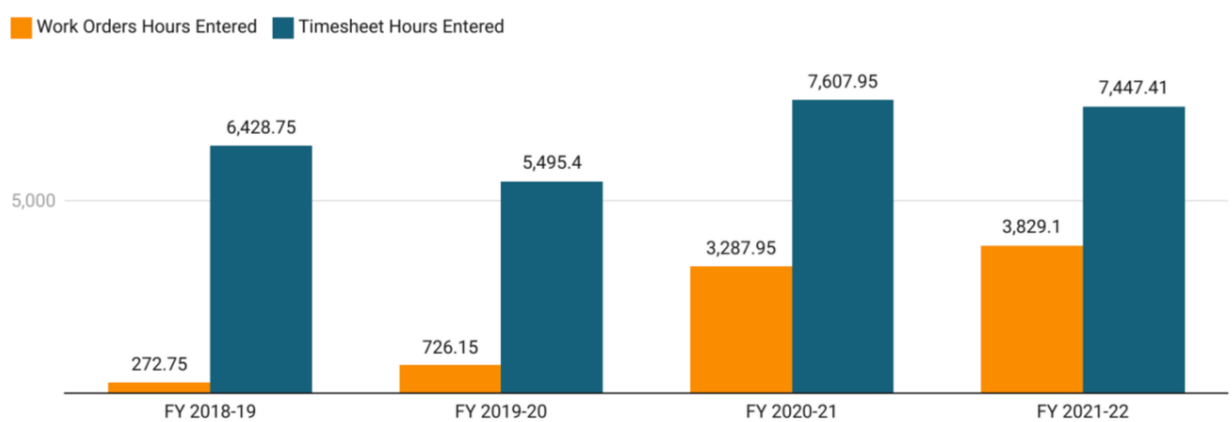
References:

Organization's Name	Description of Service	Project Location	Contact Information
1. Monterey County Auditor-Controller	Audit of Wastewater Agreement, County of Monterey: Evaluated expenditure practice, leading to recommendations on budget management and financial oversight.	Monterey, CA	Ara Azhderian, General Manager Monterey County Water Resources Agency 1441 Schilling Pl., North Building Salinas, CA 93901 (831) 755-4860
2. City of Richmond	Reviewed operations and organizational structure, providing recommendations for optimizing capital improvement processes.	Richmond, CA	Eduardo Martinez, Mayor City of Richmond 450 Civic Center Plaza Richmond, CA 94804 510-620-6503
3. City of Sacramento	Performance Audit of Animal Care Services Division: Assessed operational efficiency, focusing on organizational structure and resource allocation for infrastructure services.	Sacramento, CA	Kevin Christensen, Deputy City Auditor City of Sacramento City Hall, 915 I Street, 2nd Floor Sacramento, CA 95814 (916)808.4743
4. Utah Division of Emergency Management	Audited local jurisdiction's documentation of Federal Emergency Management Agency claims.	State of Utah	Janna Wilkinson, Resilience Bureau Chief Natural Hazards, Mitigation, & Recovery, Utah Division of Emergency Management 4315 S 2700 W. 2nd Floor, Suite 2200 Taylorsville, UT 84129-2128 385-214-5857

Here are some examples from the team's work.

Example 1: Water Recycling Agreement Expenses for the Monterey County Water Resources Agency

We conducted an audit of the Water Recycling Agreement Expenses for the Monterey County Water Resources Agency (MCWRA) and Monterey One Water (M1W). Our comprehensive audit, covering fiscal years 2018–2022, identified key areas for improvement, including the need for a compliant indirect cost methodology, consistent time recording practices, and enhanced transparency in financial reporting. Our findings and recommendations aimed to ensure accurate expense reporting, strengthen internal controls, and improve compliance with the Water Recycling Agreement.



	FY 2018–19	FY 2019–20	FY 2020–21	FY 2021–22	Four-Year Total
Total Actual Charged by M1W	$761,034.26	$853,193.00	$1,019,609.88	$1,129,332.29	$3,763,169.43
Total Due Per Exhibit J as calculated by the audit team with supporting documentation	$696,807.50	$677,830.71	$676,417.70	$601,996.10	$2,653,052.02
Difference/Amount of Overpayment	**$64,226.76**	**$175,362.29**	**$343,192.18**	**$527,336.19**	**$1,110,117.41**

Audit identified discrepancies in the supporting documentation of the direct labor charged by the auditee and evidence of overpayment in the agreement's indirect cost charges.

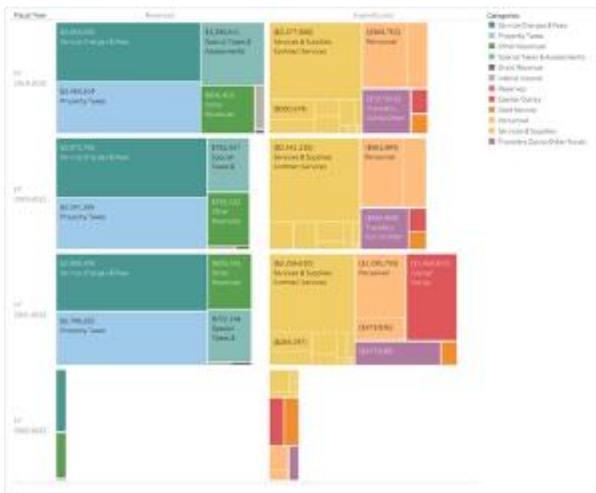
Example 2: Port of Richmond for the City of Richmond (CA)

We conducted a comprehensive management and performance audit of the Port of Richmond for the City of Richmond, CA. Our audit, conducted in compliance with IIA and GAGAS standards, assessed the overall management, efficiency, and effectiveness of all port operations and services. Key areas identified for improvement include the need for a strategic plan, enhanced procedures, better maintenance practices, dedicated finance staff, and improved lease management. The audit identified discrepancies in strategic planning, financial oversight, and lease management, highlighting the need for systematic improvements, and found a link between mismanagement of the Port and deterioration of assets.

Example of physically deteriorating infrastructure at the Port.

Example 3: Municipal Incorporation Study Los Osos Community Services District

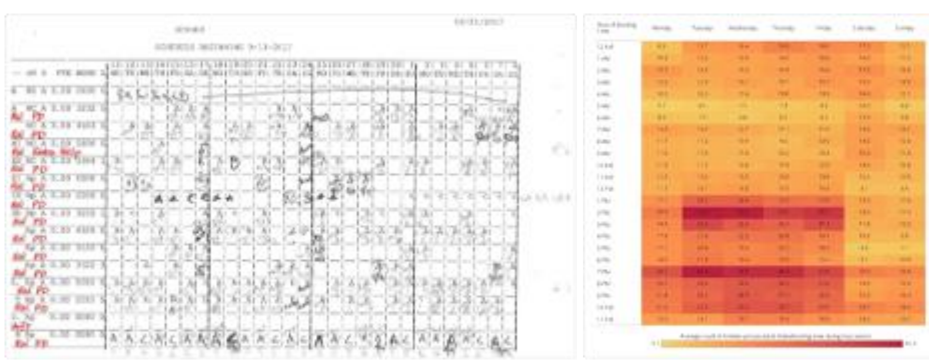
We performed a municipal incorporation study for the Los Osos Community Services District. In addition to the study, we developed a financial analysis dashboard for ongoing reporting and analysis of financial operations by their oversight committee. Allows for high-level and detailed analysis to monitor financial trends over time by staff, elected officials and the public.



Los Osos Community Services District, Finance and Budget Dashboard.

Example 4: Make Meaning Out of Mess for Santa Clara County

Sometimes key insights are hidden in paper logs and notes. From staff's prior management audit of the Santa Clara County Sheriff's Custody Operations, problems with scheduling were uncovered in numerous binders and analyzed digitally when paired with other records.



Management Audit of the County of Santa Clara Sheriff's Custody Operations, February 2022, 2021. *Report.*

GPP Analytics
Government Performance & Policy

Example 5: Countywide Risk Assessment for Santa Clara County

Staff previously developed an annual Countywide Risk Assessment for Santa Clara County, CA using an 11-point quantitative and qualitative assessment methodology.

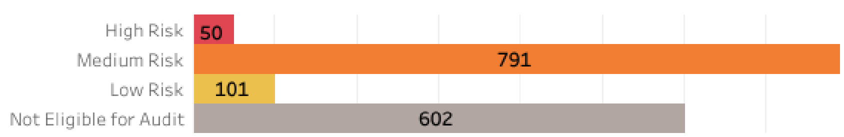
Fiscal Year 2024-25 Risk Assessment

Explore Risk Assessment By Ranking

Use the filters and search to select categories of interest.
Hover over the colored risk boxes to see details of division/program/fund.

Methodology and Notes

Department & Cost Center	Department (Budget Unit)	Committee	Fund
	(All)	(All)	(Multiple values)



Cost Center	Budget Unit	Department and Cost Center	Year of Last Audit	Eligible for Audit?	Weighted Score	Risk Level
3454	240	Department of Correction: Grievance Unit - F0001	2019	No	31.7%	Low Risk
3455	240	Department of Correction: Jail Transition Team - F0001	2019	No	23.6%	Low Risk
3460	240	Department of Correction: Inmate Welfare Services -F0001	2019	No	23.6%	Low Risk
3500	204	Public Defender: PUBLIC DEFENDER-F0001	2021	No	48.0%	Medium Risk
3501	204	Public Defender: ALTERNATE PUBLIC DEFENDER-F0001	2021	No	24.0%	Low Risk
3503	204	Public Defender: AB145 Resentencing Pilot Prgm - F0001	2021	No	19.5%	Low Risk
3590	210	Office of Pretrial Services: OFFICE OF PRE-TRIAL SERVS-F0001	No record or prior to..	Yes	73.6%	High Risk
3592	210	Office of Pretrial Services: JCC PTS Expansion - F0001	No record or prior to..	Yes	30.5%	Low Risk

Santa Clara County Management Audit Risk Assessment, https://board.sccgov.org/management-audit-division/management-audit-risk-assessment

Personnel Qualifications and Experience

Julian Metcalf, MPA, CIA, CFE, Project Manager

Mr. Metcalf has served the San Francisco Budget and Legislative Analyst Office, the San Francisco Municipal Transportation Authority, the Santa Clara County Management Audit Division, he was a lead analyst at Moody's Investors Service and has led numerous audits and studies for local governments. He brings a keen focus on enhancing transparency, effectiveness, and financial clarity in the public sector.

Ofu D. Iyok-Nfonsam, CPA, MBA, Senior Manager

Ms. Iyok-Nfonsam is a licensed CPA with over 19 years of experience in compliance, performance, and management audits across diverse sectors. She is recognized for her expertise in Sarbanes-Oxley (SOX) and Financial Instruments and Exchange Act (J-SOX) compliance. Ms. Iyok-Nfonsam has led significant projects for large companies, enhancing internal controls and risk management. At GPP Analytics, she continues to deliver audit services for government entities, including counties, cities, and other governmental agencies.

Eric Spivak, CIA, CGAP, CRMA, MPA, Senior Manager

Mr. Spivak has 30 years serving state and local governments in comprehensive expertise in compliance audits, performance audits, program audits, management audits, and special studies for government entities. With vast experience in the public sector, local government management, consulting, training, and analytical roles, he has led significant projects for counties, cities, and other governmental agencies.

Emily Taron, PMP, Auditor

Emily is an expert at project delivery and breaking down complex processes into understandable parts. She developed these skills in the corporate sector, and she now applies them to local and state governments. Some examples of her prior experience include managing compliance audits for Fortune 500 companies, developing procedures for large-scale information systems, and training teams and clients on various federal compliance requirements.

Mark Decker, CISSP, IT and Security Specialist

Mr. Decker is a proven government IT leader familiar with broad range of information and communication technologies. With 17 years' experience as a County CIO managing an IT department with 30+ staff and a $7 million budget, as well as 6 years as Chief Information Security Officer, he brings well-honed insight, 30+ years of technology experience, and a focus on security and cost control to help public agencies improve efficiency and mitigate risk.

Julian Metcalf, MPA, CIA, CFE, Chief Executive Officer and Project Manager

Experience

Finance and Government Operations

- Construction Contract Change Order Audit, San Francisco Bay Area Rapid Transit Agency Office of Inspector General
- Animal Care Services Division, Performance Audit, City of Sacramento City Auditor's Office
- Expenditure Audit of Agreement, Monterey County Auditor-Controller's Office
- Performance Audit Port of Richmond, City of Richmond CA
- Incorporation Study for the Los Osos Community Services District
- Fee Study, City of Oxnard CA
- Hiring Compliance Study, Regional Transportation District, Denver, CO
- Audit of Tax and Fee Collection Processes and Information Sharing, City of Los Angeles
- Management Audit of Claims Unit, City of Los Angeles
- Management audit of Procurement Process, County of Santa Clara
- Special Study of Analysis of Small Business Displacement, City and County of San Francisco
- Management audit of Information Services Department, County of Santa Clara
- Annual Review of Mayor's Proposed $13 billion budget for the City and County of San Francisco
- Annual Review of County Executive's Proposed $11.5 billion budget for the County of Santa Clara
- Monitoring and analysis of a $43 billion portfolio of local government bond ratings at Moody's Investors Service
- Assessed the financial and economic condition, governance, and debt portfolio of hundreds of cities, counties, school districts, and enterprise districts across the western states for Moody's Investors Service

Public Safety and Justice

- Management Audit of Sheriff's Custody Bureau, County of Santa Clara
- Management Audit Los Altos Hills County Fire District, County of Santa Clara
- Audit of the Implementation of Recommendations for Custody Improvement, County of Santa Clara
- Management Audit of the Juvenile Probation William F. James Ranch Facility, County of Santa Clara

Building, Planning, Public Works, and Transportation

- Special Study of Santa Clara County Property Owned and Leased by the General Fund and Roads and Airports Departments, County of Santa Clara
- Performance Audit Evaluating the Assessment and Collection of Wastewater Fees, Sacramento Regional County Sanitation District
- Policy Analysis of Vehicle Telematics for City Vehicles, City and County of San Francisco
- Policy Analysis of Vehicle Telematics for City Vehicles Update, City and County of San Francisco
- Policy Analysis of Public Art Programs, City and County of San Francisco
- Policy Analysis of Construction Noticing, City and County of San Francisco

Health and Social Services

- Management Audit of In-Home Supportive Services program, County of Santa Clara
- Management audit of Valley Health Plan, County of Santa Clara
- Special Study of In-Home Care for Seniors, City and County of San Francisco

Litigation Support/Expert Witness

- Analysis of City of San Luis Obispo's financial condition, financial and economic resiliency, and capital planning and budgeting practices
- Analysis of City of Phoenix's financial condition and budgeting practices
- Analysis of County of San Luis Obispo's financial condition and budgeting practices

Professional History

GPP Analytics Inc., CEO, 2022 -
Harvey M. Rose Associates, LLC, Principal Analyst, 2017 - 2022
San Francisco Municipal Transportation Agency, IT Business Operations Manager, 2016-2017
Harvey M. Rose Associates, LLC, Principal Analyst, 2014 - 2016
Moody's Investors Service, San Francisco, CA, Analyst, 2010-2014
Empire State Development Corporation, New York, NY, Graduate Intern, 2009-2010
GCA Strategies, San Francisco, CA, Analyst, 2007-2008
UC Berkeley, Berkeley CA, Staff Research Associate, 2006-2007

Education

Master of Public Administration (MPA) Public and Nonprofit Management and Policy, New York University, Wagner Graduate School of Public Service, 2010
Bachelor of Arts in Geography, San Francisco State University, 2006

Professional Certifications

Certified Internal Auditor (CIA), Institute of Internal Auditors
Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners
Tableau Desktop Specialist, Tableau Software
Information Technology Infrastructure Library (ITIL) Foundation, AXELOS Global Best Practice

Professional Affiliations

Institute of Internal Auditors, Chapter President; Association of Local Government Auditors, Strategy Committee; Association of Certified Fraud Examiners, Chapter Board Member. Speaker at Association of Local Government Auditors and Institute of Internal Auditors.

Recent Presentations & Publications

- Aligning Auditees' and Auditors' Goals, Western District Conference, Institute of Internal Auditors, May 22, 2025 (scheduled)
- Training Session, City of Sacramento's City Auditor's Office, January 21, 2025
- Auditing Procurement Functions, Chapter Central Coast Symposium, Institute of Internal Auditors, San Luis Obispo, CA, October 6, 2023
- Vehicle Telematics and Monitoring for Audits and Controls-Webinar, Association of Local Government Auditors, April 11, 2023

Eric Spivak, CIA, CGAP, CRMA, Senior Manager

Experience

Finance and Government Operations

- Managed Jackson County's Application for FEMA Assistance
- Expenditure Audit of Agreement, Monterey County Auditor-Controller's Office
- Audit of Finance and Treasury Functions, Jackson County, OR
- Audit of Collection of Funds for and from Other Jurisdictions, County of Jackson, OR
- Audit of Compliance with Federal Awards (Single Audit), Jackson County, OR
- Audit of Performance Measurement Program, Jackson County, OR
- Special Study of Marijuana Grow Sites Impact on County Operations, Jackson County, OR
- Management Audit of HR Recruitment Processes, Jackson County, OR
- Managed Jackson County's Use of COVID-19 CARES Act Funding
- Financial Compliance Audits of several Ohio municipalities
- Risk Assessment and Cash Control Audit of Vendor Operations, Metro Gov, Oregon
- Citywide Benchmarking Study, Spokane, WA

Public Safety and Justice

- Jail Demographic Study, Jackson County, OR
- Management Audit of Search and Rescue Program, Jackson County, OR
- Audit of Civil Records Division, Jackson County, OR
- Management Audit of Juvenile Justice Program, Jackson County, OR
- Audit of Alaska Department of Corrections Prison Construction Project, Anchorage, AK
- Management Audits of Multiple Arizona County Juvenile Probation Offices
- Training Program Evaluation, Adult Probation Department, Maricopa County, AZ
- Special Study of Patrol Staffing, Sheriff's Office, Jackson County, OR
- Audit of Property Room Internal Controls, Sheriff's Office, Jackson County, OR
- Service Providers Compliance Audit, Juvenile Justice Program, Jackson County, OR

Building, Planning, Public Works, and Transportation

- Management Audit, Planning Department, Jackson County, OR
- Management Audit, Code Enforcement Program, Jackson County, OR
- Internal Controls Audit of Building Department Permit Fee Collections, City of Atherton
- Audit of Passenger Facilities Charge Collection and Use, Rogue Valley International Airport
- Internal Controls Audit of Parking Revenue, Rogue Valley International Airport

Health and Social Services

- Management Audit of Community Partners Grant Program, Jackson County, OR
- Contract Compliance Audit of Jail Healthcare Provider, Jackson County, OR
- Management Audit of Developmental Disabilities Program, Jackson County, OR
- Special Study of Restaurant Inspection Fees System
- Process Improvement Study, Riverview Medical Center, Red Bank, NJ
- Performance Audit of Arizona Foster Care Review Program, Phoenix, AZ

Miscellaneous Government Operations

- Management Audit of Assessor's Office, Jackson County, OR
- Risk Assessment and Internal Control Audit, Washington State Dept. of Financial Institutions

- Management Audit of Municipal Golf Operations, Tempe, AZ

Utility Audits

- Affiliate Transactions Audit, San Diego Gas and Electric
- Affiliate Transactions Audit, Southern California Gas
- Original Cost of Plant Audit, Commonwealth Edison, Chicago, IL
- Sarbanes-Oxley Audit, Chugach Electric Association, Anchorage, AK

Professional History

GPP Analytics Inc., Senior Manager, 2023 -
Jackson County, Medford, OR, *County Auditor,* 2013 - 2023
Self-employed, Cincinnati, *Freelance Auditor*, OH 2010-2013
Office of the National Public Auditor, Federated States of Micronesia, *Audit Mgr*., 2009-2010
Self-employed, Salem, OR, *Freelance Auditor*, 2005-2010
City of Scottsdale, Scottsdale, AZ, 2001-2005, *Internal Auditor*
Administrative Office of the Courts, Phoenix, AZ, 1998-2005, *Compliance and Program Auditor*
Self-employed, Tempe, AZ, *freelance auditor, 1995-1998*
Office of the Auditor General, Phoenix, AZ, *Performance Auditor*, 1994-1995

Education

Master of Public Administration (MPA) Program Evaluation and Policy Analysis, Arizona State University, School of Public Affairs, 1994
Bachelor of Arts in Political Science, Arizona State University, 1990

Professional Certifications

Certified Internal Auditor (CIA), *Institute of Internal Auditors*
Certified Government Auditing Professional, *Institute of Internal Auditors*
Certification in Risk Management Assurance*, Institute of Internal Auditors*

Recent Publications and Presentations

Cognitive Bias and Its Impact on Decision Making, Association of Local Government Auditors Annual Conference, May 2, 2022
Towards a Healthier Relationship: Reflections on an Auditee's Stress at Being Audited, Association of Local Government Auditors Quarterly, Fall 2020
Simple Steps to Reducing Fraud, International Association of Government Officials, Houston, TX, July 15, 2019
Fraud Prevention, Oregon Association of County Clerks, Ashland, OR August 9, 2018
When Supervisors Coach: A Best Practice for Staff Development, Association of Local Government Auditors Quarterly, Fall 2017

Ofu D. Iyok-Nfonsam, CPA, MBA, **Senior Manager**

Experience

Audit Experience

- Construction Contract Change Order Audit, San Francisco Bay Area Rapid Transit Agency
- Fee Study, City of Oxnard CA
- Managed SOX projects and coordinated with external auditors to ensure compliance.
- Provided comprehensive recommendations to mitigate risks and enhance governance.
- Led Ernst & Young audit engagements, including planning, risk assessment, control analysis, and testing.
- Enhanced SOX compliance for publicly traded companies, identifying control weaknesses and areas for improvement.
- Managed financial statement and internal control audits for companies with assets ranging from $3.2 billion to $20 billion.
- Directed and mentored audit teams, ensuring the successful execution and profitability of projects.
- Conducted financial statement audits for publicly traded asset management companies, including mutual funds and private equities.
- Coordinated day-to-day work for staff auditors and supervised training for over 20 associates.
- Part of a cross-functional project management group, reporting status to clients and senior management.
- Designed project plans and defined roles to ensure team understanding and project success.
- Managed project workflows and delivered presentations on testing approaches and high-level plans.

Professional History

Auditor, GPP Analytics Inc, Auditor, Jun 2024 - Present
Independent Internal Audit Consultant, Freelance, Feb 2014 – May 2024
Audit Manager, Ernst & Young LLP, Houston TX, Oct 2011 – Feb 2014
Audit Senior Associate, Ernst & Young LLP, New York, NY, Oct 2008 – Sep 2011
Consulting Senior Associate, Ernst & Young LLP, Six Week Rotation
Audit Associate, Ernst & Young LLP, Aug 2006 – Sep 2008

Education

Master of Business Administration (M.B.A.) in Information Technology Management, State University of New York, Albany NY, 2006
Bachelor of Science (B.Sc.) in Accounting, Minnesota State University, Mankato MN, 2003 (Minor in Business Administration and Computer Technology)

Volunteerism

Program Coordinator, English Speaking Mums in Paris, Paris France, May 2017 – June 2022
Asset Management Advisory Board Member, Ernst & Young LLP, New York, NY, Jan 2008 – Sep 2011

Emily Taron, PMP, Auditor

Experience

Compliance Audits and Reviews

- Managed high profile data intensive I-9 compliance projects for key Fortune 500 company clients. Client list is confidential.
- Managed reoccurring reporting and analysis for internal and external clients.
- Worked with clients to develop individual Immigration Policies.
- Trained and managed teams of 10+ project staff to participate in high profile special projects.
- Led quarterly governance meeting with partners, department leads and other stakeholders to ensure harmonization within department.
- Reviewed contracts to ensured services were provided as outlined.

Enterprise Systems

- Reviewed and monitored internal policies and procedures of accounts.
- Developed and established firm-wide program for client onboarding and offboarding services.
- Served as business expert to develop automation bots, resulting in enhanced speed and accuracy.
- Project managed the global onboarding of newly engaged clients, including corporate information knowledge transfers, system setup, and the file transfer and review process.
- Developed detailed process documents and operations manuals for managing clients.

Project Management

- Developed and maintained project plans from project initiation to closeout, ensuring deliverables were met and projects completed.
- Worked closely with partners to coordinate firm-wide resources to ensure client needs are addressed.
- Analyzed weekly/monthly/quarterly reporting and provided relevant information to internal teams and client.

Professional History

GPP Analytics Inc., Auditor, 2025 -
Berry, Appleman, & Leiden, Senior Manager, Client Relationships and Transitions 2017-2025
Art.com, Account Manager, Strategic Partnerships 2014-2017
Berry, Appleman, & Leiden, Manager, Client Services Manager 2010-2014
American Corporate Partners, Operations Associate & Corporate Liaison, 2008-2010
The Department of State, Intern 2008

Education

Bachelor of Arts in International Relations, Cum Laude Honors, San Francisco State University 2004-2008

Professional Certifications

Project Management Professional (PMP), Project Management Institute

Mark L. Decker, CISSP, IT & Security Audit Specialist

A proven leader in government information technology with more than 30 years of public- and private-sector experience, including 17 years as Chief Information Officer (CIO) and 6 years as Chief Information Security Officer (CISO) for Jackson County, Oregon. Mark excels at aligning technology investments with organizational goals, reducing cyber-risk, and delivering cost-effective, secure, and resilient enterprise systems.

Experience

Government IT Leadership & Operations

- Directed a 30-person county IT department supporting 1,000+ end-users and a $7 million annual technology budget, setting strategy, structure, and performance metrics.
- Negotiated and managed dozens of multi-year vendor contracts and service-level agreements (SLAs) to maximize value and ensure compliance with state procurement rules.
- Established county-wide technology governance processes that improved project prioritization, reduced unplanned expenditures, and increased stakeholder satisfaction.

Cybersecurity & Risk Management

- As CISO, developed and executed a defense-in-depth program covering policy, training, incident response, vulnerability management, monitoring, and regulatory compliance.
- Led county readiness efforts for CJIS, HIPAA, and PCI-DSS requirements; reduced audit findings and insurance premiums by implementing risk-based controls.
- Served on Oregon's State & Local Cybersecurity Grant Program Planning Committee, reviewing agency grant proposals for efficacy and regulatory compliance.

Network, Communications & Infrastructure

- Designed and maintained redundant voice/data networks, data-center virtualization, and high-availability storage platforms to support 24×7 public-safety operations.
- Implemented disaster recovery and business-continuity plans that achieved sub-four-hour recovery time objectives (RTO) for critical county services.
- Guided county migration to cloud-hosted productivity and collaboration suites, improving remote-work capabilities while maintaining security controls.

Data Integration & Enterprise Systems

- Led enterprise data-integration initiatives that modernized legacy applications, improved data quality, and increased inter-departmental information sharing.
- Prior consulting roles included designing large-scale data-quality solutions for Fortune-500 and public-sector clients, enhancing analytical insight and decision-making.

Professional History

Jackson County, Oregon – Technology Director / CIO / CISO, 2007–2024
Mark Decker Design, Ashland, OR – Owner, 2005–2007

Dun & Bradstreet, San Francisco, CA – Senior Technology Consultant, 2002–2005
Rainfinity (acquired by EMC), San Jose, CA – Product Manager, 2001–2002
Rainfinity, San Jose, CA – Inside Sales Manager, 2000–2001
Pacific Bell Network Integration (now AT&T), Dublin, CA – Network Engineering Manager … 1999–2000
Pacific Bell Network Integration, Dublin, CA – Senior Network Engineer, 1997–1998
WorldCom, San Mateo, CA – Senior WAN Technical Consultant, 1995–1997
Bank of America, San Francisco, CA – LAN Systems Engineer, 1993–1995
Dae Myung Institute, Pusan, South Korea – Instructor, 1992–1993
Comstock Johnson Architects, Sacramento, CA – LAN Administrator, 1990–1992
Network Systems Group, Orangevale, CA – Support Technician, 1988–1990

Formal Education & Certifications

- Certified Information Systems Security Professional (CISSP), ISC² – active since 2022 (ID #1011154)
- Bachelor of Science, Design, University of California, Davis – 1992
- Graduate coursework, Information & Technology Strategies, Notre Dame de Namur University (2004)
- Graduate coursework, Business Law & Accounting, Southern Oregon University MBA program (2016)

Professional Training

Has completed dozens of conferences, seminars, and technical courses covering cybersecurity, IT service management, cloud architecture, and leadership development.

Community Engagement

Member, Oregon State & Local Cybersecurity Grant Program Planning Committee – advising on statewide cybersecurity strategy and evaluating local-agency grant applications.

Approach and Cost/Fee Breakdown

The initial focus of our engagement will be to work with the Audit Committee and other key staff to perform a risk assessment of the County operations to prioritize areas of internal audit work. During this phase, we will review previous audits, assess risks, and discuss areas of concern with relevant stakeholders. Utilizing our expertise in the area, we will then propose a recommendation for a multiyear audit schedule.

Annual County-wide Risk Assessments

We begin each annual risk assessment by gathering a broad range of operational, financial, and regulatory information to gain a full understanding of the County's activities. We then conduct surveys and interviews with key staff, department heads, and relevant stakeholders to identify known vulnerabilities, emerging risks, and areas of concern. Using both quantitative and qualitative data, we evaluate inherent, control, and residual risks by employing best practices such as the Government Accountability Office's Yellow Book standards and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control framework. Findings from this analysis are prioritized based on their potential impact and likelihood, helping the Audit Committee to allocate resources effectively and shape a multi-year audit schedule. Finally, we document and communicate the results in a clear, concise format, ensuring Grand County's leadership has the necessary insights to proactively address the most critical risks and evaluate its risk tolerance in various areas.

Example Audit Plan

The following is an example of a common audit plan. The depth and specifics of any audit plan can vary greatly depending on the complexity of the issue and the magnitude of the risk being evaluated. We would modify this frame plan appropriately depending on engagement.

Once the audit schedule is finalized, we will begin to perform the internal audits. Our proposed methodology for each audit is generally organized into three phases—Phase I: Project Initiation & Planning, Phase II: Fieldwork & Testing, and Phase III: Reporting & Close-Out—supported by ongoing Project Management and Quality Control processes. This approach is grounded in GAGAS (Yellow Book) standards, which emphasize independence, objectivity, and evidence-based findings. We will also incorporate, as appropriate, the principles from the IIA International Professional Practices Framework (IPPF) and the Association of Certified Fraud Examiners (ACFE) to ensure a risk-based approach.

Audit Phase I: Project Initiation & Planning

1. Entrance Conference and Workplan Finalization

- **Kickoff Meeting:** We will begin with a formal entrance conference to establish communication protocols, introduce the project team, and clarify the project scope. This meeting allows us to confirm expectations, timelines, and reporting structures.
- **Document Request**: Following the kickoff, we will submit a targeted document request list covering organizational charts, policy manuals, strategic plans, financial records, and any prior audit reports. This ensures our team has the materials necessary to perform a preliminary risk assessment.

2. Stakeholder Interviews and Observations

- **Interviews:** Our team will conduct **on-site** interviews and observations as appropriate and any necessary follow up interviews remotely with relevant staff and stakeholders. These interviews will help us understand existing management practices, strategic priorities, and operational challenges.
- **Site Observations:** We may visit selected facilities to observe physical processes, evaluate workflow, and note any apparent control gaps. These first-hand observations are critical for validating documentation and gaining an operational understanding of how resources are deployed.

3. Engagement Risk Assessment and Planning Memo

- **Engagement Risk Identification:** Based on document reviews and interviews, we will analyze Grand County's governance structure, revenue management, and compliance environment to identify areas with higher risks (e.g., revenue collection, procurement, or capital projects) specific to the engagement.
- **Planning Memo:** We will summarize our initial observations and the engagement risk assessment in a Planning Memo, highlighting: Key risk areas and recommended focus for testing in Phase II; scope refinements and tentative timeline adjustments; proposed methods for data collection and analysis; and preliminary discussion of potential performance indicators or benchmarks.

  For less complex engagements, this step may be consolidated to focus time and resources on Audit Phase II: Fieldwork & Testing.

Audit Phase II: Fieldwork & Testing

1. Detailed Audit Testing

Using the Planning Memo as our guide, we will perform targeted procedures designed to assess compliance with best practices, validate data accuracy, and confirm efficient use of resources. Typical tests and reviews might include:

- **Controls Mapping and Testing.** Walk-Throughs: Tracing selected transactions or processes step-by-step to verify that written procedures match actual practices. Re-Performance: Independently replicating key tasks (e.g., reconciling an account) to confirm that controls operate as intended.
- **Documentation Review.** Comparing policies and procedures against the COSO framework or other recognized standards to assess completeness and consistency.
- **Financial Analysis.** Variance Analysis: Comparing budgeted versus actual expenditures to detect overspending or underspending trends. Trend Analysis: Reviewing multi-year data to identify unusual fluctuations or patterns that may signal control weaknesses.
- **Data Analytics and Statistical Sampling**. Data Reliability Checks: Evaluating datasets for accuracy and completeness (e.g., ensuring no gaps in transaction logs). Predictive/Comparative Analytics: Using ratios or benchmarking metrics to compare the County's performance against internal targets or peer jurisdictions. Targeted Sampling: Drawing statistically valid samples for deeper review of documents, transactions, or operational records.
- **Compliance Testing.** Regulatory Conformance: Verifying adherence to federal, state, and local mandates (e.g., procurement regulations, grant requirements, or workforce policies). Policy Adherence: Testing transactions for alignment with County policies—such as required approvals, thresholds, or documentation standards.
- **Operational Efficiency Reviews.** Process Mapping: Visualizing workflows to identify potential redundancies, inefficiencies, or bottlenecks. Resource Allocation Checks: Verifying that staffing levels, equipment, and materials are being managed appropriately.

2. Field Visits and In-Person Observations

Based on initial Phase I results, we may conduct additional **in-person observations** of select activities. This may include verifying inventory controls, confirming workforce deployment, and ensuring compliance with documented procedures.

3. Preliminary Results & Ongoing Communication

Throughout Phase II, we will hold regular status meetings with project liaisons to discuss emerging issues, request any additional supporting documentation, and provide updates on timeline or scope revisions. These brief check-ins will help maintain transparency and alignment.

Audit Phase III: Reporting & Close-Out

1. Draft Audit Report and Review

- We will develop a **draft management audit report** that synthesizes testing results, analysis, and recommendations.
- We will share the draft with the designated management team for a factual accuracy review. This collaborative approach ensures our findings are clear, evidence-based, and actionable.

2. Final Report and Presentations

- Upon receiving feedback, we will incorporate necessary clarifications and **finalize the report.**
- If requested, we will **present the final findings and recommendations** in a formal meeting or workshop with Grand County leadership and/or other stakeholders. This session will highlight key strengths, areas for improvement, and a proposed action plan.

3. Follow-Up and Next Steps

- We will provide follow-up reports annually (through the duration of the contract) on remediation of findings, which can be especially beneficial if Grand County wishes to track progress on major initiatives.

Quality Control and Project Management

We maintain **rigorous quality control** at each phase to assure accuracy, completeness, and compliance with professional standards:

- **Internal Reviews:** Senior team members (e.g., Senior Manager, Project Manager) oversee workpapers, testing documentation, and draft reports to verify consistency and clarity of findings.
- **Technical Accuracy:** All analyses, calculations, and interpretations undergo cross-checking by both our lead auditors and specialists where needed (e.g., CPA for financial testing).
- **Ongoing Communication:** Frequent check-ins ensure alignment, allow for immediate issue resolution, and facilitate a no-surprises environment.

Budget and Cost Proposal

We propose an all-inclusive blended rate of **$170/hour**. This covers:

1. **All Labor:** Audit staff (project manager, senior manager, analysts) performing interviews, testing, analysis, and report drafting.
2. **Travel Expenses:** Travel expenses for in-person site visits throughout the engagement.
3. **Project Management and Quality Control:** Ongoing oversight, internal reviews, status updates, and final supervisory review.

We will track hours and expenditures closely, providing routine billing statements to demonstrate alignment with the budget. Should additional services or expanded scope arise, we will discuss any budget impacts with Grand County promptly and document them via a contract amendment if necessary.

Form I. Public Records Law

See Attached.

FORM I Public Records Law

THIS FORM MUST BE COMPLETED AND RETURNED WITH YOUR PROPOSAL

Upon selection of the award, submittals become "public records" and shall be subject to public disclosure consistent with the Governmental Records Management Act. Those who submit must invoke the exemptions to disclosure provided by law in the response to the solicitation, and must identify the data or other materials to be protected, and must state the reasons why such exclusion from public disclosure is necessary.

If you submit information exempt from public disclosure, you must identify with specificity which page(s)/paragraph(s) of your proposal package is (are) exempt from the Governmental Records Management Act and identify the specific exemption section that applies to each. The protected information must be submitted to the County in a separate envelope marked accordingly. By submitting an offer in response to this solicitation, you specifically agree to defend and indemnify Grand County, County Commission, and its officers, employees and agents, and hold them harmless from any claim or liability and defend any action brought against them for their refusal to disclose copyrighted material, trade secrets or other proprietary information to any person making a request therefore.

Company Name: GPP Analytics Inc.

Authorized representative (printed): Julian Metcalf, CEO

Authorized representative (signature): Julian Metcalf

Date: April 30, 2025

Grand County Utah

AGENDA SUMMARY

Audit Committee Meeting

Date: July 7, 2025

Title: Approve initial direction for the internal auditor

Fiscal Impact:

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):

Legal Review:

Department: Commission Administrators Office

Approved and within budget?

Budget Number:

Recommended Motion:

Background:

Attachments:

1. Internal Audit Review 11.1.2022
2. Internal Audit Review 5.11.2021
3. Internal Audit Findings (updated) 10.20.2020
4. 2023 Internal Audit Report - 12.5.2023
5. 2024 Internal Audit Report - 5.6.2025

Grand County, Utah

Internal Audit Findings

Review 11/1/2021

On October 5, 2022, the County's Internal Auditor, Cody Deeter with EFG-Consulting met with County staff and elected officials to review areas identified by the audit committee.

This document provides a summary of the findings.

LOCK DOWN SYSTEM

Cody met with Amy Wiggins, Jana Smith, and Gabe Woytek to discuss the jail's use of the lockdown system. No major concerns were discovered. The following area were identified by the group to improve the safety, security, and operations related to Lock Down.

1. **Lack of Training** – jail staff and clerk/auditor staff have self-trained on Lock Down. Suggestion is to have a formal training from the vendor for all staff that use Lock Down. This should occur before the end of 2023 or sooner.
2. **Written Policy** – Need to add sections related to cash policy.
    a. Have someone double check the intake sheet other than the one filling it out.
    b. Have someone review the intake sheet when stashed.
    c. Add policy and procedure for funds delivered for ankle monitor funds.
    d. Ensure the ATM kiosk is providing a receipt
3. **Reconciliation** is not occurring within Lock Down. Suggest Clerk/Auditor's office review with Amy Wiggins to reconcile. Add account reconciliation to the policy. In specific, the following accounts need reconciled and funds transferred to the appropriate entity. Suggestion is to review the accounts every six months.
    a. Doctor visit (to County)
    b. DNA (to County and State)
    c. Equipment Fee (to County)
    d. Check Fee (to County)
    e. Ankle Monitor

GRAND CENTER

Cody met with Yordy Eastwood and Gabe Woytek to review the cash receipting policies at the Grand Center. No major areas of concern were found. However, the following suggestions would increase the safety of funds collected at the Grand Center.

There is currently no way to reconcile cash received at the Grand Center. No receipts are provided to donors nor funds recorded on a form when received. This leaves opportunity for fraud since there is no way to accurately reconcile funds before delivering to the Clerk/Auditor's office. Suggestion is to add a means to record funds received when they are collected. The following are the most common programs when funds are collected:

1. Lunch
2. Home delivered meals
3. Rental facilities
4. Crafts
5. Vending machines
6. Fuel for trips
7. Purchase of Ensure

We are pleased to note that two people count the cash (Yordy and Chris) each Friday before taking to the Clerk/Auditor's office. All funds are locked in a cash box in Yordy's office each day. Four people have access to Yordy's office: Yordy, Chris with facilities, maintenance person, and Brook with the kitchen.

The Grand Center does not accept credit or debit cards. Funds collected each month ranges between $2,000 and $4,000.

PAYROLL

Cody met with Renee Baker and Angie to review the payroll process. The checks and balances in place appear to create a very secure system. The following is a summary of the process.

1. Employee enters time into Google Sheets and signs the sheet
2. Supervisor approves through signature
3. Angie inputs the data from Google Sheets into the payroll system and then sends the payroll file to Renee to review
4. Renee sends any corrections back to Angie for corrections
5. Angie sends ACH file to Renee
6. Renee uploads ACH file
7. Angie approves ACH file
8. Renee sends to Chris and MaryLou in Treasury to ensure funds are available
9. Chris Kaufman and Jana Smith are back-up approves for the ACH when needed

For new employees, Renee meets to input all payroll and employment information into the system. Pay increases are input by Renee.

The biggest area for improvement to reduce errors and time will come from moving away from Google Sheets and to Caselle's system. This will eliminate the need for Angie to manually input data from Google Sheets into Caselle which should reduce coding errors and time spent. The employee can sometimes overwrite data inadvertently in Google Sheets which will be eliminated/reduced through the Caselle module. Angie will save a day's worth of work through this process.

CASH RECEIPTING AND SAFEKEEPING

Cody met with Jana Smith, Jana Kyle, and Gabe Woytek to review an area of concern related to the safekeeping of cash. In the past year, two incidents occurred where cash appeared to be missing. The first was $400 dollars in 4-$100 bills that were counted the night before but gone in the morning. The other was $100 dollars issue that was similar. Although the amount is small in relation to the County's overall budget, missing cash is always alarming. All parties in the meeting showed sincere concern about how this could happen. The following items (many of which have already been implemented) should reduce the opportunity for similar occurrences.

1. Always count cash in the vault with the door closed (but not locked for personal safety) or nearly closed.
2. Keep vault door closed but not locked. In the past the door was propped open for easier access. Due to the central location of the door in the office, anyone opening the door will alert the office that someone is in there. This will reduce the likelihood of someone entering the vault undetected or unnoticed by staff.
3. Ensure that the vault is locked when leaving each day.
4. Ensure the vault is locked if only one person is in the office.
5. Continue to use a denomination chart when counting cash and preparing a deposit.
6. Install a camera in the office that includes the vault in view. This will ensure County officials and staff could review the video and know who was entering and leaving the vault at any time.

AREAS FOR REVIEW IN 2023

The following four operations are suggested for review in 2023 as each receipts cash.

1. Justice Court
2. Library
3. Old Spanish Trail Arena
4. Airport

GRAND COUNTY, UTAH

INTERNAL AUDIT FINDINGS

REVIEW 5/11/2021

On May 11, 2021, the County's Internal Auditor, Cody Deeter with EFG-Consulting, along with Jon Haderlie with Larson & Company met with County staff to review the findings of the October 2020 Internal Audit Report. The purpose of this meeting was to receive an update on actions taken since the October 2020 report and to do additional field work on outstanding areas of concern.

This document will provide the original finding from the October 2020 report and then a blue follow-up section. New issues that were identified are included in the end marked with yellow in the heading.

BANK RECONCILIATION

The Clerk/Auditor's office has been and is currently months behind on bank reconciliation. We observed that the Treasurer reconciles the bank statements against Caselle and then delivers a list of outstanding items to the Clerk/Auditor's office. This list generally includes items such as e-charges and bank fees. With these items not reconciled monthly, it becomes more challenging to make financial decisions with accurate information. The Clerk/Auditor suggested this function be added to the Accounts Payable position to ensure timely reconciliation. We concur with this recommendation.

Corrected. Created spreadsheet to help with reconciliation. Quinn is currently doing this work but will pass off to Kristy soon.

CASH RECEIPTING AT DISTANCED COLLECTION POINTS

It was observed that the cash deposits from Sand Flats are not made daily. On the day we observed the cash deposits from Sand Flats, 2 bags were received with 3 days of cash receipting in each bag. The bags were properly locked. However, this represented 6 days of cash receipting in one day. Further, for each bag, only one day showed cash received while the other two days depicted only credit card receipts. It is unlikely that this reported receipting matches actual receipting. We recommend that Sand Flats report what actually happens each day (cash and credit cards) and then make daily deposits at the close of business each day to the Clerk/Auditor's office.

With large amounts of cash coming from this collection point, we suggest that a future internal audit be conducted onsite to observe the controls in place. We further suggest similar observations be made with other collection points such as the Old Spanish Trail Arena, the Airport, and other points identified by the County.

Invoices from OSTA was created there. Now this function will be moved to the clerk/auditor. Collection of all funds except onsite cash is collected at the Clerk/Auditor's office.

Sand Flats is using Square to collect funds. It was observed that two individuals reconcile the funds each day. Actual receipting is provided daily to the Clerk/Auditor. A potential concern was observed that someone with their own Square account could attempt to use that account to skim funds. Sand flats staff observed that they know how many transactions occur each hour for most days and it would be observable when they reconcile at the end of the day if this occurred. Daily cash receipting and security concerns appear to have been resolved.

JAIL – LOCKDOWN SYSTEM

The Clerk/Auditor's office expressed concern with the Lockdown Software used by the jail. The observation was made that Lockdown is not reconciled by jail staff. It is highly likely that the Lockdown Software has a reconciliation function which is not being utilized. We recommend that jail staff:

1) determine if Lockdown has a reconciliation function,

2) which jail staff can perform reconciliation,
3) receive training to perform the monthly reconciliation, and
4) provide the reconciliation to the Clerk/Auditor's office monthly.

The Clerk/Auditor's office can them make one entry per month from the jail rather than duplicate all entries on Lockdown into Caselle. We further recommend that a control be implemented such that the Clerk/Auditor's office spot check entries in Lockdown monthly to ensure accuracy.

We further observed that the Jail can print digitally signed checks. A control should be put in place to ensure that the person printing checks is not the same person inputting the check request. Further, a control from the Clerk/Auditor's office needs to be implemented to reconcile all checks printed from the Jail.

The Clerk/Audit's office continues to work through these concerns with the Jail. Next steps include ensuring that Lockdown has controls so no funds can be spent outside of parameters. Make one monthly entry since these are agency funds and thus one journal entry. Jail still needs to reconcile themselves through Lockdown. How does debit card process work? Clerk/Auditor should work through the procedures with the Jail to strengthen this area.

RECORDER'S FEES

The Recorders Office collects fees for its services. These funds are given to the Cash Receipting Clerk. The Recorder is keeping track of payments in its own system. We recommend that the Clerk/Auditor perform a monthly spot check of cash receipts against the Recorder's payment system to ensure accuracy.

Internal auditor to follow-up in the next year. Digital is reconciled but not cash.

ACCOUNTS RECEIVABLE & GRANTS

Currently there is no active accounts receivable schedule. In addition, there is no central tracking of grants receivable nor grant compliance. Each department applies for grants and tracks compliance themselves. The Clerk/Auditor suggested that a position be created to keep accounts payable active (either in Caselle or a sub-ledger in Excel), track all grant eligible expenditures, ensure expenditures are properly and timely reimbursed, ensure compliance with grant requirements, and research and apply for additional grants. This position would need to pay sufficient for someone with the skill set necessary for this position.

Hired a new account receivable clerk to track receivables and grants. This position is also doing invoicing.

DIGITALLY SIGNED CHECKS (UPDATED FROM 10/1/2020)

We observed that all printed checks are digitally signed. We suggest that a control be put in place, or documented if it is already in place, to limit access of the digital signature to the authorized bank signers or designees. The principle to be followed here is to ensure a proper separation from those who submit a request for check into the system from those who can digitally sign and print a check.

Accounts receivable function inputs the invoice and provides spot checking each month. Large or unusual amounts are pulled each month for the commission to review.

ACCOUNTS PAYABLE

The Accounts Payable clerk currently inputs all invoices into Caselle and can print pre-signed checks. We suggest a review control be put in place whereby another staff member from the Clerk/Auditor's office spot check several invoices and check disbursements each month. A spot check will also ensure that the invoice, Caselle entry, and check all match.

This has been corrected.

FUEL CARDS

Currently there is no control in place to validate fuel card usage. We recommend a future internal audit focus on a system to double check fuel card usage against miles driven. This will ensure that fuel card usage corresponds to vehicle usage.

Glen Arthur provided an overview of the gas card system. With cameras and usage records, it would be challenging for anyone to game the system and fill up a personal vehicle. The system will soon be upgraded which will strengthen security features.

TREASURER'S TRUST ACCOUNT

We recommend that the Clerk/Auditor perform a monthly or quarterly spot check on all receipts and disbursements from the Treasure's Trust Account. This account collects and disburses all property taxes collected by the County on behalf of other taxing entities.

The Clerk/Auditor is still working on this area. Need to get statements from Mountain America and reconcile.

JOURNAL ENTRY DOCUMENTATION (UPDATED FROM 10/1/2020)

Journal entries for non-recurring items should be documented and approved. Anytime a journal entry of this type is made, we recommend that approval be received thru signature with proper documentation as to the purpose of the journal entry. This documentation should be either uploaded to Caselle or be scanned into an electronic folder. This information would then be available to the external and internal auditors at anytime to understand why journal entries for non-recurring items were made or adjusted. This ensures that if a modification occurs after the original posting to Caselle, approval is obtained and documented.

The Clerk/Auditor said that this is getting better each month. Still work to be done but entries are more clear.

PTIF RECONCILIATION PROCESS

Currently, any transfers from a PTIF account is made by the Treasurer. When PTIF statements are received, the Clerk/Auditor then enters these transactions into Caselle. We recommend that the Treasurer enter these transactions into Caselle when the transfers are made and provide documentation of each transfer to the Clerk/Auditor. When the PTIF statements are received, the Clerk/Auditor will then be reconciling the accounts rather than making initial entries.

Treasurer and Clerk/Auditor will work on this. Treasurer to make transfers. Clerk/Auditor to make entries. Treasurer to reconcile manually.

PURCHASING POLICY

We reviewed the purchasing policy and believe the limits are quite low in comparison to peer entities. These low limits require more work than is necessary to receive competitive pricing. We will provide samples that increase the limits.

Purchasing policy has been updated and is on the agenda for the commission to consider.

WRITTEN POLICIES AND PROCEDURES

We reviewed the policies and procedures for the Treasurer's office and found them to be in good order.

The Clerk/Auditor's office does not currently have a policy and procedures manual. We suggest that over the next year, a policy and procedures manual be developed by the Clerk/Auditor's office. This manual would include duties and functions for each Job Title. Further, each duty and responsibility under each Job Title would be documented in detail. This would ensure continuity in the office when elected and hired staff change. It would also allow for cross training among staff. This policy manual should also include the controls in place or to be put in place.

The Clerk/Auditor's office is working on it. They are using Utah County's policy manual as a framework.

MAIL OPENING

It was observed that the Cash Receipting clerk opens all mail and cash receipts all funds received. The mail opening is currently done at the front of the office in plain view of other staff. We suggest that this practice be formalized in the written policies that mail will always be opened in the presence of other staff in an open area.

This will be included in the new policy.

EXTERNAL AUDIT (UPDATED FROM 10/1/2020)

The current County audit is four months late. The Clerk/Auditor and County Commission Administrator were both unsure why there was a delay. An external auditor should be proactive in communicating with the County data needs and timing. We suggest that the external audit function should be bid out every three to four years to unsure top service and market rates. This policy could be added to the Clerk/Auditor's written policies.

As of 10/20/2020, the audit has now been complete but includes a qualified opinion on the Aggregate Discretely Presented Component Units. These component units are very small and generally would not require their own audit. For example, the Grand County Special Service Water District had less than $2,000 in income and assets of less than $2m. We suggest that the County add a small amount to the external audit contract for the County's general audit to cover these small component units. This small expense should eliminate this qualification.

County will be issuing an RFP for external auditor with or without closing the books are part of the audit.

NEW – AUDIT CONCERNS

Historically, the external auditor cleaned-up the books before the audit. Auditor would prepare 1,500+ entries. The auditor will not now do that because of new audit independence standards. Need to have an outside entity close books or an auditor that is large enough to have an internal partner to review. Clerk/Auditor's plan is to hire out a third-party to close the books or a large firm to perform that function along with the auditor.

GRAND COUNTY, UTAH

INTERNAL AUDIT FINDINGS
1 OCTOBER 2020

UPDATED 10/20/20

Grand County Utah

Larson

EFG

On September 23rd and 24th, the County's Internal Auditor, Cody Deeter with EFG-Consulting, along with Jon Haderlie with Larson & Company met with County staff. Our goal was to review both the written policies and procedures along with observing actual procedures. Our interviews included all staff in the Clerk/Auditor's office, the Treasurer, the Recorder, and the County Commission admin staff. We also received written comments and concerns from the County Commission Administrator prior to our meetings.

The following provide areas of immediate focus along with future areas that need additional observation. In our observations, we did not suspect any out-of-line behavior. Our observations and recommendations herein provide means to protect County staff/elected officials as they safeguard public funds.

BANK RECONCILIATION

The Clerk/Auditor's office has been and is currently months behind on bank reconciliation. We observed that the Treasurer reconciles the bank statements against Caselle and then delivers a list of outstanding items to the Clerk/Auditor's office. This list generally includes items such as e-charges and bank fees. With these items not reconciled monthly, it becomes more challenging to make financial decisions with accurate information. The Clerk/Auditor suggested this function be added to the Accounts Payable position to ensure timely reconciliation. We concur with this recommendation.

CASH RECEIPTING AT DISTANCED COLLECTION POINTS

It was observed that the cash deposits from Sand Flats are not made daily. On the day we observed the cash deposits from Sand Flats, 2 bags were received with 3 days of cash receipting in each bag. The bags were properly locked. However, this represented 6 days of cash receipting in one day. Further, for each bag, only one day showed cash received while the other two days depicted only credit card receipts. It is unlikely that this reported receipting matches actual receipting. We recommend that Sand Flats report what actually happens each day (cash and credit cards) and then make daily deposits at the close of business each day to the Clerk/Auditor's office.

With large amounts of cash coming from this collection point, we suggest that a future internal audit be conducted onsite to observe the controls in place. We further suggest similar observations be made with other collection points such as the Old Spanish Trail Arena, the Airport, and other points identified by the County.

JAIL – LOCKDOWN SYSTEM

The Clerk/Auditor's office expressed concern with the Lockdown Software used by the jail. The observation was made that Lockdown is not reconciled by jail staff. It is highly likely that the Lockdown Software has a reconciliation function which is not being utilized. We recommend that jail staff:

1) determine if Lockdown has a reconciliation function,
2) which jail staff can perform reconciliation,
3) receive training to perform the monthly reconciliation, and
4) provide the reconciliation to the Clerk/Auditor's office monthly.

The Clerk/Auditor's office can them make one entry per month from the jail rather than duplicate all entries on Lockdown into Caselle. We further recommend that a control be implemented such that the Clerk/Auditor's office spot check entries in Lockdown monthly to ensure accuracy.

We further observed that the Jail can print digitally signed checks. A control should be put in place to ensure that the person printing checks is not the same person inputting the check request. Further, a control from the Clerk/Auditor's office needs to be implemented to reconcile all checks printed from the Jail.

Recorder's Fees

The Recorders Office collects fees for its services. These funds are given to the Cash Receipting Clerk. The Recorder is keeping track of payments in its own system. We recommend that the Clerk/Auditor perform a monthly spot check of cash receipts against the Recorder's payment system to ensure accuracy.

Accounts Receivable & Grants

Currently there is no active accounts receivable schedule. In addition, there is no central tracking of grants receivable nor grant compliance. Each department applies for grants and tracks compliance themselves. The Clerk/Auditor suggested that a position be created to keep accounts payable active (either in Caselle or a sub-ledger in Excel), track all grant eligible expenditures, ensure expenditures are properly and timely reimbursed, ensure compliance with grant requirements, and research and apply for additional grants. This position would need to pay sufficient for someone with the skill set necessary for this position.

Digitally Signed Checks (Updated from 10/1/2020)

We observed that all printed checks are digitally signed. We suggest that a control be put in place, or documented if it is already in place, to limit access of the digital signature to the authorized bank signers or designees. The principle to be followed here is to ensure a proper separation from those who submit a request for check into the system from those who can digitally sign and print a check.

Accounts Payable

The Accounts Payable clerk currently inputs all invoices into Caselle and can print pre-signed checks. We suggest a review control be put in place whereby another staff member from the Clerk/Auditor's office spot check several invoices and check disbursements each month. A spot check will also ensure that the invoice, Caselle entry, and check all match.

Fuel Cards

Currently there is no control in place to validate fuel card usage. We recommend a future internal audit focus on a system to double check fuel card usage against miles driven. This will ensure that fuel card usage corresponds to vehicle usage.

Treasure's Trust Account

We recommend that the Clerk/Auditor perform a monthly or quarterly spot check on all receipts and disbursements from the Treasure's Trust Account. This account collects and disburses all property taxes collected by the County on behalf of other taxing entities.

Journal Entry Documentation (Updated from 10/1/2020)

Journal entries for non-recurring items should be documented and approved. Anytime a journal entry of this type is made, we recommend that approval be received thru signature with proper documentation as to the purpose of the journal entry. This documentation should be either uploaded to Caselle or be scanned into an electronic folder. This informtion would then be available to the external and internal auditors at anytime to understand why journal entries for non-recurring items were made or adjusted.

This ensures that if a modification occurs after the original posting to Caselle, approval is obtained and documented.

PTIF RECONCILIATION PROCESS

Currently, any transfers from a PTIF account is made by the Treasurer. When PTIF statements are received, the Clerk/Auditor then enters these transactions into Caselle. We recommend that the Treasurer enter these transactions into Caselle when the transfers are made and provide documentation of each transfer to the Clerk/Auditor. When the PTIF statements are received, the Clerk/Auditor will then be reconciling the accounts rather than making initial entries.

PURCHASING POLICY

We reviewed the purchasing policy and believe the limits are quite low in comparison to peer entities. These low limits require more work than is necessary to receive competitive pricing. We will provide samples that increase the limits.

WRITTEN POLICIES AND PROCEDURES

We reviewed the policies and procedures for the Treasurer's office and found them to be in good order.

The Clerk/Auditor's office does not currently have a policy and procedures manual. We suggest that over the next year, a policy and procedures manual be developed by the Clerk/Auditor's office. This manual would include duties and functions for each Job Title. Further, each duty and responsibility under each Job Title would be documented in detail. This would ensure continuity in the office when elected and hired staff change. It would also allow for cross training among staff. This policy manual should also include the controls in place or to be put in place.

MAIL OPENING

It was observed that the Cash Receipting clerk opens all mail and cash receipts all funds received. The mail opening is currently done at the front of the office in plain view of other staff. We suggest that this practice be formalized in the written policies that mail will always be opened in the presence of other staff in an open area.

EXTERNAL AUDIT (UPDATED FROM 10/1/2020)

The current County audit is four months late. The Clerk/Auditor and County Commission Administrator were both unsure why there was a delay. An external auditor should be proactive in communicating with the County data needs and timing. We suggest that the external audit function should be bid out every three to four years to unsure top service and market rates. This policy could be added to the Clerk/Auditor's written policies.

As of 10/20/2020, the audit has now been complete but includes a qualified opinion on the Aggregate Discretely Presented Component Units. These component units are very small and generally would not require their own audit. For example, the Grand County Special Service Water District had less than $2,000 in income and assets of less than $2m. We suggest that the County add a small amount to the external audit contract for the County's general audit to cover these small component units. This small expense should eliminate this qualification.

GRAND COUNTY, UTAH

DRAFT

INTERNAL AUDIT REPORT

5 DECEMBER 2023

On November 7, 2023, the County's Internal Auditor, Cody Deeter with EFG-Consulting met with County staff as follows:

OLD SPANISH TRAIL ARENA – ANGIE BOOK - DIRECTOR

OSTA collects funds in three ways.

- Overnight stall rentals collected via 2 drop boxes
- Camping fees during events collected in the office
- Event fees collected in the office or mail per the rental agreement

Overnight stalls – Fees for overnight stall rentals are collected through 2 drop boxes along with a form. These fees are collected on the honor system although each morning the staff does a reconciliation when the deposits are picked up. The drop boxes are on 24/7 cameras which can also be checked to verify who stayed and who paid. Assistant director Greg gathers the collections each morning. Mackenzie reconciles and creates the deposit every day or close to everyday. The money is placed in one or more of four locked money bags and taken to the Clerk/Auditors office or stored in the safe if needed. Funds are dropped to the Clerk/Auditors office who has keys to unlock the bags.

Camping – Camp sites are rented only during events. OSTA is in process of creating a reception desk at the front of the office to take payments. OSTA takes cash and checks but does not have petty cash to make change. OSTA can also take cards but does not have a card system. Payments through a card are taken by filling out a form and then calling that information into the Clerk/Auditors Office. Each morning during an event the funds are deposited with the Clerk/Auditor. A camping tag with a unique number is generated by the OSTA on a tag that changes color on a three-year rotation. OSTA keeps a camping log with pertinent information including camper name, funds received, among other pertinent information.

Event Fees – Event fees are normally paid to the OSTA office or directly to the Clerk/Auditor. The payments are governed by the rental agreement with payments ranging from $400 to $16,000. Angie and McKenzie reconcile the payment to the rental agreement.

Other items discussed – Angie balances revenue collections and expenditures to the general ledger at least quarterly using spreadsheets OSTA has created. Angie is the only one with access to these spreadsheets. Angie, Greg and Mackenzie have access to the safe. OSTA has approximately 2 dozen cameras throughout the facility including over Mackenzie's desk, the reception desk, and the drop boxes.

Recommendations: It is recommended that the overnight stall revenue be reviewed by one other person. One way to do this would be to have Greg open the envelopes in an open area of the office under the view of a camera. He would sign each envelope to verify that the payment matches the form. He would then give the envelopes to Mackenzie to count and create the deposit slip. A similar process should be followed to reconcile the camping monies collected to the camp log. The camp log and the deposit should be prepared by different individuals.

The OSTA is in the early stages of preparing a written policies and procedures manual. The recommendation of this report is to continue that process.

Needs: OSTA could benefit from having a credit card machine on site to process cards. This would reduce work from filling out forms and calling that information into the Clerk/Auditors office. It would also reduce the risk of one of these forms being fraudulently used. OSTA could also benefit from having petty cash during camp events to make change. OSTA staff would need to be trained in how to reconcile and store petty cash.

Since the original meeting, Angie has reported that they now go to the drop boxes in twos.

AIRPORT – TAMMY HOWLAND - DIRECTOR

FAA mandates that federally supported airports must be self-sufficient. Fees should be charged for anything that is reasonable to generate fees to self-sufficiency. Some of the fees collected by the airport include:

- Parking fees – through SP+ a third-party vendor
- Fees for businesses onsite (shuttles, taxis, rental cars, Uber) – usually 10% of gross revenues
- Landing fees
- Fuel fees – approximately 8 cents/gallon
- Hanger fees
- Land leases and related fees – land leases are approximately 25 cents/square foo.

The Clerk/Auditors Office collects nearly all fees other than funds from the vending machine and occasionally for parking when someone does not want to use the parking app. Cash that is collected is deposited about every three days at the Clerk/Auditors office. Other fees are collected directly by the Clerk/Auditors office. The airport director sends a spreadsheet to the Clark/Auditors office of what should be paid. There have been human errors in spreadsheet which the Airport is working to clean up.

What the Airport Wants to Change – Red Tail is the fixed base operator. Red Tail collect fees from vendors and sends a check directly to the Clerk/Auditors office. Tammy emails the Clerk/Auditors Office a spreadsheet with the funds that should have been paid. Need a policy and procedure to reconcile the funds collected from Red Tail by the Clerk/Auditor and the amounts the Airport believes should be collected. This will ensure that the funds collected are accurate. This will also aid in creating a more accurate budget for each year.

The Director has a basic level of knowledge of Casselle. Training would be helpful for her to better use the features to monitor the budget during the year and prepare a budget for future years. She has issues with looking at budget details from prior years.

Federal Funds – Grants Assurances. The Director is concerned about fund received for the Airport during COVID years. All revenue generated by airport needs to go back to the airport. Between 2020-2022, CARES, CURSA, ARPA Grants provided approximately $1m which was mainly used for for payroll, debt service, operations/maintenance, and some minor projects. The Director is concerned that the operating income during those years or the grant funds were used somewhere else. There should be a fund balance available for future projects. She is worried about reporting to the FAA that all grants and revenues from the Airport have stayed with the Airport. There is a need for matching funds in 2024 of approximately $800k.

FAA – Director is concerned that FAA reporting may not have been done historically such as in 2022. Tammy is in process of setting up an account to review past reports and submit future reports.

Recommendations

1. The Airport could benefit from policies and procedures. Tammy suggested that she would have greatly benefited from written policies and procedures when she took over.

2. Budget Process – Tammy suggested that some of the budget categories do not make sense and need to be changed to reflect where monies are both received and spent.

3. The Airport would benefit from a long-range business plan that incorporates the high-level Airport Master Plan. This could include reviewing fees to ensure the Airport is covering its costs, projecting future

infrastructure needs from the Master Plan and how to pay for those, ways to increase activity and revenue from both airport and non-airport functions. This would include an evaluation of utility capacity for expansion of airport and non-airport functions including restaurants, hotels, added car rental amenities, expanded terminal space, hanger space, etc.

JUSTICE COURT – EMILY BUTTERFIELD – CHIEF DEPUTY CLERK & JUDGE DANALEE WELCH-O'DONNAL

Fines and Fees – The Justice Court receives funds from the payment of fines and fees. The payments come in the form of cash or check at the window, credit card payments online through Instant-payments, and through the mail in the form of checks or money orders. At the end of the day each cashier runs a cashier total through CORIS which is attached and overseen by the Utah Court system. The funds are linked to a person's name, double verified, and the justice court clerk sends the report to the state. Two people always open the money. CORIS has a mail log to record money received via mail. The deposit is locked in locked bag with the documentation and taken to the Clerk/Auditors office. Petty cash is double counted each night. Each night the petty cash is locked in the safe along with money bags. Three clerks have access to the safe. Judge does not. These processes are dictated by the Utah Court system and are very regimented and safe.

The administrative state office performs an internal audit every 5 years wherein they are on site at the Justice Court for 6 months. Self-audits every couple of years.

Recommendation from Justice Court – Justice Court has consulted with neighboring county courts and the Administrative Office of the Courts (AOC) audit department about best practices of CORIS accounting. The Justice Court learned that several of the current processes should be updated to ensure efficiency and comply with newer State wide accounting practices. Justice Court is hoping to engage in a new practice that is currently in place in other jurisdictions and is recommended by the AOC. This new practice consists of the Court no longer completing the self-created daily or monthly receipting log — instead providing daily/monthly CORIS generated reports and distribution amounts of where funds shall be allocated per statute. These reports will be a working copy for the Clerk Auditor's Office to input the daily and monthly amounts needed to comply with the C500 report sent to the State each month. This change will require flexibility from both offices and likely training for the Clerk Auditor's Office. The Court has already engaged in training and support discussions from the Carbon County Justice Court, Carbon County Clerk Auditor's Office and the AOC audit department but believes that the Clerk Auditor's Office will likely need to seek training and support more specific to duties of the Clerk Auditor, rather than the Court duties. The Court is hoping to make this change in January.

Concerns from Justice Court –
Currently:
Each day the Justice Court delivers the previous' days receipting documents and monies, consisting of cash, checks and money orders, to the Clerk Auditor's Office, in a bank bag. The monies are not verified or counted at that time of delivery.

Discrepancies:
On 3 occasions this year the Justice Court has been contacted by the Clerk Auditor's Office asking what amount of cash was brought down and requesting that the Justice Court double check that cash was not misplaced or left behind. When the Justice Court inquired about the missing amounts, the Clerk/Auditors Office reported after counting the different departments cash intake, the total was short. The Clerk/Auditors Office was not able to confirm the amount was in fact missing from the Justice Court money bag specifically, just that the total cash intake amount from all the departments was short. The Justice Court was later told that the money had been located or was miscounted.

Suggested Remedy:
The Justice Court believes that this concern and any discrepancies could easily be avoided in the future, if the funds were counted by the Clerk Auditor's Office upon delivery and verified by signature of both parties.

This remedy was implemented by the Court on 11/8/2023. Upon delivery the money is counted, verified and signed for on the newly enacted *Daily Cash Deposit Verification Log* by a Clerk of the Auditor's Office and Clerk of Court. The Court will retain the *Daily Cash Deposit Verification Log* with each months accounting records.

LIBRARY – MEG FLYNN – ASSISTANT DIRECTOR

The library receives relatively small amounts of money for items such as making copies, library cards for out of County individuals, donations, envelopes, USB drives, and other misc. fees as outline in the County fee ordinance.

Funds are reconciled each morning. Carrie runs a zero report from the cash register. Meg does this when Carrie is away. The funds are reconciled to the zero report. Throughout the day, any library staff on duty takes the money in the form of cash or check.

The deposit slip contains two categories. One for anything from the library fee ordinance and one for donations. Funds are kept in a locked drawer each night. Every three days staff member Tom (or Jessie if Tom is not available) takes the locked bag to the Clerk/Auditor and returns the deposit receipt. Tom generates a monthly statistics report which includes a revenue report which is used to reconcile to the deposit.

The library has policies which are available on the County library website under "About Us."

Recommendation – The library could reduce the likelihood of fraud by depositing funds every day rather than every 3 days. If an error occurred, it would take more time to determine the error if funds are out 3 days.

EXTERNAL COMMUNICATIONS

I received an email from Matthew W Hancock on November 17, 2023 requesting to whom email complaints regarding should be sent. I received a more detailed email with the complaint on November 22, 2023. I acknowledged receipt of his email on November 22, 2023. I include the entirety of his two emails here along with the attachments he provided with the exception of the 2021 and 2022 financial reports which can be found online. I have made no attend to independently verify the accuracy of his claims. As I understand it, my role is to provide this information to the Audit Committee for your consideration.

Attachments:

- Attachment 1 - Email 11.17.2023 – Hancock to Deeter
- Attachment 2 - Email 11.22.2023 – Hancock to Deeter
    - 2022 Financial Report (not attached here)
    - 2021 Financial Report (not attached here)
    - Attachment 2A - Internal Audit Review 10.20.2020
    - Attachment 2B - Email 9.25.2023 – Hancock to Woytek with attachments
    - Attachment 2C - Email Chain 9.29.2023 – Hancock and Woytek
    - Attachment 2D - Email 10.3.2023 – Hancock to Woytek with attachments
    - Attachment 2E - Email Chain 10.5.2023 – Hancock and Woytek with attachments
    - Attachment 2F - Email 10.20.2023 – Hancock to Woytek
    - Attachment 2G - Email Chain 10.25.2023 – Hancock and Woytek
    - Attachment 2H - Email 10.27.2023 – Hancock to Woytek

Note: This document contains bookmarks to assist with navigation of the attachments.

SUGGESTIONS FOR 2024

- Review information provided by Mr. Hancock and actions as necessary
- Follow up with all departments regarding the findings and recommendations from past internal audit reports.
- Analyze program efficiency and effectiveness for priorities identified by this committee or others in the County. In other words, what is are the Counties most important functions and duties. How effective and efficient are we at performing those functions?

cody@efg-consulting.com

From: Matthew W Hancock <matthanc@icloud.com>
Sent: Friday, November 17, 2023 5:24 PM
To: cody@efg-consulting.com
Subject: Grand County Financial Reporting: Gross Errors

Mr. Deeter,

I understand you presently perform the function of Grand County's internal auditor.

I wish to report gross errors in Grand County's 2022 and 2021 financial statements. The magnitude and pervasive breadth of these errors indicate significant financial management and governance failures.

Grand County's Resolution 3165 states, among other things, that ' *The "Grand County Hotline" provides an avenue for citizens, including public employees and contractors, to report improper governmental activities including: violations of a law, rule, or regulation applicable to government, and gross management.*'

As Grand County's internal auditor, I wish to make you aware of my concerns, and share with you correspondence I have forwarded to Grand County over the last several weeks.

With regards to filing a complaint, Resolution 3165 states "*All emails to the Hotlines address, hotline@grandcountyutah.net will be automatically forwarded to the Internal Auditor.*" However, the Grand County website states that complaints will be forwarded to the Office of the Utah State Auditor.

Can you please advise which email address is appropriate for advising you of my concerns.

Regards,

Matt Hancock

From: Matthew W Hancock <matthanc@icloud.com>
Sent: Wednesday, November 22, 2023 8:52 AM
To: hotline@grandcountyutah.net
Cc: cody@efg-consulting.com
Subject: Grand County Financial Reporting Failures
Attachments: 2022 Financial Report.pdf; Untitled attachment 02566.htm; 2021 Financial Report.pdf; Untitled attachment 02569.htm; Internal Audit Review 10.20.2020.pdf; Untitled attachment 02572.htm; 2022 Financial Report_ TRT.eml (371 KB); Untitled attachment 02583.htm; Re_ 2022 Financial Report_ TRT.eml (7.18 KB); Untitled attachment 02588.htm; Re_ 2022 Financial Report_ TRT.eml (5.36 KB); Untitled attachment 02593.htm; Additional Financial Reporting Errors.eml (6.07 KB); Untitled attachment 02598.htm; Re_ Additional Financial Reporting Errors.eml (11.6 KB); Untitled attachment 02603.htm; Re_ Additional Financial Reporting Errors.eml (26.8 KB); Untitled attachment 02608.htm; Additional Irregularities in Grand County's Financial Statements.eml (1.70 MB); Untitled attachment 02652.htm; Compliance with Resolution 3165_ Audit Committee.eml (742 KB); Untitled attachment 02666.htm

Flag Status: Flagged

Mr. Deeter,

Over the last several weeks, I have identified numerous, unrelated, material errors in Grand County's 2022 and 2021 financial statements.

I have written several emails to the Grand County Clerk/Auditor outlining the nature of these errors. The Grand County Commission and County Attorney have been copied in some of this correspondence.

A number of errors identified by me have been since been acknowledged and corrected, with Grand County recently restating and refiling its 2022 financial statements with the Office of the Utah State Auditor (sometime around October 24, 2023).

However, I have since identified additional gross errors in those financial statements, which Grand County has neither acknowledged nor corrected.

From these errors, It is clear that serious deficiencies exist within Grand County internal systems and controls.

I believe it is important to recognize that these errors were not identified by Grand County, its consultants nor its external auditor. Rather, these errors were identified by me, an educated member of the public. Given this, I would respectfully contend that partially correcting one year's financial statements based on my work alone hardly amounts to a systematic review that examines how these errors were allowed to occur in the first place. Additionally, I made Grand County aware that it has failed to comply with a resolution (3165) that relates to the function of the County's audit committee, a body I believe you formally report to.

It is clear to me that an investigation is essential, from which financial management, organizational and governance failures can be thoroughly identified and corrected to ensure that these failures do not continue and compound into the future.

Additionally, I continue to be especially troubled by the performance of Grand County's external auditor. I find it impossible to understand how an external auditor could fail to recognize such large variations in accounts over the last two year's. That's their job.

In your Grand County Internal Audit Findings report dated 1 October 2020, you provided Grand County with an assessment that was critical of the performance of Grand County's external auditors at that time. Specifically you wrote, "*The current County audit is four months late….And external auditor should be proactive in communicating with the County data needs and timing. We suggest that the external audit function should be bid out every three to four years to unsure (sic) top service and market rates.*"

Given that Grand County had to restate and refile its 2022 financial statements this year based on my work, not the auditor's, I would expect that your internal audit report this year will note this for the official record, and that you will provide Grand County with an appropriate assessment and associated recommendations concerning the performance of Grand County's current external auditor, who incidentally has provided unqualified opinions over the last two years.

Please find attached a copy of Grand County's original 2022 and 2021 Financial Statements that I obtained from the Office of the Utah State Auditor. The County's restated 2022 financial statements can be obtained online through the State Auditor's website.

Please find below copies of correspondence between me and Grand County's Clerk/Auditor, Gabe Woytek.

As noted in the emails, I have also been communicating about these matters with the Office of the Utah State Auditor.

I wrote you directly at cody@efg-consulting.com on November 17, 2022, and at hotline@grandcountyutah.net on November 18, 2022. I did not receive a response to those emails, so an acknowledgement of this email would be greatly appreciated.

Matt Hancock
Moab, UT

GRAND COUNTY, UTAH

INTERNAL AUDIT FINDINGS
1 OCTOBER 2020

UPDATED 10/20/20

On September 23rd and 24th, the County's Internal Auditor, Cody Deeter with EFG-Consulting, along with Jon Haderlie with Larson & Company met with County staff. Our goal was to review both the written policies and procedures along with observing actual procedures. Our interviews included all staff in the Clerk/Auditor's office, the Treasurer, the Recorder, and the County Commission admin staff. We also received written comments and concerns from the County Commission Administrator prior to our meetings.

The following provide areas of immediate focus along with future areas that need additional observation. In our observations, we did not suspect any out-of-line behavior. Our observations and recommendations herein provide means to protect County staff/elected officials as they safeguard public funds.

BANK RECONCILIATION

The Clerk/Auditor's office has been and is currently months behind on bank reconciliation. We observed that the Treasurer reconciles the bank statements against Caselle and then delivers a list of outstanding items to the Clerk/Auditor's office. This list generally includes items such as e-charges and bank fees. With these items not reconciled monthly, it becomes more challenging to make financial decisions with accurate information. The Clerk/Auditor suggested this function be added to the Accounts Payable position to ensure timely reconciliation. We concur with this recommendation.

CASH RECEIPTING AT DISTANCED COLLECTION POINTS

It was observed that the cash deposits from Sand Flats are not made daily. On the day we observed the cash deposits from Sand Flats, 2 bags were received with 3 days of cash receipting in each bag. The bags were properly locked. However, this represented 6 days of cash receipting in one day. Further, for each bag, only one day showed cash received while the other two days depicted only credit card receipts. It is unlikely that this reported receipting matches actual receipting. We recommend that Sand Flats report what actually happens each day (cash and credit cards) and then make daily deposits at the close of business each day to the Clerk/Auditor's office.

With large amounts of cash coming from this collection point, we suggest that a future internal audit be conducted onsite to observe the controls in place. We further suggest similar observations be made with other collection points such as the Old Spanish Trail Arena, the Airport, and other points identified by the County.

JAIL – LOCKDOWN SYSTEM

The Clerk/Auditor's office expressed concern with the Lockdown Software used by the jail. The observation was made that Lockdown is not reconciled by jail staff. It is highly likely that the Lockdown Software has a reconciliation function which is not being utilized. We recommend that jail staff:

1) determine if Lockdown has a reconciliation function,
2) which jail staff can perform reconciliation,
3) receive training to perform the monthly reconciliation, and
4) provide the reconciliation to the Clerk/Auditor's office monthly.

The Clerk/Auditor's office can them make one entry per month from the jail rather than duplicate all entries on Lockdown into Caselle. We further recommend that a control be implemented such that the Clerk/Auditor's office spot check entries in Lockdown monthly to ensure accuracy.

We further observed that the Jail can print digitally signed checks. A control should be put in place to ensure that the person printing checks is not the same person inputting the check request. Further, a control from the Clerk/Auditor's office needs to be implemented to reconcile all checks printed from the Jail.

RECORDER'S FEES

The Recorders Office collects fees for its services. These funds are given to the Cash Receipting Clerk. The Recorder is keeping track of payments in its own system. We recommend that the Clerk/Auditor perform a monthly spot check of cash receipts against the Recorder's payment system to ensure accuracy.

ACCOUNTS RECEIVABLE & GRANTS

Currently there is no active accounts receivable schedule. In addition, there is no central tracking of grants receivable nor grant compliance. Each department applies for grants and tracks compliance themselves. The Clerk/Auditor suggested that a position be created to keep accounts payable active (either in Caselle or a sub-ledger in Excel), track all grant eligible expenditures, ensure expenditures are properly and timely reimbursed, ensure compliance with grant requirements, and research and apply for additional grants. This position would need to pay sufficient for someone with the skill set necessary for this position.

DIGITALLY SIGNED CHECKS (UPDATED FROM 10/1/2020)

We observed that all printed checks are digitally signed. We suggest that a control be put in place, or documented if it is already in place, to limit access of the digital signature to the authorized bank signers or designees. The principle to be followed here is to ensure a proper separation from those who submit a request for check into the system from those who can digitally sign and print a check.

ACCOUNTS PAYABLE

The Accounts Payable clerk currently inputs all invoices into Caselle and can print pre-signed checks. We suggest a review control be put in place whereby another staff member from the Clerk/Auditor's office spot check several invoices and check disbursements each month. A spot check will also ensure that the invoice, Caselle entry, and check all match.

FUEL CARDS

Currently there is no control in place to validate fuel card usage. We recommend a future internal audit focus on a system to double check fuel card usage against miles driven. This will ensure that fuel card usage corresponds to vehicle usage.

TREASURE'S TRUST ACCOUNT

We recommend that the Clerk/Auditor perform a monthly or quarterly spot check on all receipts and disbursements from the Treasure's Trust Account. This account collects and disburses all property taxes collected by the County on behalf of other taxing entities.

JOURNAL ENTRY DOCUMENTATION (UPDATED FROM 10/1/2020)

Journal entries for non-recurring items should be documented and approved. Anytime a journal entry of this type is made, we recommend that approval be received thru signature with proper documentation as to the purpose of the journal entry. This documentation should be either uploaded to Caselle or be scanned into an electronic folder. This informtion would then be available to the external and internal auditors at anytime to understand why journal entries for non-recurring items were made or adjusted.

This ensures that if a modification occurs after the original posting to Caselle, approval is obtained and documented.

PTIF RECONCILIATION PROCESS

Currently, any transfers from a PTIF account is made by the Treasurer. When PTIF statements are received, the Clerk/Auditor then enters these transactions into Caselle. We recommend that the Treasurer enter these transactions into Caselle when the transfers are made and provide documentation of each transfer to the Clerk/Auditor. When the PTIF statements are received, the Clerk/Auditor will then be reconciling the accounts rather than making initial entries.

PURCHASING POLICY

We reviewed the purchasing policy and believe the limits are quite low in comparison to peer entities. These low limits require more work than is necessary to receive competitive pricing. We will provide samples that increase the limits.

WRITTEN POLICIES AND PROCEDURES

We reviewed the policies and procedures for the Treasurer's office and found them to be in good order.

The Clerk/Auditor's office does not currently have a policy and procedures manual. We suggest that over the next year, a policy and procedures manual be developed by the Clerk/Auditor's office. This manual would include duties and functions for each Job Title. Further, each duty and responsibility under each Job Title would be documented in detail. This would ensure continuity in the office when elected and hired staff change. It would also allow for cross training among staff. This policy manual should also include the controls in place or to be put in place.

MAIL OPENING

It was observed that the Cash Receipting clerk opens all mail and cash receipts all funds received. The mail opening is currently done at the front of the office in plain view of other staff. We suggest that this practice be formalized in the written policies that mail will always be opened in the presence of other staff in an open area.

EXTERNAL AUDIT (UPDATED FROM 10/1/2020)

The current County audit is four months late. The Clerk/Auditor and County Commission Administrator were both unsure why there was a delay. An external auditor should be proactive in communicating with the County data needs and timing. We suggest that the external audit function should be bid out every three to four years to unsure top service and market rates. This policy could be added to the Clerk/Auditor's written policies.

As of 10/20/2020, the audit has now been complete but includes a qualified opinion on the Aggregate Discretely Presented Component Units. These component units are very small and generally would not require their own audit. For example, the Grand County Special Service Water District had less than $2,000 in income and assets of less than $2m. We suggest that the County add a small amount to the external audit contract for the County's general audit to cover these small component units. This small expense should eliminate this qualification.

From: Matthew W Hancock <matthanc@icloud.com>
Sent: Monday, September 25, 2023 11:25 AM
To: Gabriel Woytek
Subject: 2022 Financial Report: TRT
Attachments: 2022 Financial Report (dragged).pdf; Untitled attachment 02577.htm; Screenshot 2023-09-25 at 10.35.35 AM.png; Untitled attachment 02580.htm

Hi Gabe,

Firstly, thanks once again for referring me to the State Auditor website. It's a wealth of information.

I know you're busy with this year's budgeting process, so I don't want to distract from that work with a drip-feed of questions.

However, I do have one specific query that's been troubling me. It regards TRT revenue recorded in the County's 2022 Financial Report, prepared by Larson and Co.

Page 14 of that report (attached) indicates that **2022 Transient Room Tax** revenues amounted to only **$2.857m**. This represents a significant decrease from the **$7.973m reported in 2021**, and it differs significantly from Utah State Tax Commission reported values.

In prior years, TRT revenues disclosed in the County's financial statements and Utah Tax Commission reports reconcile almost perfectly, specifically for years 2016 through 2020, inclusive.

A material difference first emerges in the 2021 Financial Report, with a significant variation then most apparent in the County's 2022 Financial Report.

I've not been able to find notes to the 2021 and 2022 accounts that explain a change in TRT reporting treatment, although I suspect such a change would most likely explain the variation. In 2022, there was a large increase in amounts reported under Operating Grants and Contributions, so perhaps recent changes in legislation necessitated a reporting change?

Any clarification that you or Larson's might be able to provide would be greatly appreciated.

Kinds regards,

Matt Hancock
(501) 454-5690

Changes in Net Position

Grand County's combined ending net position totaled $107,908,011. A total increase of $11,308,844 over the prior year's ending net position balances after a prior period adjustment of $2,878,125. The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. The following table summarizes the changes in Grand County's net position:

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues:						
Program Revenues:						
Charges for Services	$ 1,503,559	$ 1,414,513	$ 710,440	$ 1,027,653	$ 2,213,999	$ 2,442,166
Operating Grants and Contributions	11,234,435	5,555,801	-	-	11,234,435	5,555,801
Capital Grants and Contributions	1,999,437	1,698,357	-	-	1,999,437	1,698,357
General Revenues:						
Property Taxes	6,818,712	4,698,861	-	-	6,818,712	4,698,861
Transient Room Taxes	2,857,116	7,972,586		-	2,857,116	7,972,586
Payment in Lieu Taxes	1,517,826	1,541,188	-	-	1,517,826	1,541,188
Sales Taxes	8,861,853	8,480,918	-	-	8,861,853	8,480,918
Aviation Fuel Tax	15,680	11,921	-	-	15,680	11,921
Interest	413,383	82,908	-	365	413,383	83,273
Gain on Disposal of Capital Assets	-	575	-	-	-	575
Miscellaneous	1,150,827	925,504	-	-	1,150,827	925,504
Total Revenues	36,372,828	32,383,132	710,440	1,028,018	37,083,268	33,411,150
Expenses:						
General Government	3,246,363	2,084,061	-	-	3,246,363	2,084,061
Public Safety	6,456,263	12,042,955	-	-	6,456,263	12,042,955
Public Health	618,921	469,329	-	-	618,921	469,329
Public Works	9,159,397	6,435,333	-	-	9,159,397	6,435,333
Community	5,538,111	3,961,172	-	-	5,538,111	3,961,172
Intergovernmental	3,006,388	3,159,449	-	-	3,006,388	3,159,449
Interest on Long-Term Debt	-	138,194	-	-	-	138,194
Sandflats Recreation	-	-	627,106	622,486	627,106	622,486
Total Expenses	28,025,443	28,290,493	627,106	622,486	28,652,549	28,912,979
Change in Net Position Before Transfers	8,347,385	4,092,639	83,334	405,532	8,430,719	4,498,171
Transfers	50,920	50,920	(50,920)	(50,920)	-	-
Change in Net Position	8,398,305	4,143,559	32,414	354,612	8,430,719	4,498,171
Net Position - Beginning	106,573,062	102,349,346	1,334,949	980,337	107,908,011	103,329,683
Prior Period Adjustment	3,047,806	80,157	(169,681)	-	2,878,125	80,157
Net Position - Ending	**$118,019,173**	**$106,573,062**	**$ 1,197,682**	**$ 1,334,949**	**$119,216,855**	**$107,908,011**

	2016	2017	2016	2017
Revenues:				
Program Revenues:				
Charges for services	$ 3,201,647	$ 2,567,138	$ 577,253	$ 623,694
Operating grants and contrib.	4,188,584	4,635,832		
Capital grants and contrib.	741,623	3,956,771		
General Revenues:				
Property taxes	4,905,709	4,989,718		
Transient room tax	4,459,487	4,993,022		
Payment in lieu of taxes	1,168,164	1,235,366		
Sales taxes	2,634,449	4,594,633		
Aviation fuel tax	11,763	8,484		
Grants and contrib. not restricted to specific programs	71,484			
Interest	80,236	125,875	595	1,239
Loss on disposal of capital assets	(41,081)			
Miscellaneous	15,476	2,801		1,900
Special Item:				
Contributions from other gov't		287,828		
Total revenues	$ 21,437,541	$ 27,397,468	$ 577,848	$ 626,833
Expenses:				
General government	$ 4,107,230	$ 4,501,709		
Public safety	5,762,902	8,307,242		
Public health	894,370	536,467		
Highways and public improvements	5,479,884	6,203,684		
Parks and recreation	2,143,439	2,272,959		
Conservation and economic dev.	2,523,644	2,863,554		
Intergovernmental	537,524	220,412		
Interest on long-term debt	83,354	129,624		
Capital outlay		334,650		
Sandflats recreation			$ 402,160	$ 400,746

cody@efg-consulting.com

From: Matthew W Hancock <matthanc@icloud.com>
Sent: Friday, September 29, 2023 11:05 PM
To: Gabriel Woytek
Subject: Re: 2022 Financial Report: TRT

Gabe,

Thanks very much for the clarification and the prompt response.

Matt.

> On Sep 29, 2023, at 2:46 PM, Gabriel Woytek <gwoytek@grandcountyutah.net> wrote:
>
> Hey Matt
>
> I got on the horn with Larson and they confirmed that there was $5.6 million that in this schedule should have been attributed to TRT and not grants. I'll be able to follow up on Tuesday or Wednesday with an updated schedule to reflect this correction.
>
> Thanks
>
> On Mon, Sep 25, 2023 at 12:18 PM Matthew W Hancock <matthanc@icloud.com> wrote:
>
>> Thanks Gabe.
>>
>> No rush at all.
>>
>> Matt.
>>
>>> On Sep 25, 2023, at 11:51 AM, Gabriel Woytek <gwoytek@grandcountyutah.net> wrote:
>>>
>>> Hi Matt
>>>
>>> Happy to look into this. Just wanted to let you know I received your request. I don't know if I'll end up having time today and I have an all day training in Provo tomorrow, so it might be until later in the week until I'm able to muster a response.
>>>
>>> Thanks
>>>
>>> On Mon, Sep 25, 2023 at 11:25 AM Matthew W Hancock <matthanc@icloud.com> wrote:
>>>
>>>> Hi Gabe,

Firstly, thanks once again for referring me to the State Auditor website. It's a wealth of information.

I know you're busy with this year's budgeting process, so I don't want to distract from that work with a drip-feed of questions.

However, I do have one specific query that's been troubling me. It regards TRT revenue recorded in the County's 2022 Financial Report, prepared by Larson and Co.

Page 14 of that report (attached) indicates that **2022 Transient Room Tax** revenues amounted to only **$2.857m**. This represents a significant decrease from the **$7.973m reported in 2021**, and it differs significantly from Utah State Tax Commission reported values.

In prior years, TRT revenues disclosed in the County's financial statements and Utah Tax Commission reports reconcile almost perfectly, specifically for years 2016 through 2020, inclusive.

A material difference first emerges in the 2021 Financial Report, with a significant variation then most apparent in the County's 2022 Financial Report.

I've not been able to find notes to the 2021 and 2022 accounts that explain a change in TRT reporting treatment, although I suspect such a change would most likely explain the variation. In 2022, there was a large increase in amounts reported under Operating Grants and Contributions, so perhaps recent changes in legislation necessitated a reporting change?

Any clarification that you or Larson's might be able to provide would be greatly appreciated.

Kinds regards,

Matt Hancock
(501) 454-5690

--
Gabriel J. Woytek
Grand County Clerk/Auditor
he/him/his
435-259-1322

--
Gabriel J. Woytek
Grand County Clerk/Auditor
he/him/his

435-259-1322

From:	Matthew W Hancock <matthanc@icloud.com>
Sent:	Tuesday, October 3, 2023 6:26 PM
To:	Gabriel Woytek
Cc:	commission@grandcountyutah.net
Subject:	Additional Irregularities in Grand County's Financial Statements
Attachments:	Attachment A 2022 Statement of Net Positiono.pdf; Untitled attachment 02613.htm; Attachment B 2022 Balance Sheet - Governmental Funds.pdf; Untitled attachment 02616.htm; Attachment C 2022 Notes to the Accounts.pdf; Untitled attachment 02619.htm; Attachment D 2021 Notes to the Accounts.pdf; Untitled attachment 02622.htm; Attachment E 2021 Statement of Net Position.pdf; Untitled attachment 02625.htm; Attachment F 2021 Balance Sheet - Governmental Funds.pdf; Untitled attachment 02628.htm; Attachment G 2020 Notes to the Accounts.pdf; Untitled attachment 02631.htm; Attachment H 2020 Statement of Net Position.pdf; Untitled attachment 02634.htm; Attachment I 2020 Balance Sheet - Governmental Funds.pdf; Untitled attachment 02637.htm; Attachment J. 2021 Changes in Net Position.pdf; Untitled attachment 02640.htm; Attachment K. 2021 Statement of Activities.pdf; Untitled attachment 02643.htm; Attachment L. 2020 Changes in Net Position.pdf; Untitled attachment 02646.htm; Attachment M. 2022 Changes in Net Position.pdf; Untitled attachment 02649.htm

Hi Gabe,

As briefly discussed on the phone this afternoon, I've been following the County's budget board meetings with interest. Further to my previous email regarding the material misstatement of *2022 Transient Room Tax* revenue, I have identified several additional items that appear to have been reported inconsistently in the County's *2022 and 2021 Financial Statements*, as filed with the Utah State Auditor's office. Given the importance of accurate financial reporting to the budgeting process, I would greatly appreciate clarification on the following points as soon as time permits.

In this case, my concerns center specifically around the County's reporting of:

A. **Cash and Cash Equivalents (CCE)**; and
B. **Property Tax** revenue.

References:
2022 Financial Statements: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000008SeHuQAK
2021 Financial Statements: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000006qFeyQAE
2020 Financial Statements: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K00000442QbQAI

A. Cash and Cash Equivalents

1. General Fund: Restricted CCE Balances

On page 16 of the 2022 Financial Statements, the *Statement of Net Position* (Attachment A) reports a government-wide, restricted CCE balance of *$19,882,231*.

On page 18, the *Assets* section of the *Balance Sheet - Governmental Funds* (Attachment B) reports a restricted CCE balance in the General Fund of *$10,013,554*. This compares to an 'unrestricted' CCE balance of only *$2,480*.

According to these balances, 99.98% of CCE in the General Fund is restricted. Not only does this seem inconsistent with the nature and purpose of the General Fund as described elsewhere in the accounts, it does not reconcile with the General Fund's balances described elsewhere in the same statement.

If the General Fund's assets include *$10,013,554* of restricted CCE, and the General Fund's total liabilities are only *$573,648*, I don't see how it is possible for the General Fund to have a net *restricted* balance of only *$775,026,* as reported in the *Fund Balance* section of the same statement. Here, it is also reported that the General Fund has a net *unassigned* balance of $10,002,643. These inconsistencies strongly suggest that one or more of the General Fund balances reported in this statement are in error. And as a result, the government-wide restricted CCE balance of *$19,882,231* reported in the *Statement of Net Position* is also most likely, materially misstated.

As points of reference, of the financial statements I have reviewed, no restricted CCE balances are reported in the General Fund for years 2015 through 2020 inclusive. A restricted CCE balance of *$549,903* is first reported in the General Fund in the 2021 Financial Statements, representing approximately 7% of the General Fund's total CCE balance.

Is the General Fund's restricted CCE balance of $10,013,554, as reported in the 2022 Financial Statements, in error? If so, what was the correct balance for this account? If not, for what purpose were these funds restricted?

Is the General Fund's restricted CCE balance of $549,903, as reported in the 2021 Financial Statements, in error? If so, what was the correct balance for this account? If not, for what purpose were these funds restricted?

2. Notes to Accounts: Restricted Cash and Cash Equivalents

a) 2022 Financial Statements

Note 3 on page 40 of the 2022 Financial Statements (Attachment C) states, "*Restricted cash and cash equivalents of $10,464,187 represents the amount reported in the Governmental and Business-type activities of the government wide financial statements.*"

I. This stated value of *$10,464,187* ***does not reconcile*** with:

a) the reported government-wide restricted CCE balance of *$19,822,231* reported in the *Statement of Net Position* on page 16 of the financial statements (Attachment A);
b) the reported government-wide restricted CCE balance of *$19,822,231* reported in the *Balance Sheet* on page 18 of the financial statements (Attachment B);
c) the total balance for the items listed in this Note 3 (Attachment C). By my calculation, the balance of the listed items in this note totals *$7,386,499*, which reconciles with neither the stated value in the commentary, nor a) and b) above.

II. Note 3 reports that the balance of restricted CCE for Class B roads is *$2,413,539*. This ***does not reconcile*** with the Class B Road Fund restricted CCE balance of *$4,556,855* reported on the Balance Sheet (Attachment B).

III. The stated value of *$10,464,187* corresponds with the government-wide restricted CCE balance reported in the 2020 Balance Sheet (Attachment I), not the 2022 Balance Sheet. This strongly suggests that the stated value in the commentary is in error, with the text simply copied from the previous years' statements.

IV. However, given the other discrepancies listed in this section, and the unusual General Fund restricted CCE balance described in Section 1, it is impossible to determine the true government-wide restricted CCE balance, and the balance of individual restricted CCE items.

Are the restricted CCE balances reported in the 2022 Balance Sheet and in the 2022 Notes to the Accounts in error? If so, what are the correct balances for each restricted CCE item reported in the accounts?

b) 2021 Financial Statements

Note 12 on page 58 of the 2021 Financial Statements (Attachment D) states, "*Restricted cash and cash equivalents of $10,464,187 represents the amount reported in the Governmental and Business-type activities of the government wide financial statements.*"

I. This stated value of *$10,464,187* was also reported in the 2022 Financial Statements. It ***does not reconcile*** with:

a) the reported government-wide restricted CCE balance of *$10,996,483* reported in the Statement of Net Position on page 16 of the accounts (Attachment E);
b) the reported government-wide restricted CCE balance of *$10,996,483* reported in the Balance Sheet on page 18 of the accounts (Attachment F);
c) the total balance for the items listed in this Note 12 (Attachment D). By my calculation, the balance of the listed items in this note totals *$9,795,522,* which reconciles with neither the stated value in the commentary, nor a) and b) above.

II. Note 12 reports that the balance of restricted CCE for Class B roads is *$2,413,539*. This balance was also reported in the 2022 Financial Statements. It ***does not reconcile*** with the Class B Road Fund restricted CCE balance of *$3,064,597* reported on the 2021 Balance Sheet (Attachment F).

III. The stated value of *$10,464,187* corresponds to the government-wide restricted CCE balance reported in the 2020 Balance Sheet (Attachment I), not the 2021 Balance Sheet. This strongly suggests that the stated value in the commentary is in error, with the text simply copied again from the 2020 statements.

IV. However, given the other discrepancies listed in this section, and the General Fund restricted CCE balance described in Section 1, it is impossible to determine the true government-wide restricted CCE balance, and the balance of individual restricted CCE items.

Are the restricted CCE balances reported on the 2021 Balance Sheet and in the 2021 Notes to the Accounts in error? If so, what are the correct balances for each restricted CCE item reported in the accounts?

c) 2020 Financial Statements

I have included this section to illustrate the nature of the above discrepancies, by way of comparison.

Note 12 on page 65 of the 2020 Financial Statements (Attachment G) states, "*Restricted cash and cash equivalents of $10,464,187 represents the amount reported in the Governmental and Business-type activities of the government wide financial statements.*"

I. This stated value of *$10,464,187* ***reconciles*** with:

a) the reported government-wide restricted CCE balance of *$10,464,187* reported in the Statement of Net Position on page 13 of the accounts (Attachment H);

b) the reported government-wide restricted CCE balance of *$10,464,187* reported in the Balance Sheet on page 16 of the accounts (Attachment I);
c) the total balance for the items listed in this Note 12 (Attachment G). By my calculation, the amounts listed total *$10,464,187,* as stated in the commentary.

II. Note 12 reports that the value of restricted CCE for Class B roads is *$1,851,047*.
This **reconciles** with the Class B Road Fund Restricted CCE balance of *$1,851,047* reported on the Balance Sheet (Attachment I).

B. Property Tax

As briefly discussed this afternoon, the reporting of Property Tax revenues in the *2021 Changes in Net Position* statement (Attachment J) and the 2021 *Statement of Activities* (Attachment K) appear irregular.

From 2015 through 2019 inclusive, the financial statements reflect minimal variation in property tax revenue, with annual changes of less than 2%. A significant ***increase*** in property tax revenue of *27.9%* (from *$4,959,890* in 2019, to *$6,284,820* in 2020) is recorded in the *2020 Changes in Net Position* statement (Attachment L). The timing of this increase seems consistent with the changes adopted following the County's 2019 Truth in Taxation process.

However, as discussed, a significant ***decrease*** in property tax revenue of *25.2%* (from $6,284,820 in 2020, to $4,698,861 in 2021) is then recorded in the *2021 Changes in Net Position* statement, which is then followed by another significant ***increase*** in reported property tax revenue of *45.1%* (from $4,698,861 in 2021, to $6,818,712 in 2022) in the *2022 Changes in Net Position* statement (Attachment M).

This large variation in reported 2021 property tax revenue seems irregular, and is not well explained by variations in other accounts. Additionally, the reported 2021 property tax revenue (of *$4,698,861*) the lowest amount reported in the County's financial statements since 2014 (*$4,599,178*).

Was the reported 2021 property tax revenue (of $4,698,861) materially misstated? If so, what was the correct value for property tax revenue in 2021?

I appreciate that the County is currently busy with the budgeting process. But to ensure public confidence in the County's forthcoming budget, as well as its financial systems, controls and audit processes, I do think it's important that the County prioritize a review of the matters raised above.

Given the number of irregularities outlined in this email, together with the material understatement of Transient Room Tax revenue which I reported on September 25, I do have concerns that the County's financial reports potentially include misstatements that are material *and* pervasive, reflecting possible systemic failures in the County's financial reporting and audit systems.

I look forward to clarification on the points raised in this email as soon as possible.

Kind regards,

Matt Hancock

ATTACHMENTS

Attachment A

Grand County
Statement of Net Position
December 31, 2022

	Primary Government			Component
	Governmental Activities	Business-type Activities	Totals	Unit (Unaudited)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Cash and Cash Equivalents	$ 12,859,588	$ 651,454	$ 13,511,042	$ 5,663,374
Restricted Cash and Cash Equivalents	19,882,231	-	19,882,231	1,966,728
Taxes Receivable	1,156,556	-	1,156,556	-
Accounts Receivable (Net of Allowance)	-	(2,000)	(2,000)	1,673,418
Contract Receivable - Due within One Year	101,315	-	101,315	-
Due from Other Governmental Units	-	-	-	769,471
Other Receivables	3,319,219	-	3,319,219	-
Inventory	64,197	-	64,197	4,089
Prepaid Expenses	-	-	-	43,978
Contract Receivable - Due in more than One Year	435,655	-	435,655	-
Intangible Assets (Net of Accumulated Amortization):				
Goodwill	-	-	-	5,852,201
Non-Compete Agreement	-	-	-	6,667
Capital Assets (Net of Accumulated Depreciation):				
Land	3,455,032	-	3,455,032	3,687,744
Right of Way	4,894,694	-	4,894,694	-
Buildings	18,909,057	338,380	19,247,437	5,273,959
Improvements Other Than Buildings	39,345,851	203,495	39,549,346	2,665,749
Machinery and Equipment	2,071,860	19,519	2,091,379	6,196,280
Infrastructure	20,774,710	-	20,774,710	956,430
Work in Process	1,101,936	-	1,101,936	274,652
Leased assets: (net of accumulated amortization)				
Equipment	-	-	-	39,822
Net Pension Asset	2,827,191	77,382	2,904,573	575,962
Total Assets	131,199,092	1,288,230	132,487,322	35,650,524
Deferred Outflows of Resources - Pensions	2,611,334	71,475	2,682,809	737,952
Total assets and deferred outflows of resources	**$ 133,810,426**	**$ 1,359,705**	**$ 135,170,131**	**$ 36,388,476**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:				
Liabilities:				
Due to Other Units	$ -	$ 7,727	$ 7,727	$ 1,305
Accounts Payable	1,589,411	-	1,589,411	681,975
Unearned Revenue	121,195	-	121,195	-
Accrued Liabilities	270,732	2,472	273,204	367,971
Leased Payable - Due within one year	-	-	-	136,982
Noncurrent Liabilities:				
Due Within One Year	550,100	-	550,100	1,077,773
Due in More Than One Year	7,703,674	-	7,703,674	17,171,566
Leases Payable - Due in more than one year	-	-	-	543,237
Bond Interest Payable	312,970	-	312,970	-
Compensated Absences Payable	512,002	22,329	534,331	96,095
Total Liabilities	11,060,084	32,528	11,092,612	20,076,904
Deferred Inflows of Resources - Pensions	4,731,169	129,495	4,860,664	817,277
Total liabilities and deferred inflows of resources	**$ 15,791,253**	**$ 162,023**	**$ 15,953,276**	**$ 20,894,181**
NET POSITION				
Net Investment in Capital Assets	$ 82,299,366	$ 636,304	$ 82,935,670	$ 5,103,664
Nonspendable	64,197	-	64,197	-
Restricted	12,177,900	-	12,177,900	1,956,715
Assigned	12,579,896	-	12,579,896	-
Unrestricted	10,897,814	561,378	11,459,192	8,433,916
Total Net Position	**$ 118,019,173**	**$ 1,197,682**	**$ 119,216,855**	**$ 15,494,295**

The Notes to the Financial Statements are an Integral Part of this Statement

Grand County
Balance Sheet – Governmental Funds
For the Year Ended December 31, 2022

		Special Revenue Fund			Fund	Fund		
ASSETS	General Fund	Class B Road Fund	Travel Council	Health Care Sales Tax	TRT County Protion	General CP Fund	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	$ 2,480	$ -	$ 150	$ -	$ -	$ 5,669,774	$ 6,711,612	$ 12,384,016
Restricted Cash and Cash	10,013,554	4,556,855	2,587,532	578,099	(21,641)	-	2,167,832	19,882,231
Property Tax Receivable	770,308	-	-	385,235	-	-	1,013	1,156,556
Other Receivables	564,975	1,308,265	450,678	-	445,496	-	549,805	3,319,219
Inventory	64,197	-	-	-	-	-	-	64,197
Due from Other Funds	-	-	-	-	-	315,888	-	315,888
Total Assets	$ 11,415,514	$ 5,865,120	$ 3,038,360	$ 963,334	$ 423,855	$ 5,985,662	$ 9,430,262	$ 37,122,107
LIABILITIES								
Accounts Payable	323,562	858,064	278,947	-	-	10,478	118,360	1,589,411
Unearned Revenue	-	-	-	-	-	-	121,195	121,195
Due to other Funds	-	-	-	-	-	-	315,888	315,888
Accrued Liabilities	250,086	12,351	4,011	-	-	-	4,284	270,732
Other Liabilities	-	-	-	-	-	-	245	245
Total Liabilities	$ 573,648	$ 870,415	$ 282,958	$ -	$ -	$ 10,478	$ 559,972	$ 2,297,471
FUND BALANCE								
Nonspendable:								
Inventory	$ 64,197	$ -	$ -	$ -	$ -	$ -	$ -	$ 64,197
Restricted:								
Class "B" Roads	-	4,994,705	-	-	-	-	-	4,994,705
Miscellaneous Grants	-	-	-	-	-	-	266,902	266,902
Impact Fees	-	-	-	-	-	-	624,300	624,300
Airport Capital Projects	-	-	-	-	-	-	90,120	90,120
TRT Capital Projects	-	-	-	-	-	-	109,972	109,972
Library Debt Service	-	-	-	-	-	-	553,556	553,556
Courthouse Debt Service	-	-	-	-	-	-	121,216	121,216
Municipal Building Authority	-	-	-	-	423,855	-	-	423,855
Restaurant and Car Tax	-	-	-	-	-	-	29,526	29,526
Family Support Center	-	-	-	-	-	-	28,768	28,768
Children's Justice Center	-	-	-	-	-	-	22,521	22,521
Health Care Sales Tax	-	-	-	963,334	-	-	-	963,334
Travel Council	-	-	2,755,402	-	-	-	-	2,755,402
Thompson Fire SSD	-	-	-	-	-	-	18,019	18,019
Atlas Tailings	-	-	-	-	-	-	27,311	27,311
911 Emergency Service	-	-	-	-	-	-	371,367	371,367
RSVP	-	-	-	-	-	-	2,000	2,000
Library	775,026	-	-	-	-	-	-	775,026
Assigned:								
General Capital Projects	-	-	-	-	-	5,975,184	-	5,975,184
Library Capital Projects	-	-	-	-	-	-	169,342	169,342
Road Capital Projects	-	-	-	-	-	-	2,413,539	2,413,539
MBA Capital Projects	-	-	-	-	-	-	4,988	4,988
Parks, Trails & Recreation	-	-	-	-	-	-	1,819,787	1,819,787
Designated Funds	-	-	-	-	-	-	146,978	146,978
Storm Water Mitigation	-	-	-	-	-	-	2,050,078	2,050,078
Unassigned:								
General Fund	10,002,643	-	-	-	-	-	-	10,002,643
Total Fund Balances	10,841,866	4,994,705	2,755,402	963,334	423,855	5,975,184	8,870,290	34,824,636

The Notes to the Financial Statements are an Integral Part of this Statement

NOTE 3. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents of $10,464,187 represents the amount reported in the Governmental and Business-type activities of the government wide financial statements. Restricted cash and investments are those funds whose use is limited by legal requirements. The County has restricted cash and cash equivalents in the following amounts:

(21,641)	in the Municipal Building Authority to satisfy bond reserve requirements and loan proceeds to construct new EMS facility
2,413,539	to be used for repair, improvements and construction of "B" roads
578,099	of cash restricted by state guidelines for special taxes for health care service
25,276	of money received for the removal of Atlas Minerals tailings
2,000	of funds to be used for the RSVP program
624,337	restricted through a certified rate to be used for Library operations
266,902	of grants and contributions to be used for miscellaneous specific projects
332,200	of cash to be used for the operation and improvement of the 911 service
25,707	of cash to be used for fire protection in the Thompson Fire SSD
2,587,532	of cash restricted to promote economic development in Grand County
552,548	of cash generated through a certified rate for the principal and interest payments on Library debt

NOTE 12. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents of $10,464,187 represents the amount reported in the Governmental and Business-type activities of the government wide financial statements. Restricted cash and investments are those funds whose use is limited by legal requirements. The County has restricted cash and cash equivalents in the following amounts:

1,593,418	in the Impact Fee Fund to be used for impacts to fire, law enforcement, parks, drainage and roads
538,380	in the Municipal Building Authority to satisfy bond reserve requirements and loan proceeds to construct new EMS facility
11,562	of grants and contributions to be used for capital improvements to the Loop Road
2,413,539	to be used for repair, improvements and construction of "B" roads
141,571	restricted and used according to state guidelines for special taxes
209,374	of cash restricted by state guidelines for special taxes for health care service
27,366	of money received for the removal of Atlas Minerals tailings
2,000	of funds to be used for the RSVP program
631,900	restricted through a certified rate to be used for Library operations
207,351	of grants and contributions to be used for miscellaneous specific projects
315,329	of cash to be used for the operation and improvement of the 911 service
9,024	of cash to be used for fire protection in the Thompson Fire SSD
3,171,008	of cash restricted to promote economic development in Grand County
11,427	of cash from grants and loans for improvements to Canyonlands Airport and to satisfy bond reserve requirements
512,273	of cash generated through a certified rate for the principal and interest payments on Library debt

Grand County
Statement of Net Position
December 31, 2021

	Primary Government			Component
	Governmental Activities	Business-type Activities	Totals	Unit (Unaudited)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Cash and Cash Equivalents	$ 17,617,604	$ 757,682	$ 18,375,286	$ 5,890,254
Restricted Cash and Cash Equivalents	10,996,483	-	10,996,483	3,066,050
Taxes Receivable	24,850	-	24,850	-
Accounts Receivable (Net of Allowance)	-	201,334	201,334	1,619,917
Contract Receivable - Due within One Year	100,008	-	100,008	-
Investments	-	-	-	18,212
Due from Other Governmental Units	1,165,336	-	1,165,336	331,212
Other Receivables	17,639	-	17,639	-
Inventory	32,286	-	32,286	4,089
Prepaid Expenses	-	-	-	105,483
Contract Receivable - Due in more than One Year	260,970	-	260,970	-
Intangible Assets (Net of Accumulated Amortization):				
Goodwill	-	-	-	5,152,125
Non-Compete Agreement	-	-	-	8,667
Capital Assets (Net of Accumulated Depreciation):				
Land	3,455,032	-	3,455,032	3,540,951
Right of Way	4,894,694	-	4,894,694	-
Buildings	14,865,192	347,892	15,213,084	5,347,500
Improvements Other Than Buildings	39,522,313	55,229	39,577,542	2,794,916
Machinery and Equipment	1,602,389	28,973	1,631,362	3,512,704
Infrastructure	23,019,858	-	23,019,858	956,430
Work in Process	2,144,587	-	2,144,587	263,840
Net Pension Asset	41,327	1,291	42,618	-
Total Assets	119,760,568	1,392,401	121,152,969	32,612,350
Deferred Outflows of Resources - Pensions	1,942,183	52,242	1,994,425	462,072
Total assets and deferred outflows of resources	**$ 121,702,751**	**$ 1,444,643**	**$ 123,147,394**	**$ 33,074,422**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:				
Liabilities:				
Due to Other Units	$ -	$ -	$ -	$ 1,305
Accounts Payable	159,184	-	159,184	927,433
Unearned Revenue	1,183,840	-	1,183,840	-
Accrued Liabilities	970,687	7,026	977,713	447,558
Noncurrent Liabilities:				
Due Within One Year	747,380	-	747,380	915,740
Due in More Than One Year	8,320,100	-	8,320,100	15,822,439
Bond Interest Payable	136,978	-	136,978	-
Compensated Absences Payable	460,255	21,908	482,163	83,383
Closure and Postclosure Liability	-	-	-	-
Net Pension Liability	751,763	11,806	763,569	34,895
Total Liabilities	12,730,187	40,740	12,770,927	18,232,753
Deferred Inflows of Resources - Pensions	2,399,502	68,954	2,468,456	237,273
Total liabilities and deferred inflows of resources	**$ 15,129,689**	**$ 109,694**	**$ 15,239,383**	**$ 18,470,026**
NET POSITION				
Net Investment in Capital Assets	$ 80,436,585	$ 426,359	$ 80,862,944	$ 4,838,953
Nonspendable	32,286	-	32,286	-
Restricted	9,863,378	-	9,863,378	3,055,472
Assigned	9,803,506	-	9,803,506	-
Unrestricted	6,437,307	908,590	7,345,897	6,709,971
Total Net Position	**$ 106,573,062**	**$ 1,334,949**	**$ 107,908,011**	**$ 14,604,396**

The Notes to the Financial Statements are an Integral Part of this Statement

Grand County
Balance Sheet – Governmental Funds
For the Year Ended December 31, 2021

		Special Revenue Fund				Capital Project Funds			
ASSETS	General Fund	Impact Fees Fund	Class B Road Fund	Travel Council	Health Care Sales Tax	Building Authority CP Fund	General CP Fund	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	$ 7,317,311	$ -	$ -	$ -	$ -	$ (51,844)	$ 4,092,321	$ 6,144,267	$ 17,502,055
Restricted Cash and Cash Equivalents	549,903	1,593,418	3,064,597	3,171,008	209,374	538,380	-	1,869,803	10,996,483
Property Tax Receivable	-	-	24,850	-	-	-	-	-	24,850
Inventory	32,286	-	-	-	-	-	-	-	32,286
Due from Other Funds	184,744	-	716,917	-	-	-	-	-	901,661
Due from Other Governments	153,756	-	-	539,438	-	-	-	472,142	1,165,336
Total Assets	$ 8,238,000	$ 1,593,418	$ 3,806,364	$ 3,710,446	$ 209,374	$ 486,536	$ 4,092,321	$ 8,486,212	$ 30,622,671
LIABILITIES									
Cash Deficit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 331,931	$ 331,931
Accounts Payable	-	-	-	-	-	147,377	-	11,807	159,184
Unearned Revenue	-	-	-	-	-	1,183,840	-	-	1,183,840
Due to other Funds	-	901,661	-	-	-	-	-	-	901,661
Accrued Liabilities	916,040	-	31,729	5,149	-	-	-	17,769	970,687
Total Liabilities	$ 916,040	$ 901,661	$ 31,729	$ 5,149	$ -	$ 1,331,217	$ -	$ 361,507	$ 3,547,303
FUND BALANCE									
Nonspendable:									
Inventory	$ 32,286	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,286
Restricted:									
Class "B" Roads	-	-	3,774,635	-	-	-	-	-	3,774,635
Miscellaneous Grants	-	-	-	-	-	-	-	260,112	260,112
Impact Fees	-	691,757	-	-	-	-	-	-	691,757
Airport Capital Projects	-	-	-	-	-	-	-	320,941	320,941
TRT Capital Projects	-	-	-	-	-	-	-	(255,047)	(255,047)
Library Debt Service	-	-	-	-	-	-	-	512,273	512,273
Courthouse Debt Service	-	-	-	-	-	-	-	315,339	315,339
Municipal Building Authority	-	-	-	-	-	(844,681)	-	-	(844,681)
Restaurant and Car Tax	-	-	-	-	-	-	-	141,326	141,326
Family Support Center	-	-	-	-	-	-	-	28,661	28,661
Children's Justice Center	-	-	-	-	-	-	-	15,386	15,386
Health Care Sales Tax	-	-	-	-	209,374	-	-	-	209,374
Travel Council	-	-	-	3,705,297	-	-	-	-	3,705,297
Thompson Fire SSD	-	-	-	-	-	-	-	9,024	9,024
Atlas Tailings	-	-	-	-	-	-	-	29,480	29,480
911 Emergency Service	-	-	-	-	-	-	-	313,045	313,045
RSVP	-	-	-	-	-	-	-	2,000	2,000
Library	-	-	-	-	-	-	-	634,456	634,456
Assigned:									
General Capital Projects	-	-	-	-	-	-	4,092,321	-	4,092,321
Library Capital Projects	-	-	-	-	-	-	-	169,342	169,342
Road Capital Projects	-	-	-	-	-	-	-	2,413,539	2,413,539
Parks, Trails & Recreation	-	-	-	-	-	-	-	1,232,769	1,232,769
Designated Funds	-	-	-	-	-	-	-	103,586	103,586
Storm Water Mitigation	-	-	-	-	-	-	-	1,791,949	1,791,949
Unassigned:									
Emergency Medical Services	-	-	-	-	-	-	-	86,524	86,524
General Fund	7,289,674	-	-	-	-	-	-	-	7,289,674
Total Fund Balances	7,321,960	691,757	3,774,635	3,705,297	209,374	(844,681)	4,092,321	8,124,705	27,075,368
Total Liabilities and Fund Balances	**$ 8,238,000**	**$ 1,593,418**	**$ 3,806,364**	**$ 3,710,446**	**$ 209,374**	**$ 486,536**	**$ 4,092,321**	**$ 8,486,212**	**$ 30,622,671**

The Notes to the Financial Statements are an Integral Part of this Statement

12. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents of $10,464,187 represents the amount reported in the Governmental and Business-type activities of the government wide financial statements. Restricted cash and investments are those funds whose use is limited by legal requirements. The County has restricted cash and cash equivalents in the following amounts:

$1,522,099	in the Impact fee Fund to be used for impacts to fire, law enforcement, parks, drainage and roads
$3,777,482	in the Municipal Building Authority to satisfy bond reserve requirements and loan proceeds to construct new EMS facility
$11,562	of grants and contributions to be used for capital improvements to the Loop Road
$1,851,047	to be used for repair, improvements and construction of "B" roads
$115,762	restricted and used according to state guidelines for special taxes
$196,259	of cash restricted by state guidelines for special taxes for health care service
$15,028	of money received for the removal of Atlas Minerals tailings
$2,000	of funds to be used for the RSVP program
$521,470	restricted through a certified rate to be used for Library operations
$265,686	of grants and contributions to be used for miscellaneous specific projects
$296,881	of cash to be used for the operation and improvement of the 911 service
$21,647	of cash to be used for fire protection in the Thompson Fire SSD
$1,202,884	of cash restricted to promote economic development in Grand County
$162,691	of cash from grants and loans for improvements to Canyonlands Airport and to satisfy bond reserve requirements
$501,689	of cash generated through a certified rate for the principal and interest payments on Library debt

GRAND COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	PRIMARY GOVERNMENT			
	GOVERN-MENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash and cash equivalents	$ 10,973,654	$ 643,914	$ 11,617,568	$ 3,615,623
Restricted cash and cash equivalents	10,464,187		10,464,187	945,973
Taxes receivable	1,815,300		1,815,300	
Accounts receivable - net	19,122	97	19,219	1,084,845
Contract receivable - due within one year	33,000		33,000	
Internal balances	(12,679)	12,679		
Due from other governmental units	2,901,939		2,901,939	268,591
Inventory	29,858		29,858	4,089
Prepaid expenses	4,529		4,529	11,778
Contract receivable - due in more than one year	191,000		191,000	
Capital assets (net of accumulated depreciation):				
Land	3,455,032		3,455,032	1,185,064
Rights of Way	4,894,694		4,894,694	
Buildings	15,311,925	357,404	15,669,329	4,329,340
Improvements other than buildings	27,663,481	61,536	27,725,017	2,956,199
Equipment	1,719,760	22,490	1,742,250	1,925,271
Infrastructure	25,267,148		25,267,148	956,430
Work in progress	13,455,639		13,455,639	101,766
Total assets	$ 118,187,589	$ 1,098,120	$ 119,285,709	$ 17,384,969
Deferred outflows of resources related to pensions	1,887,038	50,519	1,937,557	337,902
Total assets and deferred outflows of resources related to pensions	$ 120,074,627	$ 1,148,639	$ 121,223,266	$ 17,722,871
LIABILITIES				
Accounts payable	$ 1,657,061	$ 1,455	$ 1,658,516	$ 459,811
Unearned income	1,183,839		1,183,839	
Accrued liabilities	469,551	11,326	480,877	240,887
Customer deposits				1,305
Bond interest payable	64,054		64,054	136,128
Revenue and G.O. bonds - Due within one year	725,000		725,000	26,000
Capital leases payable - Due within one year	11,771		11,771	283,228
Net pension liability	2,610,763	69,894	2,680,657	193,359
Revenue and G.O. bonds payable - Due in more than one year	8,935,000		8,935,000	3,085,000
Capital leases payable - Due in more than one year	14,486		14,486	389,890
Compensated absences	708,051	36,922	744,973	27,837
Total liabilities	$ 16,379,576	$ 119,597	$ 16,499,173	$ 4,843,445
Deferred inflows of resources related to Grants				55,000
Deferred inflows of resources related to pensions	1,345,705	36,026	1,381,731	115,294
Total liabilities and deferred inflows of resources	$ 17,725,281	$ 155,623	$ 17,880,904	$ 5,013,739

"The notes to the financial statements are an integral part of this statement."

GRAND COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

		SPECIAL REVENUE FUNDS		CAPITAL PROJECT FUNDS			
	GENERAL FUND	IMPACT FEES	"B" ROAD	AIRPORT CP FUND	BLDG AUTHORITY CP FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	$ 4,992,601				$ 986,388	$ 4,631,219	$ 10,610,208
Restricted cash and cash equivalents		$ 1,522,099	$ 1,851,047	$ 162,691	3,777,482	3,150,868	10,464,187
Receivables (net):							
Taxes	1,073,444		583,989			157,867	1,815,300
Inventory	29,858						29,858
Due from other funds	184,744		716,916				901,660
Due from other governments	816,226			848,086		1,237,627	2,901,939
Total assets	$ 7,096,873	$ 1,522,099	$ 3,151,952	$ 1,010,777	$ 4,763,870	$ 9,177,581	$ 26,723,152
LIABILITIES AND FUND BALANCES							
Liabilities:							
Cash deficit						$ 43,316	$ 43,316
Accounts payable	$ 177,261		$ 66,390	$ 916,341	$ 412,302	84,767	1,657,061
Unearned revenue					1,183,839		1,183,839
Due to other funds		$ 901,660					901,660
Accrued liabilities	347,204		61,282			61,065	469,551
Total liabilities	$ 524,465	$ 901,660	$ 127,672	$ 916,341	$ 1,596,141	$ 189,148	$ 4,255,427
Fund balances:							
Nonspendable							
Inventory	$ 29,858						$ 29,858
Restricted							
Class "B" road			$ 3,024,280				3,024,280
Miscellaneous grants						$ 268,946	268,946
Impact fees		$ 620,439					620,439
Airport capital projects				$ 94,436			94,436
TRT capital projects						296,859	296,859
Library debt service						521,652	521,652
Courthouse debt service						511,749	511,749
Municipal building authority					$ 3,167,729		3,167,729
Restaurant and car tax						239,935	239,935
Family support center						32,547	32,547
Children's Justice Center						15,378	15,378
Health care sales tax						539,860	539,860
Travel council						1,475,335	1,475,335
Thompson Fire SSD						24,449	24,449
Atlas tailings						26,429	26,429
911 Emergency service						320,609	320,609
RSVP						2,000	2,000
Library						625,336	625,336
Assigned:							
General capital projects						318,094	318,094
Library capital projects						169,290	169,290
Road capital projects						2,413,539	2,413,539
Parks, Trails & Recreation						617,120	617,120
Designated funds						85,846	85,846
Storm water mitigation						400,000	400,000
Unassigned:							
Domestic violence						(3,064)	(3,064)
Emergency medical services						86,524	86,524
General fund	6,542,550						6,542,550
Total fund balances	$ 6,572,408	$ 620,439	$ 3,024,280	$ 94,436	$ 3,167,729	$ 8,988,433	$ 22,467,725
Total liabilities and fund balances	$ 7,096,873	$ 1,522,099	$ 3,151,952	$ 1,010,777	$ 4,763,870	$ 9,177,581	$ 26,723,152

"The notes to the financial statements are an integral part of this statement."

Changes in Net Position

Grand County's combined ending net position totaled $107,908,011. A total increase of $4,498,171 over the prior year's ending net position balances after the prior period adjustment. The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. The following table summarizes the changes in Grand County's net position:

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	1,414,513	2,228,144	1,027,653	523,494	2,442,166	2,751,638
Operating Grants and Contributions	5,555,801	6,328,804	-	-	5,555,801	6,328,804
Capital Grants and Contributions	1,698,357	8,967,701	-	-	1,698,357	8,967,701
General Revenues:						
Property Taxes	4,698,861	6,284,820	-	-	4,698,861	6,284,820
Transient Room Taxes	7,972,586	4,449,929		-	7,972,586	4,449,929
Payment in Lieu Taxes	1,541,188	1,510,152	-	-	1,541,188	1,510,152
Sales Taxes	8,480,918	5,742,044	-	-	8,480,918	5,742,044
Aviation Fuel Tax	11,921	17,558	-	-	11,921	17,558
Interest	82,908	152,086	365	3,848	83,273	155,934
Gain on Disposal of Capital Assets	575	134,944	-	-	575	134,944
Miscellaneous	925,504	25,166	-	-	925,504	25,166
Total Revenues	32,383,132	35,841,348	1,028,018	527,342	33,411,150	36,368,690
Expenses:						
General Government	2,084,061	4,101,019	-	-	2,084,061	4,101,019
Public Safety	12,042,955	7,936,517	-	-	12,042,955	7,936,517
Public Health	469,329	1,524,889	-	-	469,329	1,524,889
Public Works	6,435,333	5,553,330	-	-	6,435,333	5,553,330
Community	3,961,172	4,728,111	-	-	3,961,172	4,728,111
Intergovernmental	3,159,449	677,206	-	-	3,159,449	677,206
Interest on Long-Term Debt	138,194	121,163	-	-	138,194	121,163
Sandflats Recreation	-	-	622,486	506,662	622,486	506,662
Total Expenses	28,290,493	24,642,235	622,486	506,662	28,912,979	25,148,897
Change in Net Position Before Transfers	4,092,639	11,199,113	405,532	20,680	4,498,171	11,219,793
Transfers	50,920	-	(50,920)	-	-	-
Change in Net Position	4,143,559	11,199,113	354,612	20,680	4,498,171	11,219,793
Net Position - Beginning	102,349,346	91,275,115	980,337	962,047	103,329,683	92,237,162
Prior Period Adjustment	80,157	(124,882)	-	(2,390)	80,157	(127,272)
Net Position - Ending	**106,573,062**	**102,349,346**	**1,334,949**	**980,337**	**107,908,011**	**103,329,683**

Grand County
Statement of Activities
December 31, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			
			Operating	Capital				
		Charges for	Grants and	Grants and	Governmental	Business-type		Component
Function/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Unit
Primary Government:								
Governmental Activities:								
General Government	$ 2,084,061	$ 672,431	$ -	$ -	$ (1,411,630)	$ -	$ (1,411,630)	$ -
Public Safety	12,042,955	587,051	42,433	260,201	(11,153,270)	-	(11,153,270)	-
Public Health	469,329	-	-	-	(469,329)	-	(469,329)	-
Public Works	6,435,333	155,031	5,513,368	1,430,298	663,364	-	663,364	-
Community and Economic Development	3,961,172	-	-	7,858	(3,953,314)	-	(3,953,314)	-
Intergovernmental	3,159,449	-	-	-	(3,159,449)	-	(3,159,449)	-
Interest on Long-Term Debt	138,194	-	-	-	(138,194)	-	(138,194)	-
Total Governmental Activities	$ 28,290,493	$ 1,414,513	$ 5,555,801	$ 1,698,357	$ (19,621,822)	$ -	$ (19,621,822)	$ -
Business-type Activities:								
Sandflats	$ 622,486	$ 1,027,653	$ -	$ -	$ -	$ 405,167	$ 405,167	$ -
Total Business-type Activities	622,486	1,027,653	-	-	-	405,167	405,167	-
Total Primary Government	$ 28,912,979	**$ 2,442,166**	**$ 5,555,801**	**$ 1,698,357**	**$ (19,621,822)**	**$ 405,167**	**$ (19,216,655)**	**$ -**
Component Unit:								
Canyonlands Health Care Special Service District	$ 4,112,615	$ 3,139,810	$ -	$ -	$ -	$ -	$ -	$ (972,805)
Grand County Special Service Water District	37,122	-	-	-	-	-	-	(37,122)
Grand County EMS Special Service District	2,633,872	1,586,462	-	1,509,827	-	-	-	462,417
Solid Waste Special Service District #1	3,723,868	3,526,850	422,538	-	-	-	-	225,520
Grand County Recreation Special Service District	551,874	-	-	-	-	-	-	(551,874)
Thompson Special Service District	83,588	59,544	-	-	-	-	-	(24,044)
Grand County Transportation Special Service District	13,380	-	257,568	-	-	-	-	244,188
Total Component Units	$ 11,156,319	$ 8,312,666	$ 680,106	$ 1,509,827	$ -	$ -	$ -	$ (653,720)
General Revenues:								
Property Taxes					4,698,861	-	4,698,861	-
Payment in lieu of Taxes					1,541,188	-	1,541,188	92,162
Sales Taxes					8,480,918	-	8,480,918	-
Aviation Fuel Tax					11,921	-	11,921	-
Transient Room Taxes					7,972,586	-	7,972,586	-
Unrestricted Investment Earnings					82,908	365	83,273	20,860
Mineral Lease					-	-	-	2,048,426
Miscellaneous					925,504	-	925,504	354,850
Gain(loss) on Disposal of Fixed Assets					575	-	575	28,640
Transfers					50,920	(50,920)	-	-
Total General Revenues and Transfers					23,765,381	(50,555)	23,714,826	2,544,938
Change in Net Position					4,143,559	354,612	4,498,171	1,891,218
Net Position - Beginning					102,349,346	980,337	103,329,683	12,732,373
Prior Period Adjustment					80,157	-	80,157	(19,195)
Net Position - Ending					**$ 106,573,062**	**$ 1,334,949**	**$ 107,908,011**	**$ 14,604,396**

The Notes to the Financial Statements are an Integral Part of this Statement

Changes in Net Position

Grand County's combined ending net position totaled $103,342,362. A total increase of $11,092,521 over the prior year's ending net position balances after the prior period adjustment. The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. The following table summarizes the changes in Grand County's net position:

Table 2
Change in Net Position

	Governmental Activities 2020	Governmental Activities 2019	Business-type Activities 2020	Business-type Activities 2019
Revenues:				
Program Revenues:				
Charges for services	$ 2,228,144	$ 2,431,138	$ 523,494	$ 666,623
Operating grants and contrib.	6,328,804	4,407,864		
Capital grants and contrib.	8,967,701	2,888,767		
General Revenues:				
Property taxes	6,284,820	4,959,890		
Transient room tax	4,449,929	5,687,027		
Payment in lieu of taxes	1,510,152	1,768,030		
Sales taxes	5,742,044	6,062,608		
Aviation fuel tax	17,558	10,584		
Interest	152,086	355,707	3,848	4,307
Gain on disposal of capital assets	134,944	126,562		
Miscellaneous	25,166	73,168		
Total revenues	$ 35,841,348	$ 28,771,345	$ 527,342	$ 670,930
Expenses:				
General government	$ 4,101,019	$ 4,150,857		
Public safety	7,936,517	8,806,855		
Health	1,524,889	2,078,938		
Public works	5,553,330	6,287,197		
Community	4,728,111	6,045,719		
Intergovernmental	677,206	505,561		
Interest on long-term debt	121,163	138,828		
Sandflats recreation			$ 506,662	$ 549,921
Special Item:				
Contributions to other gov't		109,130		
Total expenses	$ 24,642,235	$ 28,123,085	$ 506,662	$ 549,921
Change in net position	$ 11,199,113	$ 648,260	$ 20,680	$ 121,009
Net position - Beginning	91,275,115	90,626,855	974,726	853,717
Prior period adjustment	(124,882)		(2,390)	
Net position - Ending	$ 102,349,346	$ 91,275,115	$ 993,016	$ 974,726

Changes in Net Position

Grand County's combined ending net position totaled $107,908,011. A total increase of $11,308,844 over the prior year's ending net position balances after a prior period adjustment of $2,878,125. The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. The following table summarizes the changes in Grand County's net position:

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	$ 1,503,559	$ 1,414,513	$ 710,440	$ 1,027,653	$ 2,213,999	$ 2,442,166
Operating Grants and Contributions	11,234,435	5,555,801	-	-	11,234,435	5,555,801
Capital Grants and Contributions	1,999,437	1,698,357	-	-	1,999,437	1,698,357
General Revenues:						
Property Taxes	6,818,712	4,698,861	-	-	6,818,712	4,698,861
Transient Room Taxes	2,857,116	7,972,586		-	2,857,116	7,972,586
Payment in Lieu Taxes	1,517,826	1,541,188	-	-	1,517,826	1,541,188
Sales Taxes	8,861,853	8,480,918	-	-	8,861,853	8,480,918
Aviation Fuel Tax	15,680	11,921	-	-	15,680	11,921
Interest	413,383	82,908	-	365	413,383	83,273
Gain on Disposal of Capital Assets	-	575	-	-	-	575
Miscellaneous	1,150,827	925,504	-	-	1,150,827	925,504
Total Revenues	36,372,828	32,383,132	710,440	1,028,018	37,083,268	33,411,150
Expenses:						
General Government	3,246,363	2,084,061	-	-	3,246,363	2,084,061
Public Safety	6,456,263	12,042,955	-	-	6,456,263	12,042,955
Public Health	618,921	469,329	-	-	618,921	469,329
Public Works	9,159,397	6,435,333	-	-	9,159,397	6,435,333
Community	5,538,111	3,961,172	-	-	5,538,111	3,961,172
Intergovernmental	3,006,388	3,159,449	-	-	3,006,388	3,159,449
Interest on Long-Term Debt	-	138,194	-	-	-	138,194
Sandflats Recreation	-	-	627,106	622,486	627,106	622,486
Total Expenses	28,025,443	28,290,493	627,106	622,486	28,652,549	28,912,979
Change in Net Position Before Transfers	8,347,385	4,092,639	83,334	405,532	8,430,719	4,498,171
Transfers	50,920	50,920	(50,920)	(50,920)	-	-
Change in Net Position	8,398,305	4,143,559	32,414	354,612	8,430,719	4,498,171
Net Position - Beginning	106,573,062	102,349,346	1,334,949	980,337	107,908,011	103,329,683
Prior Period Adjustment	3,047,806	80,157	(169,681)	-	2,878,125	80,157
Net Position - Ending	**$118,019,173**	**$106,573,062**	**$ 1,197,682**	**$ 1,334,949**	**$119,216,855**	**$107,908,011**

cody@efg-consulting.com

From: Matthew W Hancock <matthanc@icloud.com>
Sent: Thursday, October 5, 2023 8:58 AM
To: Gabriel Woytek
Cc: commission@grandcountyutah.net; sstocks@grandcountyutah.net
Subject: Compliance with Resolution 3165: Audit Committee
Attachments: Internal Audit Review 11.1.2022.pdf; Untitled attachment 02657.htm; Internal Audit Review 5.11.2021.pdf; Untitled attachment 02660.htm; Internal Audit Review 10.20.2020.pdf; Untitled attachment 02663.htm

Hi Gabe,

I'm disappointed to learn that there are no minutes for the Audit Committee, and that the committee is simply a "voluntary ad hoc group" rather than a body that is more formally structured.

This makes me concerned that Grand County might not be in compliance with a County resolution (3165), and that the County might have misrepresented to the State Auditor the nature of actions it has taken to minimize the likelihood of fraud, abuse and non-compliance.

Please refer to the link below that provides Grand County documentation filed with the Office of the Utah State Auditor.

https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000003lBcSQAU

On January 22, 2019, in response to a State Auditor report and its associated recommendations concerning Grand County's internal controls, the Grand County Council advised the State Auditor that it had passed a new resolution establishing a formal audit committee.

According to the documentation, Resolution 3165 (A Resolution Establishing the Grand County Audit Committee) was enacted on January 02, 2019.

Among other things, the Resolution states:

1. The Grand County Audit Committee is comprised of three County Council members;
2. The Committee shall meet a minimum of 4 times each year;
3. The Audit Committee shall create meeting minutes which include the meeting:
    - agenda;
    - time, date and location;
    - attendance;
    - findings requiring further investigation;
    - items to report to the County Council.

Information available through the Grand County website indicates that Commissioners McGann, Walker and Winfield are presently assigned to the Audit Committee.

Additionally, minutes from the *Joint Grand County Commission - Budget Advisory Board* meeting on October 17, 2018 state that the Resolution was drafted "*based on the State's template provided.*"

https://www.grandcountyutah.net/AgendaCenter/ViewFile/Agenda/_10172018-916

Thank you for forwarding me the reported Internal Audit Findings for the years 2020 through 2022. However, I'm not sure that this documentation alone satisfies the requirements of Resolution 3165.

Larson and Company clarifies in its external auditor's reports that Grand County *"management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United State of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error."*

I believe that stricter adherence to the County's Resolution might have been valuable in identifying the material reporting errors in the financial statements that are apparent to date.

I think at this stage it might be best for the County Attorney's office and the State Auditor to offer an opinion of whether the County is in compliance.

From the financial reviews currently underway, I look forward to clarification on the reporting issues raised previously.

Kind regards,

Matt Hancock.

> On Oct 4, 2023, at 3:14 PM, Gabriel Woytek <gwoytek@grandcountyutah.net> wrote:
>
> Matt, your additional request for clarification has been forwarded.
>
> No minutes exist for the Audit Committee. This committee has functioned as a voluntary ad hoc group whereby members participate when the internal auditor conducts their site visit.
>
> Findings are presented before the Commission each year, which I have attached here.
>
> On Wed, Oct 4, 2023 at 3:02 PM Matthew W Hancock <matthanc@icloud.com> wrote:
>
>> Gabe,
>>
>> Thank you for the update.
>>
>> For what it's worth, I've also noted that there was a significant change in reported Public Safety expenditure in 2021. The 2021 Change in Net Position statement and Statement of Activities report that Public Safety expenses increased by 52% in 2021 to $12,042,955 (from $7,936,517 in 2020). The 2021 Financial Statements then report that Public Safety expenses decreased again by 46.4% in 2022, to $6,456,263.
>>
>> On face value, this fluctuation seems unusual. However, I don't believe that the Notes to the Accounts provide sufficient information to make a reasonable judgement of whether the reported expenditure is accurate, or another material misstatement.
>>
>> *Further to my previous questions, information that explains the cause of the significant fluctuation in 2021 Public Safety expenditure would be greatly appreciated.*
>>
>> Additionally, the County's 2020, 2021 and 2022 Fraud Risk Assessment reports, filed with the Utah State Auditor, confirm that Grand County has a formal audit committee.

While awaiting a response from those reviewing the matters raised in this and my previous emails, can you please advise where I can find minutes for Grand County's 2020, 2021 and 2022 audit committee meetings?

Regards,

Matt Hancock.

On Oct 3, 2023, at 6:25 PM, Matthew W Hancock <matthanc@icloud.com> wrote:

Hi Gabe,

As briefly discussed on the phone this afternoon, I've been following the County's budget board meetings with interest. Further to my previous email regarding the material misstatement of *2022 Transient Room Tax* revenue, I have identified several additional items that appear to have been reported inconsistently in the County's *2022 and 2021 Financial Statements*, as filed with the Utah State Auditor's office. Given the importance of accurate financial reporting to the budgeting process, I would greatly appreciate clarification on the following points as soon as time permits.

In this case, my concerns center specifically around the County's reporting of:

A. **Cash and Cash Equivalents (CCE)**; and
B. **Property Tax** revenue.

References:
2022 Financial Statements: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000008SeHuQAK
2021 Financial Statements: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000006qFeyQAE
2020 Financial Statements: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K00000442QbQAI

A. Cash and Cash Equivalents

1. General Fund: Restricted CCE Balances

On page 16 of the 2022 Financial Statements, the *Statement of Net Position* (Attachment A) reports a government-wide, restricted CCE balance of *$19,882,231*.

On page 18, the *Assets* section of the *Balance Sheet - Governmental Funds* (Attachment B) reports a restricted CCE balance in the General Fund of *$10,013,554*. This compares to an 'unrestricted' CCE balance of only *$2,480*. According to these balances, 99.98% of CCE in the General Fund is restricted. Not only does this seem inconsistent with the nature and purpose of the

Grand County, Utah

Internal Audit Findings
1 October 2020

updated 10/20/20

On September 23rd and 24th, the County's Internal Auditor, Cody Deeter with EFG-Consulting, along with Jon Haderlie with Larson & Company met with County staff. Our goal was to review both the written policies and procedures along with observing actual procedures. Our interviews included all staff in the Clerk/Auditor's office, the Treasurer, the Recorder, and the County Commission admin staff. We also received written comments and concerns from the County Commission Administrator prior to our meetings.

The following provide areas of immediate focus along with future areas that need additional observation. In our observations, we did not suspect any out-of-line behavior. Our observations and recommendations herein provide means to protect County staff/elected officials as they safeguard public funds.

BANK RECONCILIATION

The Clerk/Auditor's office has been and is currently months behind on bank reconciliation. We observed that the Treasurer reconciles the bank statements against Caselle and then delivers a list of outstanding items to the Clerk/Auditor's office. This list generally includes items such as e-charges and bank fees. With these items not reconciled monthly, it becomes more challenging to make financial decisions with accurate information. The Clerk/Auditor suggested this function be added to the Accounts Payable position to ensure timely reconciliation. We concur with this recommendation.

CASH RECEIPTING AT DISTANCED COLLECTION POINTS

It was observed that the cash deposits from Sand Flats are not made daily. On the day we observed the cash deposits from Sand Flats, 2 bags were received with 3 days of cash receipting in each bag. The bags were properly locked. However, this represented 6 days of cash receipting in one day. Further, for each bag, only one day showed cash received while the other two days depicted only credit card receipts. It is unlikely that this reported receipting matches actual receipting. We recommend that Sand Flats report what actually happens each day (cash and credit cards) and then make daily deposits at the close of business each day to the Clerk/Auditor's office.

With large amounts of cash coming from this collection point, we suggest that a future internal audit be conducted onsite to observe the controls in place. We further suggest similar observations be made with other collection points such as the Old Spanish Trail Arena, the Airport, and other points identified by the County.

JAIL – LOCKDOWN SYSTEM

The Clerk/Auditor's office expressed concern with the Lockdown Software used by the jail. The observation was made that Lockdown is not reconciled by jail staff. It is highly likely that the Lockdown Software has a reconciliation function which is not being utilized. We recommend that jail staff:

1) determine if Lockdown has a reconciliation function,
2) which jail staff can perform reconciliation,
3) receive training to perform the monthly reconciliation, and
4) provide the reconciliation to the Clerk/Auditor's office monthly.

The Clerk/Auditor's office can them make one entry per month from the jail rather than duplicate all entries on Lockdown into Caselle. We further recommend that a control be implemented such that the Clerk/Auditor's office spot check entries in Lockdown monthly to ensure accuracy.

We further observed that the Jail can print digitally signed checks. A control should be put in place to ensure that the person printing checks is not the same person inputting the check request. Further, a control from the Clerk/Auditor's office needs to be implemented to reconcile all checks printed from the Jail.

RECORDER'S FEES

The Recorders Office collects fees for its services. These funds are given to the Cash Receipting Clerk. The Recorder is keeping track of payments in its own system. We recommend that the Clerk/Auditor perform a monthly spot check of cash receipts against the Recorder's payment system to ensure accuracy.

ACCOUNTS RECEIVABLE & GRANTS

Currently there is no active accounts receivable schedule. In addition, there is no central tracking of grants receivable nor grant compliance. Each department applies for grants and tracks compliance themselves. The Clerk/Auditor suggested that a position be created to keep accounts payable active (either in Caselle or a sub-ledger in Excel), track all grant eligible expenditures, ensure expenditures are properly and timely reimbursed, ensure compliance with grant requirements, and research and apply for additional grants. This position would need to pay sufficient for someone with the skill set necessary for this position.

DIGITALLY SIGNED CHECKS (UPDATED FROM 10/1/2020)

We observed that all printed checks are digitally signed. We suggest that a control be put in place, or documented if it is already in place, to limit access of the digital signature to the authorized bank signers or designees. The principle to be followed here is to ensure a proper separation from those who submit a request for check into the system from those who can digitally sign and print a check.

ACCOUNTS PAYABLE

The Accounts Payable clerk currently inputs all invoices into Caselle and can print pre-signed checks. We suggest a review control be put in place whereby another staff member from the Clerk/Auditor's office spot check several invoices and check disbursements each month. A spot check will also ensure that the invoice, Caselle entry, and check all match.

FUEL CARDS

Currently there is no control in place to validate fuel card usage. We recommend a future internal audit focus on a system to double check fuel card usage against miles driven. This will ensure that fuel card usage corresponds to vehicle usage.

TREASURE'S TRUST ACCOUNT

We recommend that the Clerk/Auditor perform a monthly or quarterly spot check on all receipts and disbursements from the Treasure's Trust Account. This account collects and disburses all property taxes collected by the County on behalf of other taxing entities.

JOURNAL ENTRY DOCUMENTATION (UPDATED FROM 10/1/2020)

Journal entries for non-recurring items should be documented and approved. Anytime a journal entry of this type is made, we recommend that approval be received thru signature with proper documentation as to the purpose of the journal entry. This documentation should be either uploaded to Caselle or be scanned into an electronic folder. This informtion would then be available to the external and internal auditors at anytime to understand why journal entries for non-recurring items were made or adjusted.

This ensures that if a modification occurs after the original posting to Caselle, approval is obtained and documented.

PTIF RECONCILIATION PROCESS

Currently, any transfers from a PTIF account is made by the Treasurer. When PTIF statements are received, the Clerk/Auditor then enters these transactions into Caselle. We recommend that the Treasurer enter these transactions into Caselle when the transfers are made and provide documentation of each transfer to the Clerk/Auditor. When the PTIF statements are received, the Clerk/Auditor will then be reconciling the accounts rather than making initial entries.

PURCHASING POLICY

We reviewed the purchasing policy and believe the limits are quite low in comparison to peer entities. These low limits require more work than is necessary to receive competitive pricing. We will provide samples that increase the limits.

WRITTEN POLICIES AND PROCEDURES

We reviewed the policies and procedures for the Treasurer's office and found them to be in good order.

The Clerk/Auditor's office does not currently have a policy and procedures manual. We suggest that over the next year, a policy and procedures manual be developed by the Clerk/Auditor's office. This manual would include duties and functions for each Job Title. Further, each duty and responsibility under each Job Title would be documented in detail. This would ensure continuity in the office when elected and hired staff change. It would also allow for cross training among staff. This policy manual should also include the controls in place or to be put in place.

MAIL OPENING

It was observed that the Cash Receipting clerk opens all mail and cash receipts all funds received. The mail opening is currently done at the front of the office in plain view of other staff. We suggest that this practice be formalized in the written policies that mail will always be opened in the presence of other staff in an open area.

EXTERNAL AUDIT (UPDATED FROM 10/1/2020)

The current County audit is four months late. The Clerk/Auditor and County Commission Administrator were both unsure why there was a delay. An external auditor should be proactive in communicating with the County data needs and timing. We suggest that the external audit function should be bid out every three to four years to unsure top service and market rates. This policy could be added to the Clerk/Auditor's written policies.

As of 10/20/2020, the audit has now been complete but includes a qualified opinion on the Aggregate Discretely Presented Component Units. These component units are very small and generally would not require their own audit. For example, the Grand County Special Service Water District had less than $2,000 in income and assets of less than $2m. We suggest that the County add a small amount to the external audit contract for the County's general audit to cover these small component units. This small expense should eliminate this qualification.

Grand County, Utah

Internal Audit Findings

Review 5/11/2021

Grand County Utah

Larson

On May 11, 2021, the County's Internal Auditor, Cody Deeter with EFG-Consulting, along with Jon Haderlie with Larson & Company met with County staff to review the findings of the October 2020 Internal Audit Report. The purpose of this meeting was to receive an update on actions taken since the October 2020 report and to do additional field work on outstanding areas of concern.

This document will provide the original finding from the October 2020 report and then a blue follow-up section. New issues that were identified are included in the end marked with yellow in the heading.

BANK RECONCILIATION

The Clerk/Auditor's office has been and is currently months behind on bank reconciliation. We observed that the Treasurer reconciles the bank statements against Caselle and then delivers a list of outstanding items to the Clerk/Auditor's office. This list generally includes items such as e-charges and bank fees. With these items not reconciled monthly, it becomes more challenging to make financial decisions with accurate information. The Clerk/Auditor suggested this function be added to the Accounts Payable position to ensure timely reconciliation. We concur with this recommendation.

Corrected. Created spreadsheet to help with reconciliation. Quinn is currently doing this work but will pass off to Kristy soon.

CASH RECEIPTING AT DISTANCED COLLECTION POINTS

It was observed that the cash deposits from Sand Flats are not made daily. On the day we observed the cash deposits from Sand Flats, 2 bags were received with 3 days of cash receipting in each bag. The bags were properly locked. However, this represented 6 days of cash receipting in one day. Further, for each bag, only one day showed cash received while the other two days depicted only credit card receipts. It is unlikely that this reported receipting matches actual receipting. We recommend that Sand Flats report what actually happens each day (cash and credit cards) and then make daily deposits at the close of business each day to the Clerk/Auditor's office.

With large amounts of cash coming from this collection point, we suggest that a future internal audit be conducted onsite to observe the controls in place. We further suggest similar observations be made with other collection points such as the Old Spanish Trail Arena, the Airport, and other points identified by the County.

Invoices from OSTA was created there. Now this function will be moved to the clerk/auditor. Collection of all funds except onsite cash is collected at the Clerk/Auditor's office.

Sand Flats is using Square to collect funds. It was observed that two individuals reconcile the funds each day. Actual receipting is provided daily to the Clerk/Auditor. A potential concern was observed that someone with their own Square account could attempt to use that account to skim funds. Sand flats staff observed that they know how many transactions occur each hour for most days and it would be observable when they reconcile at the end of the day if this occurred. Daily cash receipting and security concerns appear to have been resolved.

JAIL – LOCKDOWN SYSTEM

The Clerk/Auditor's office expressed concern with the Lockdown Software used by the jail. The observation was made that Lockdown is not reconciled by jail staff. It is highly likely that the Lockdown Software has a reconciliation function which is not being utilized. We recommend that jail staff:

1) determine if Lockdown has a reconciliation function,

2) which jail staff can perform reconciliation,
3) receive training to perform the monthly reconciliation, and
4) provide the reconciliation to the Clerk/Auditor's office monthly.

The Clerk/Auditor's office can them make one entry per month from the jail rather than duplicate all entries on Lockdown into Caselle. We further recommend that a control be implemented such that the Clerk/Auditor's office spot check entries in Lockdown monthly to ensure accuracy.

We further observed that the Jail can print digitally signed checks. A control should be put in place to ensure that the person printing checks is not the same person inputting the check request. Further, a control from the Clerk/Auditor's office needs to be implemented to reconcile all checks printed from the Jail.

The Clerk/Audit's office continues to work through these concerns with the Jail. Next steps include ensuring that Lockdown has controls so no funds can be spent outside of parameters. Make one monthly entry since these are agency funds and thus one journal entry. Jail still needs to reconcile themselves through Lockdown. How does debit card process work? Clerk/Auditor should work through the procedures with the Jail to strengthen this area.

RECORDER'S FEES

The Recorders Office collects fees for its services. These funds are given to the Cash Receipting Clerk. The Recorder is keeping track of payments in its own system. We recommend that the Clerk/Auditor perform a monthly spot check of cash receipts against the Recorder's payment system to ensure accuracy.

Internal auditor to follow-up in the next year. Digital is reconciled but not cash.

ACCOUNTS RECEIVABLE & GRANTS

Currently there is no active accounts receivable schedule. In addition, there is no central tracking of grants receivable nor grant compliance. Each department applies for grants and tracks compliance themselves. The Clerk/Auditor suggested that a position be created to keep accounts payable active (either in Caselle or a sub-ledger in Excel), track all grant eligible expenditures, ensure expenditures are properly and timely reimbursed, ensure compliance with grant requirements, and research and apply for additional grants. This position would need to pay sufficient for someone with the skill set necessary for this position.

Hired a new account receivable clerk to track receivables and grants. This position is also doing invoicing.

DIGITALLY SIGNED CHECKS (UPDATED FROM 10/1/2020)

We observed that all printed checks are digitally signed. We suggest that a control be put in place, or documented if it is already in place, to limit access of the digital signature to the authorized bank signers or designees. The principle to be followed here is to ensure a proper separation from those who submit a request for check into the system from those who can digitally sign and print a check.

Accounts receivable function inputs the invoice and provides spot checking each month. Large or unusual amounts are pulled each month for the commission to review.

ACCOUNTS PAYABLE

The Accounts Payable clerk currently inputs all invoices into Caselle and can print pre-signed checks. We suggest a review control be put in place whereby another staff member from the Clerk/Auditor's office spot check several invoices and check disbursements each month. A spot check will also ensure that the invoice, Caselle entry, and check all match.

This has been corrected.

FUEL CARDS

Currently there is no control in place to validate fuel card usage. We recommend a future internal audit focus on a system to double check fuel card usage against miles driven. This will ensure that fuel card usage corresponds to vehicle usage.

Glen Arthur provided an overview of the gas card system. With cameras and usage records, it would be challenging for anyone to game the system and fill up a personal vehicle. The system will soon be upgraded which will strengthen security features.

TREASURER'S TRUST ACCOUNT

We recommend that the Clerk/Auditor perform a monthly or quarterly spot check on all receipts and disbursements from the Treasure's Trust Account. This account collects and disburses all property taxes collected by the County on behalf of other taxing entities.

The Clerk/Auditor is still working on this area. Need to get statements from Mountain America and reconcile.

JOURNAL ENTRY DOCUMENTATION (UPDATED FROM 10/1/2020)

Journal entries for non-recurring items should be documented and approved. Anytime a journal entry of this type is made, we recommend that approval be received thru signature with proper documentation as to the purpose of the journal entry. This documentation should be either uploaded to Caselle or be scanned into an electronic folder. This information would then be available to the external and internal auditors at anytime to understand why journal entries for non-recurring items were made or adjusted. This ensures that if a modification occurs after the original posting to Caselle, approval is obtained and documented.

The Clerk/Auditor said that this is getting better each month. Still work to be done but entries are more clear.

PTIF RECONCILIATION PROCESS

Currently, any transfers from a PTIF account is made by the Treasurer. When PTIF statements are received, the Clerk/Auditor then enters these transactions into Caselle. We recommend that the Treasurer enter these transactions into Caselle when the transfers are made and provide documentation of each transfer to the Clerk/Auditor. When the PTIF statements are received, the Clerk/Auditor will then be reconciling the accounts rather than making initial entries.

Treasurer and Clerk/Auditor will work on this. Treasurer to make transfers. Clerk/Auditor to make entries. Treasurer to reconcile manually.

PURCHASING POLICY

We reviewed the purchasing policy and believe the limits are quite low in comparison to peer entities. These low limits require more work than is necessary to receive competitive pricing. We will provide samples that increase the limits.

Purchasing policy has been updated and is on the agenda for the commission to consider.

WRITTEN POLICIES AND PROCEDURES

We reviewed the policies and procedures for the Treasurer's office and found them to be in good order.

The Clerk/Auditor's office does not currently have a policy and procedures manual. We suggest that over the next year, a policy and procedures manual be developed by the Clerk/Auditor's office. This manual would include duties and functions for each Job Title. Further, each duty and responsibility under each Job Title would be documented in detail. This would ensure continuity in the office when elected and hired staff change. It would also allow for cross training among staff. This policy manual should also include the controls in place or to be put in place.

The Clerk/Auditor's office is working on it. They are using Utah County's policy manual as a framework.

MAIL OPENING

It was observed that the Cash Receipting clerk opens all mail and cash receipts all funds received. The mail opening is currently done at the front of the office in plain view of other staff. We suggest that this practice be formalized in the written policies that mail will always be opened in the presence of other staff in an open area.

This will be included in the new policy.

EXTERNAL AUDIT (UPDATED FROM 10/1/2020)

The current County audit is four months late. The Clerk/Auditor and County Commission Administrator were both unsure why there was a delay. An external auditor should be proactive in communicating with the County data needs and timing. We suggest that the external audit function should be bid out every three to four years to unsure top service and market rates. This policy could be added to the Clerk/Auditor's written policies.

As of 10/20/2020, the audit has now been complete but includes a qualified opinion on the Aggregate Discretely Presented Component Units. These component units are very small and generally would not require their own audit. For example, the Grand County Special Service Water District had less than $2,000 in income and assets of less than $2m. We suggest that the County add a small amount to the external audit contract for the County's general audit to cover these small component units. This small expense should eliminate this qualification.

County will be issuing an RFP for external auditor with or without closing the books are part of the audit.

NEW – AUDIT CONCERNS

Historically, the external auditor cleaned-up the books before the audit. Auditor would prepare 1,500+ entries. The auditor will not now do that because of new audit independence standards. Need to have an outside entity close books or an auditor that is large enough to have an internal partner to review. Clerk/Auditor's plan is to hire out a third-party to close the books or a large firm to perform that function along with the auditor.

Grand County, Utah

Internal Audit Findings

Review 11/1/2021

On October 5, 2022, the County's Internal Auditor, Cody Deeter with EFG-Consulting met with County staff and elected officials to review areas identified by the audit committee.

This document provides a summary of the findings.

LOCK DOWN SYSTEM

Cody met with Amy Wiggins, Jana Smith, and Gabe Woytek to discuss the jail's use of the lockdown system. No major concerns were discovered. The following area were identified by the group to improve the safety, security, and operations related to Lock Down.

1. **Lack of Training** – jail staff and clerk/auditor staff have self-trained on Lock Down. Suggestion is to have a formal training from the vendor for all staff that use Lock Down. This should occur before the end of 2023 or sooner.
2. **Written Policy** – Need to add sections related to cash policy.
    a. Have someone double check the intake sheet other than the one filling it out.
    b. Have someone review the intake sheet when stashed.
    c. Add policy and procedure for funds delivered for ankle monitor funds.
    d. Ensure the ATM kiosk is providing a receipt
3. **Reconciliation** is not occurring within Lock Down. Suggest Clerk/Auditor's office review with Amy Wiggins to reconcile. Add account reconciliation to the policy. In specific, the following accounts need reconciled and funds transferred to the appropriate entity. Suggestion is to review the accounts every six months.
    a. Doctor visit (to County)
    b. DNA (to County and State)
    c. Equipment Fee (to County)
    d. Check Fee (to County)
    e. Ankle Monitor

GRAND CENTER

Cody met with Yordy Eastwood and Gabe Woytek to review the cash receipting policies at the Grand Center. No major areas of concern were found. However, the following suggestions would increase the safety of funds collected at the Grand Center.

There is currently no way to reconcile cash received at the Grand Center. No receipts are provided to donors nor funds recorded on a form when received. This leaves opportunity for fraud since there is no way to accurately reconcile funds before delivering to the Clerk/Auditor's office. Suggestion is to add a means to record funds received when they are collected. The following are the most common programs when funds are collected:

1. Lunch
2. Home delivered meals
3. Rental facilities
4. Crafts
5. Vending machines
6. Fuel for trips
7. Purchase of Ensure

We are pleased to note that two people count the cash (Yordy and Chris) each Friday before taking to the Clerk/Auditor's office. All funds are locked in a cash box in Yordy's office each day. Four people have access to Yordy's office: Yordy, Chris with facilities, maintenance person, and Brook with the kitchen.

From: Matthew W Hancock <matthanc@icloud.com>
Sent: Friday, October 20, 2023 12:36 PM
To: Gabriel Woytek
Cc: commission@grandcountyutah.net; Stephen Stocks
Subject: Additional Financial Reporting Errors

Hi Gabe,

I've found yet another error in the financial statements. It seems that every time I look, I find something new. And I'll be frank in saying that it is difficult to have faith in the integrity of these documents given the number of unrelated errors that exist across different sections of the accounts.

The latest error concerns '*Note 13. Reconciliation of Interfund Transfers and Balances*' on page 60 of the 2022 Financial Statements. This note does not reconcile with the *Governmental Funds, Statement of Revenues, Expenditures, and Changes in the Fund Balance* on page 20. Instead, it appears to be a complete replica of Note 13 from the 2021 Financial Statements.

After watching yesterday's Budget Advisory Board meeting, I referred this morning to the 2022 Financial Statements to obtain the closing balance of the Travel Council Special Revenue Fund. This information is important for understanding whether the Department of Economic Development has the capacity and excess funds available to operate in deficit. It was from here that I noticed the erroneous note that details transfers between governmental funds.

At Tuesday's Commission meeting, and at last week's Budget Advisory Board meeting, Commissioner Walker stated that there are 'two sets of books'. Unfortunately, I can only see the books that are publicly available.

To date, I have only been able to identify gross errors such as these - errors in Notes to the Accounts that are clearly incorrect, and account balances that have clearly been misstated by million of dollars or more. Due to the paucity of reliable information in the County's financial statements, I am unable to offer an opinion on how much deeper this goes, and whether additional and smaller errors also exist. But given the extent of what I've seen to date, I would consider it likely.

As part of my postgraduate studies, I specialized in financial statement analysis, before going on to head up one of three departments responsible for controlling an annual budget of over $6.5 billion, working in the division of risk and assurance. So again, I'll be frank in saying that these financial statements represent the sloppiest work I've seen. And I would *strongly* encourage your office and the Commission to *thoroughly* review the services your paid financial consultants are providing to you. I'm not sure who within the county is sufficiently trained and experienced to conduct this work. But it is clear to me that someone with considerable financial reporting expertise needs to ask knowledgeable and incisive questions of your auditor and consultants. Larson's explanation that some balances were simply mis-categorized raises as many questions for me as it does provide answers.

I would like to remind the County that it has a prudential and fiduciary duty to ensure that these failures are corrected quickly, not only to ensure compliance with the law, but to restore public confidence in your financial management. And I look forward to the County sharing its plan for fixing these financial reporting and governance deficiencies in the very near future.

Kind regards,

Matt Hancock

(501) 454 5690

cody@efg-consulting.com

From: Matthew W Hancock <matthanc@icloud.com>
Sent: Wednesday, October 25, 2023 10:56 AM
To: Gabriel Woytek
Cc: commission@grandcountyutah.net; Stephen Stocks
Subject: Re: Additional Financial Reporting Errors

Hi Gabe,

Thanks very much for the response.

I'll review the revised financial statements together with Larsons comments over the next few days and advise if I have any additional concerns.

Kinds Regards,

Matt Hancock

> On Oct 24, 2023, at 4:34 PM, Gabriel Woytek <gwoytek@grandcountyutah.net> wrote:
>
> Hi Matt
>
> Jon Haderlie from Larson & Co was able to complete updates to the 2022 Financial Statements. He was also able to speak with a few members of the Commission to provide some background as to the nature of the errors in that document, and I believe Seth Oveson from the State Auditor's Office also conferred with these Commissioners.
>
> Please take the attached revision as a good faith effort to respond to the issues raised. I am grateful that you've identified an area with some very clear room for improvement. I believe that a thorough review of the draft statements when presented, along with an emphasis by Larson to complete the necessary and overdue overhaul of this existing financial statement template, are both actions to be prioritized and ingrained.
>
> Please see the attached notes accompanying the update:
>
> *Since none of the Balance Sheet numbers changed nor the changes in net position, the statements have been reissued as of the same date.*
>
> *Balances corrected were the restricted cash balances and notes. I added some to the notes so that it ties out in total rather than just a few of the restrictions as has been reported in the prior years. Also, changed the link for the TRT taxes to sum up correctly on the statement of activities and exclude the difference from the grants number. Also updated the MDA charts with comparative date for the prior year and corrected the property tax amounts for what was actually the property tax in the prior period including accruals, then subtracted that out of the prior period adjustment amount in the current year. It is not a perfect fix, but will give the comparative data being sought.*

What I did not make an adjustment to was the public safety expenditures on the government wide. That will not change. Comparative data can be found in the fund statements. PY public safety was around 12 million and this year it was 10 million.

If you are concerned about the misuse of funds, you have the option to utilize the State Auditor's Hotline. Please visit the following webpage for more information: https://www.grandcountyutah.net/1025/Risk-Management

Thank you

On Fri, Oct 20, 2023 at 12:36 PM Matthew W Hancock <matthanc@icloud.com> wrote:

> Hi Gabe,
>
> I've found yet another error in the financial statements. It seems that every time I look, I find something new. And I'll be frank in saying that it is difficult to have faith in the integrity of these documents given the number of unrelated errors that exist across different sections of the accounts.
>
> The latest error concerns '*Note 13. Reconciliation of Interfund Transfers and Balances*' on page 60 of the 2022 Financial Statements. This note does not reconcile with the *Governmental Funds, Statement of Revenues, Expenditures, and Changes in the Fund Balance* on page 20. Instead, it appears to be a complete replica of Note 13 from the 2021 Financial Statements.
>
> After watching yesterday's Budget Advisory Board meeting, I referred this morning to the 2022 Financial Statements to obtain the closing balance of the Travel Council Special Revenue Fund. This information is important for understanding whether the Department of Economic Development has the capacity and excess funds available to operate in deficit. It was from here that I noticed the erroneous note that details transfers between governmental funds.
>
> At Tuesday's Commission meeting, and at last week's Budget Advisory Board meeting, Commissioner Walker stated that there are 'two sets of books'. Unfortunately, I can only see the books that are publicly available.
>
> To date, I have only been able to identify gross errors such as these - errors in Notes to the Accounts that are clearly incorrect, and account balances that have clearly been misstated by million of dollars or more. Due to the paucity of reliable information in the County's financial statements, I am unable to offer an opinion on how much deeper this goes, and whether additional and smaller errors also exist. But given the extent of what I've seen to date, I would consider it likely.
>
> As part of my postgraduate studies, I specialized in financial statement analysis, before going on to head up one of three departments responsible for controlling an annual budget of over $6.5 billion, working in the division of risk and assurance. So again, I'll be frank in saying that these financial statements represent the sloppiest work I've seen. And I would *strongly* encourage your office and the Commission to *thoroughly* review the services your paid financial consultants are providing to you. I'm not sure who within the county is sufficiently trained and experienced to conduct this work. But it is clear to me that someone with considerable financial reporting expertise needs to ask knowledgeable

and incisive questions of your auditor and consultants. Larson's explanation that some balances were simply mis-categorized raises as many questions for me as it does provide answers.

I would like to remind the County that it has a prudential and fiduciary duty to ensure that these failures are corrected quickly, not only to ensure compliance with the law, but to restore public confidence in your financial management. And I look forward to the County sharing its plan for fixing these financial reporting and governance deficiencies in the very near future.

Kind regards,

Matt Hancock
(501) 454 5690

--
Gabriel J. Woytek
Grand County Clerk/Auditor
he/him/his
435-259-1322
<2022 Issued financial statements - Updated Grand County.pdf>

cody@efg-consulting.com

From: Matthew W Hancock <matthanc@icloud.com>
Sent: Friday, October 27, 2023 8:53 AM
To: Gabriel Woytek
Cc: commission@grandcountyutah.net; Stephen Stocks
Subject: Re: Additional Financial Reporting Errors

Hi Gabe,

Thank you once again for forwarding me a copy of the revised 2022 Financial Statements. I had an opportunity to review the document on Wednesday afternoon, after which I spoke with Seth Oveson, the Local Government Manager with the Office of the Utah State Auditor.

In its Independent Auditor's Report, Larson and Company states that:

1. "Management is responsible for the preparation and fair presentation of financial statements in accordance with *accounting principles generally accepted in the United States of America*". These principles are commonly referred to as *GAAP*; and

2. "Management is responsible for…the fair presentation of financial statements that are *free from material misstatement, whether due to fraud or error*".

Based on my conversation with Mr. Overson, I do not believe the revised 2022 Financial Statements satisfy Grand County's financial reporting obligations for the following reasons.

1. Failure to comply with GAAP

(i) 2021 Financial Statements

Reference: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000006qFeyQAE

"*Note 1. Summary of Significant Accounting Policies*" on page 29 states "*The financial statements include: Financial Statement prepared using full-accrual accounting for all the County's activities.*"

Grand County reported ***Public Safety* expenditure** of ***$12,042,955*** in the Changes in Net Position statement on page 9. As I noted in a previous email, public safety expenditure rose by 52% in 2021 (from $7,936,517 in 2020), before falling sharply by 46% in 2022, to $6,456,263. This large fluctuation in expenditure is not explained by any corresponding large-scale change in Grand County's public safety activities.

Grand County reported ***Total Governmental Funds Public Safety* expenditure** of ***$11,729,464*** on page 20 of the 2021 Financial Statements. The *Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds* reflects that $7,216,081 of this expenditure was sourced from the General Fund, ***$3,929,217 was sourced from the Building Authority Capital Project Fund,*** and $1,277,066 was sourced from Other Governmental Funds.

Grand County's 2023 Approved Budget, as filed with the Office of the Utah State Auditor, reflects that in 2021 a ***EMS Project Expense of $3,781,830*** was recorded under a Community Impact Board - EMS Facility item on page 97. It appears that this expenditure relates to the construction of the County's new EMS building.
Reference: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000007WQOHQA4

It is stated in the *Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* on page 21 that, "*Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense*". I understand this to be a standard accrual accounting treatment for capital expenditures under GAAP. However, the reconciliation statement reports a value for Capital Project outlays of only $1,988,694 - despite the $3,929,217 in public safety expenditure sourced from the *Building Authority Capital Project Fund,* reported previously.

Additionally, "*Note 2. Capital Assets*" on page 36 reports that the value of *additions to buildings* in 2021 amounted to only *$129,126.* ($12,809,594 was added to the value of *Improvements other than buildings,* following a $12,797,999 transfer from Work in progress)

The information presented above indicates to me that in 2021, Grand County expensed, rather than capitalized, costs associated with the construction of the new EMS building. This accounting treatment is inconsistent with GAAP and represents a fundamental financial reporting failure.

(ii) 2022 Financial Statement

Reference: https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000008SeHuQAK

To compound this failure further, it then appears that Grand County sought to unwind this error by underreporting public safety expenditure the following year. Again, it is my understanding that this contravenes GAAP. *And I respectfully request that the County or its accountants provide an Accounting Standards (ASC) reference that endorses this accounting treatment.*

Grand County reported *$6,456,263* in *Public Safety expenditure* in the Change in Net Position Statement on page 10. As mentioned previously, this represented a *46%* decrease in expenditure from the previous year.

Yet on page 20, Grand County reported *$10,957,058* in *Public Safety expenditure from Governmental Funds*. $8,768,061 was sourced from the General Fund alone. $852,684 was sourced from the Travel Council Fund and an additional $1,336,313 was sourced from Other Governmental Funds. Inexplicably, Grand County's Public Safety expenditure reported in the Change in Net Position statement is more than $2 million less than the operational public safety expenditures sourced from the General Fund. I am unable to find any notes to the accounts that adequately explains this discrepancy. And it is not explained by Capital Asset Disposals and Transfers detailed in Note 4 on page 41.

2. Material Misstatements

(i) Failure to Capitalize Costs Associated with the Construction of the new EMS building

By my calculation, Grand County's failure to capitalize costs associated with the new EMS building overstated public safety expenditure in 2021 by approximately $4 million. This in turn understated the County's 2021 Change in Net Position by approximately $4 million.

By my calculation, Grand County's attempt to unwind this error in 2022 then understated 2022 public safety expenditure by approximately $4 million, which in turn overstated the County's 2022 Change in Net Position by a corresponding amount.

(ii) 2021 Transient Room Tax Revenue

Grand County reported *2021 Transient Room Tax revenue* of *$7,972,586* on page 10 of the revised 2022 Financial Statements. This differs materially from the Utah State Tax Commission reported value of *$8,793,610*; a value which has also been previously reported by the County.

(iii) 2022 Transient Room Tax Revenue

Grand County reported 2022 Transient Room Tax of $8,491,574 on page 10 of the revised 2022 Financial Statements. Again, this differs from the Utah State Tax Commission value of $8,409,639, which has also been previously reported by the County. Historically, in addition to TRT, the Travel Council has recognized revenue for '*expense reimbursement*' and '*labels*'. I suspect that this has been incorrectly categorized as TRT in this instance.

According to Larson and Company's website, Jon Haderlie is a partner of Larson and Company and a member of the American Institute of Certified Public Accountants (AICPA). With regards to professional conduct, the AICPA states that "*all AICPA members are required to follow a rigorous Code of Professional Conduct*". Among other things, this code requires that members act with "*due care*" and "*competence*". I continue to be concerned that as Grand County's accountants *and* auditors, Larson and Company has not sufficiently demonstrated a standard of "*due care*" that I believe is professionally required of them. I'll be frank in saying that as auditors, Larson and Company should be identifying these errors, not a member of the public.

From the numerous emails between us over the last 4 weeks, I think it is clear that the standard of Grand County's financial reporting has been unacceptable over the last 2 years. I appreciate your comments that recognize this, and Grand County's commitment to correcting these financial reporting and governance failures.

Kinds regards,

Matt Hancock.

> On Oct 24, 2023, at 4:34 PM, Gabriel Woytek <gwoytek@grandcountyutah.net> wrote:
>
> Hi Matt
>
> Jon Haderlie from Larson & Co was able to complete updates to the 2022 Financial Statements. He was also able to speak with a few members of the Commission to provide some background as to the nature of the errors in that document, and I believe Seth Oveson from the State Auditor's Office also conferred with these Commissioners.
>
> Please take the attached revision as a good faith effort to respond to the issues raised. I am grateful that you've identified an area with some very clear room for improvement. I believe that a thorough review of the draft statements when presented, along with an emphasis by Larson to complete the necessary and overdue overhaul of this existing financial statement template, are both actions to be prioritized and ingrained.
>
> Please see the attached notes accompanying the update:
>
> *Since none of the Balance Sheet numbers changed nor the changes in net position, the statements have been reissued as of the same date.*

Balances corrected were the restricted cash balances and notes. I added some to the notes so that it ties out in total rather than just a few of the restrictions as has been reported in the prior years. Also, changed the link for the TRT taxes to sum up correctly on the statement of activities and exclude the difference from the grants number. Also updated the MDA charts with comparative date for the prior year and corrected the property tax amounts for what was actually the property tax in the prior period including accruals, then subtracted that out of the prior period adjustment amount in the current year. It is not a perfect fix, but will give the comparative data being sought.

What I did not make an adjustment to was the public safety expenditures on the government wide. That will not change. Comparative data can be found in the fund statements. PY public safety was around 12 million and this year it was 10 million.

If you are concerned about the misuse of funds, you have the option to utilize the State Auditor's Hotline. Please visit the following webpage for more information: https://www.grandcountyutah.net/1025/Risk-Management

Thank you

On Fri, Oct 20, 2023 at 12:36 PM Matthew W Hancock <matthanc@icloud.com> wrote:

> Hi Gabe,
>
> I've found yet another error in the financial statements. It seems that every time I look, I find something new. And I'll be frank in saying that it is difficult to have faith in the integrity of these documents given the number of unrelated errors that exist across different sections of the accounts.
>
> The latest error concerns '*Note 13. Reconciliation of Interfund Transfers and Balances*' on page 60 of the 2022 Financial Statements. This note does not reconcile with the *Governmental Funds, Statement of Revenues, Expenditures, and Changes in the Fund Balance* on page 20. Instead, it appears to be a complete replica of Note 13 from the 2021 Financial Statements.
>
> After watching yesterday's Budget Advisory Board meeting, I referred this morning to the 2022 Financial Statements to obtain the closing balance of the Travel Council Special Revenue Fund. This information is important for understanding whether the Department of Economic Development has the capacity and excess funds available to operate in deficit. It was from here that I noticed the erroneous note that details transfers between governmental funds.
>
> At Tuesday's Commission meeting, and at last week's Budget Advisory Board meeting, Commissioner Walker stated that there are 'two sets of books'. Unfortunately, I can only see the books that are publicly available.
>
> To date, I have only been able to identify gross errors such as these - errors in Notes to the Accounts that are clearly incorrect, and account balances that have clearly been misstated by million of dollars or more. Due to the paucity of reliable information in the County's financial statements, I am unable to

offer an opinion on how much deeper this goes, and whether additional and smaller errors also exist. But given the extent of what I've seen to date, I would consider it likely.

As part of my postgraduate studies, I specialized in financial statement analysis, before going on to head up one of three departments responsible for controlling an annual budget of over $6.5 billion, working in the division of risk and assurance. So again, I'll be frank in saying that these financial statements represent the sloppiest work I've seen. And I would *strongly* encourage your office and the Commission to *thoroughly* review the services your paid financial consultants are providing to you. I'm not sure who within the county is sufficiently trained and experienced to conduct this work. But it is clear to me that someone with considerable financial reporting expertise needs to ask knowledgeable and incisive questions of your auditor and consultants. Larson's explanation that some balances were simply mis-categorized raises as many questions for me as it does provide answers.

I would like to remind the County that it has a prudential and fiduciary duty to ensure that these failures are corrected quickly, not only to ensure compliance with the law, but to restore public confidence in your financial management. And I look forward to the County sharing its plan for fixing these financial reporting and governance deficiencies in the very near future.

Kind regards,

Matt Hancock
(501) 454 5690

--
Gabriel J. Woytek
Grand County Clerk/Auditor
he/him/his
435-259-1322
<2022 Issued financial statements - Updated Grand County.pdf>

Grand County, Utah

Internal Audit Report

5 May 2025

INTRODUCTION & SUMMARY

The audit committee requested a review of the airport accounts for the 2024 audit report. In the 2023 report, Director Howland expressed concern regarding the usage of airport funds as follows:

> ***Federal Funds*** *– Grants Assurances. The Director is concerned about fund received for the Airport during COVID years. All revenue generated by airport needs to go back to the airport. Between 2020-2022, CARES, CURSA, ARPA Grants provided approximately $1m which was mainly used for payroll, debt service, operations/maintenance, and some minor projects. The Director is concerned that the operating income during those years or the grant funds were used somewhere else. There should be a fund balance available for future projects. She is worried about reporting to the FAA that all grants and revenues from the Airport have stayed with the Airport.*

This report summarizes the review of the airport funds from 2019 to 2024. In summary, it appears that all funds at the airport have been spent on airport activities. The methodology utilized to draw this conclusion was to compare all revenues received against expenditures made. Revenues included the one-time grants made during the COVID financial crisis. Over this 6-year period, expenditures made were $28.0m which was in excess of revenues received which were $25.6m. This indicates that airport revenues were used toward the airport. A positive balance would have indicated the opposite conclusion.

ANALYSIS

The following revenue accounts were analyzed in this report.

- 56-3300 Grant Revenues
- 56-3311-000-000 Debt Proceeds - Airport
- 56-3610-000-000 Investment Interest
- 56-3633-000-000 Contributions-Other Agencies
- 10-3882-000-000 Airport Cares AIP35
- 10-3413-000-000 Airport Fees
- 10-3413-001-000 Airport Vending
- 10-3413-002-000 Airport Parking
- 10-3619-000-000 Airport Ramp Fees
- 10-3623-000-000 Airport Leases
- 10-3623-200-000 Airport Shuttle Fees
- 10-3632-000-000 Landing Fees
- 10-3340-000-000 CRRSA AIP 36
- 10-4820-920-009 Transfer for Debt Service

Expenditure accounts were as follows:

- 10-4562 Airport
- 22-4225-920-011 Debt Service - Airport
- 56-4710-830-000 Debt Service - Taxiway
- 56-4912 Airport Projects

Fund balances at the end of 2024 were also reviewed, which included the following accounts:

- 10-3413-000-000 Airport Fees
- 10-3619-000-000 Airport Ramp Fees
- 10-3413-002-000 Airport Parking

Revenues								
GL Code	Description	2019	2020	2021	2022	2023	2024	Total
10-3413-000-000	Airport Fees	23,037	29,059	42,358	39,306	34,900	22,512	191,173
10-3413-001-000	Airport Vending	-	3,696	10,928	10,764	8,591	15,461	49,440
10-3413-002-000	Airport Parking	25,576	16,599	33,389	25,788	30,317	21,839	153,508
10-3619-000-000	Airport Ramp Fees	20,673	21,006	35,037	-	-		76,716
10-3623-000-000	Airport Leases	252,277	192,181	271,085	341,703	319,094		1,376,340
10-3623-200-000	Airport Shuttle Fees	-	-	-	-	320		320
10-3632-000-000	Landing Fees	10,958	29,534	40,068	69,329	61,294		211,183
56-3300	Grant Revenues	2,639,267	8,889,810	1,410,709	339,409	645,976	5,835,176	19,760,347
56-3311-000-000	Debt Proceeds - Airport	265,000	-	-	-	-	-	265,000
56-3610-000-000	Investment Interest	2,993	6,413	1,746	6,290	21,306	32,694	71,442
56-3633-000-000	Contributions-Other Agencies	250,000	-	-		-	-	250,000
10-3882-000-000	Airport Cares AIP35	-	728,737	-		329,010	-	1,057,747
10-3340-000-000	CRRSA AIP 36	-	-	474,241	531,396	637,474	459,637	2,102,748
Total Revenues		3,489,780	9,917,035	2,319,562	1,363,985	2,088,283	6,387,319	25,565,963

Expenditures								
GL Code	Description	2019	2020	2021	2022	2023	2024	Total
10-4562	Airport	627,043	687,575	685,217	806,143	970,477	951,864	4,728,319
22-4225-920-011	Debt Service - Airport	-			10,632	10,820	10,820	32,272
56-4710-830-000	Debt Service - Taxiway	-	11,466	12,475				23,941
56-4912	Airport Projects	2,787,596	9,337,640	1,515,347	385,231	1,533,335	7,605,779	23,164,928
								-
Total Expenditures		3,414,640	10,036,680	2,213,039	1,202,006	2,514,632	8,568,463	27,949,459

Transfers								
GL Code	Description	2019	2020	2021	2022	2023	2024	Total
10-4820-920-009	Transfer for Debt Service	-	11,466		50,000	87,742	-	149,208 -
Total Transfers		-	11,466	-	50,000	87,742	-	149,208

Total Revenues - Expenditures + Transfers	**75,141**	**(108,179)**	**106,522**	**211,979**	**(338,607)**	**(2,181,144)**	

Cumulative	**75,141**	**(33,039)**	**73,484**	**285,463**	**(53,144)**	**(2,234,288)**	

Fund balances were as follows:

Fund Balances	
10-3413-0 - Airport Fees	34,900
10-3619-0 - Airport Ramp Fees	8,591
10-3413-002 - Airport Parking	30,317
Total Fund Balances	73,809

CONCLUSION

Based upon this analysis of the airport related funds, expenditures exceeded revenues by $2.2m. Fund balances account for only $73,809 of those funds. It appears from this review that all airport revenues including grants were spent on airport activities.

AGENDA SUMMARY

Audit Committee Meeting

Date: July 7, 2025

Title: Approval of minutes for the meeting of June 13, 2025

Fiscal Impact:

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):

Legal Review:

Department: Commission Administrators Office

Approved and within budget?

Budget Number:

Recommended Motion:

Background:

Attachments:

1. Audit Committee Minutes 13 JUN 2025

DRAFT

Grand County Audit Committee Meeting June 13th, 2025

Commissioner Winfield called the meeting to order at 9:00 am

Members in attendance: Commissioners Winfield, Martinez, Hadler, Admin Mark Tyner, and Consultant Karen Kurtin (Forvis Mazars).

Motion by Jacques Hadler to approve the minutes from the prior meeting
Motion seconded by Brian Martinez
Motion Carries 3-0

Discussion of Auditor’s Assessment for Grand County (Jon Haderlie).

Jon noted there are some component units we’re still waiting for:
Solid Waste
EMS
Recreation
Moab Valley Fire

Jon noted some are not “component units” but the financials get wrapped into the Grand County Audit.

Jon noted the ones we’re waiting on are crucial to complete the audit on time. Jon noted that generally responsibility falls to the commissioners to ensure the component units get the financials in on time.

Commissioner Winfield noted the importance of lobbying to change the due date for component units, and Jon noted discussions with the State Auditor’s Office encouraging a change in dates for completion of financials/audits.

Jon discussed the challenges with other audit firms, and getting them finished on time. Commissioner Winfield noted the ongoing challenges with the component units, and some discussion on ensuring component units get the financials completed in a timely manner.

Commissioner Martinez noted the possibility of Grand County assisting or possibly paying for audits of the component units. Jon noted the cost for component units would likely fall between $5-15K depending on the size of the unit.

Commissioner Winfield discussed the potential of a meeting to discuss the deadlines with the component units to encourage more timely delivery of the financials.

Karen agreed that adding the component units to a Request for Proposals (RFP) could increase efficiency and timeliness of delivery of the financials. Commissioner Winfield noted the potential that Component Units would be open to some financial assistance regarding individual audits. Jon noted the possibility of a Request for Qualifications (RFQ) vs RFP, based on the potential for better responses.

Andy Smith (EMS) entered the meeting to discuss the Component Units and the EMS audit. Andy agrees the law should change to ensure the County's audits are timely. Andy noted EMS is willing to assist the County in whatever happens to ensure timely delivery of the County's audit. Commissioner Winfield noted the component units are likely in compliance with state law, but the deadline is problematic.

Jon Haderlie noted a discussion with the State Auditor wherein the State asked the audit team to test for compliance with Transient Room Tax (TRT). Jon noted the State Auditor is requesting some additional information with this year's audit - whether it comes in the actual audit or as a supplementary document is still in question. Jon noted that, ideally, the request from the state could have been more timely.

Jon discussed the ongoing audit and some nuances of the process and steps to finalize the financial statements.

Commissioner Winfield followed up with the State Auditor's request for more information, and noted the potential of Squire (consulting accountants) to assist with the task of looking at the expenditures for TRT. Jon noted they'll pick a sample and test for compliance. Commissioner Winfield asked about the timeline, and Jon suggested that the additional tasks shouldn't add much time to finalize. Jon noted Larson will do the research, and compliance test, but the State Auditor would likely be the one that had any "findings." Karen asked about the different funds that may or may not receive TRT. Karen noted that TRT seems to be spread out in different funds. Jon noted the TRT expenditures will need to be broken down into different functions. Karen and Jon discussed some nuances of the accounting procedures. Karen noted there should be a "roadmap" to follow the revenue source to the expenditures.

Jon noted the County's financials should be done on time, but the component units will likely come in at the same as the due date for the County. Jon discussed the reality of the situation is that waiting for the component units could create a scenario where the audit must return a qualified opinion, but there is the possibility of reissuing the statements before September, with the component units included.

Jon discussed the practical differences between qualified and unqualified audit results. Jon noted that some component units only have to complete a "financial survey."

Commissioner Martinez asked about the State Audit from last year, and why the external audit didn't include that, and Jon noted the responsibility of the audit team is to make sure that money is spent responsibly and with appropriate records, not for compliance - that is the responsibility of the State Auditor. Jon noted the role of the external auditor is to test mainly for revenue and expenditures - not to interpret code. Jon discussed some of the finer points of the 2023 audit, and the interplay of those as they inform the 2024 audit. Jon discussed some of the relevant points of the State Auditor's findings from last year.

Karen Kurtin left the meeting at roughly 10:00 am.

Jon noted the external auditor required some changes in the past financial statements, and there was further discussion and some disagreement about allowable and disallowable expenses as they relate to the opinion of the State Auditor. Jon noted the code is vague, and clear guidelines would be appreciated in the future. Commissioner Winfield suggested the potential for a meeting with the State Auditor and other key stakeholders to determine a path forward.

Some discussion around the ambiguity of "promotion" and allowable expenses that should or should not qualify. Commissioner Winfield noted that the County desperately needs some solid guidance and clarification on a path forward.

Jon noted draft financials should be available soon. Jon noted the importance of the Audit Committee reviewing the draft statements before they're public, and noted the confidential nature of draft work. Jon noted funds 56 and 36 - Healthcare Sales Tax (36) and the Airport (56) were over budget for the year, and there was one check over $5K that lacked proof of commission approval (122589). Jon noted the audit process went smoothly, and the Clerk's office is making progress and improving in delivering the reports the team needs. Jon noted they don't have any major issues.

Jon noted the State Auditor's office is aware that component units are due, and suggested we take care of the Trail Ambassador issue as soon as possible so the financials are correct.

Commissioner Winfield discussed pushing the external audit RFP to the next meeting, and potentially including an option to include component units in the RFP/RFQ.

Commissioner Winfield adjourned the meeting at 10:30.

AGENDA SUMMARY

Audit Committee Meeting

Date: July 7, 2025

Title: Discussion and consideration of External Auditor RFP

Fiscal Impact:

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):

Legal Review:

Department: Commission Administrators Office

Approved and within budget?

Budget Number:

Recommended Motion:

Background:

Attachments:

1. Independent External Audit Services RFP DRAFT 4-30-25

GRAND COUNTY REQUEST FOR PROPOSALS

FOR

INDEPENDENT EXTERNAL AUDIT SERVICES

Proposals are due by:

June 2, 2025 at 4:00 p.m.

Please submit responses to:

ELETRONIC SUBMISSIONS:

The preferred method to submit inquiries and proposals is via Utah Public Procurement Portal (U3P) –
https://utah.bonfirehub.com/opportunities/180096
OR
Email required information to gwoytek@grandcountyutah.net with the subject line titled "External Audit Services"
Proposals submitted via email will not be reviewed until after the submission deadline.

OR

MAIL OR HAND DELIVER SUBMISSIONS:

Gabriel Woytek
Clerk/Auditor's Office
125 E. Center Street
Moab, UT 84532

For technical inquires contact: Gabriel Woytek, Grand County Clerk/Auditor, gwoytek@grandcountyutah.net, (435) 259-1322.

IMPORTANT NOTICE TO ALL RESPONDENTS: Grand County reserves the right to: disqualify incomplete solicitations, waive minor defects as it deems applicable in the written solicitations, request additional information from any respondent, change or modify the scope of the project at any time without penalty, negotiate terms with one or more of the respondents, reject any or all proposals without penalty, and take any steps necessary to act in the County's best interest. The County also reserves the unilateral right to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work. Proposals will not be considered for award if received by Grand County after the official closing date and time.

I. Introduction

Grand County, Utah is seeking proposals from qualified independent certified public accountants or firms to provide external audit services for the fiscal year ending December 31, 2024. The selected individual or firm will work with the Grand County finance team to perform an audit of the County's financial statements, review internal controls, and ensure compliance with applicable laws and regulations. Experience in governmental auditing standards, modified accrual accounting methods, and financial reporting in accordance with U.S. Generally Accepted Accounting Principles (GAAP) will be heavily weighted in selection of contractor.

Grand County will endeavor to negotiate a contract with the successful respondent. The initial term of the contract will be for a period of one year. Grand County may, at its option, extend or renew the Agreement for three additional one-year periods on the same terms and conditions. The selected firm should be available to begin the audit no later than July 14, 2025.

II. Scope of Work

Financial audit services include but are not limited to the following:

1. Conduct an annual independent audit of the County's financial statements in compliance with U.S. Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS);
2. Review internal controls and ensure compliance with applicable laws, regulations, and grant requirements;
3. Prepare and issue the Independent Auditor's Report, including all findings and recommendations;
4. Express an opinion on the fair presentation of the County's basic financial statements, in accordance with auditing standards and accounting principles generally accepted in the State of Utah;
5. Perform audits of federal grant programs in compliance with Uniform Guidance, 2 CFR Part 200, as applicable;
6. Assist in the preparation of year-end financial statements, including government-wide and fund-level financial statements, in compliance with Generally Accepted Accounting Principles (GAAP);
7. Prepare or assist with the preparation of all required note disclosures to accompany the financial statements;
8. Provide a draft of the County's Basic Financial Statements for management review and approval;
9. Attend meetings with County staff and present audit results to the Board of Commissioners or other governing body;

III. Submission Requirements

Interested parties should include the following information in their proposal submission:

1. The full legal name, legal status (individual, corporation, partnership, sole proprietorship, limited liability company, etc.), address, telephone number, and email address of the respondent;

2. A letter of interest that includes the following:

    a. statement re. the respondent's willingness to enter into a contract with the County, if selected;
    b. brief narrative that specifically addresses the interested party's experience and capability to successfully perform the required services as summarized herein;
    c. description of any relevant experience and previous work experience emphasis given to work within local government finance and audits; and
    d. qualifications and experience to perform work for this project, including education, licenses or certifications, and any other information that would be useful to reviewers in selecting an external auditor;

3. Cost/Fee Breakdown. The respondent shall propose a fee for these services, quoted at a standard hourly rate, which will include all reasonable out-of-pocket costs; and

4. Form I. Public Records Law (attached).

IV. Submittal Instructions

Submissions will be accepted by mail, hand delivery or email.

Electronic Submission:
The preferred method to submit inquiries and proposals is via Utah Public Procurement Portal (U3P) – https://utah.bonfirehub.com/opportunities/180096

OR

Electronic:
Email proposals to gwoytek@grandcountyutah.net with the subject line titled "External Audit Services." Proposals submitted via email will not be reviewed until after the submission deadline.

OR

Mail or Hand Delivery:
Send/deliver one (1) copy of the proposal to the Grand County Clerk-Auditor's Office at 125 East Center St., Moab, Utah 84532 no later than **June 2, 2025 at 4:00 p.m.** The sealed envelope must be labeled with submitter's contact information and labeled "External Audit Services."

V. Selection Process

Selection Schedule: Each proposal will be reviewed and considered by a selection committee after the submission deadline. The selection committee will be comprised of the Audit

Committee may include other elected officials and County staff. The committee will evaluate the proposals and rank each proposal on the considerations noted in this RFP. The committee may request the top respondents to attend an interview and provide additional information to the committee.

Respondents are hereby advised of the following schedule and will be expected to adhere to the required dates and times:

Action	**Date**
RFP available to prospective respondents	May 12, 2025
Deadline for proposal submission	June 2, 2025, 4:00 p.m.
Evaluation of proposals	June 2025 Audit Committee Meeting (TBD)
Contract awarded	June 20, 2025 (anticipated award date)

<u>Areas of Consideration in the Selection Process:</u> The selection of the successful respondent will be based upon the following criteria:

1. The professional competence, experience, and qualifications of the respondent of the Candidate.
2. Experience with external audit functions.
3. Total cost to the County.
4. Knowledge and understanding of technical and complex financial reporting.
5. Knowledgeable about internal controls and financial statement audits.
6. Familiarity with accounting, auditing, and financial reporting.

FORM I Public Records Law

THIS FORM MUST BE COMPLETED AND RETURNED WITH YOUR PROPOSAL

Upon selection of the award, submittals become “public records” and shall be subject to public disclosure consistent with the Governmental Records Management Act. Those who submit must invoke the exemptions to disclosure provided by law in the response to the solicitation, and must identify the data or other materials to be protected, and must state the reasons why such exclusion from public disclosure is necessary.

If you submit information exempt from public disclosure, you must identify with specificity which page(s)/paragraph(s) of your proposal package is (are) exempt from the Governmental Records Management Act and identify the specific exemption section that applies to each. The protected information must be submitted to the County in a separate envelope marked accordingly. By submitting an offer in response to this solicitation, you specifically agree to defend and indemnify Grand County, County Commission, and its officers, employees and agents, and hold them harmless from any claim or liability and defend any action brought against them for their refusal to disclose copyrighted material, trade secrets or other proprietary information to any person making a request therefore.

Company Name: ____

Authorized representative (printed): ____

Authorized representative (signature): ______________________________________

Date: ______________________________

Requirements/Standards Governing RFP

SCOPE: The following terms and conditions, included in this section shall govern the submission of proposals. Any conflict with the terms and conditions contained in this section shall be controlled by the stricter term or condition. The County reserves the right to reject any proposals, which takes exception to the terms or conditions in this document.

COMPLETING PROPOSALS: Proposals must be submitted with the required forms herein and all forms must be completed in accordance with the instructions. Any and all corrections and/or erasures must be initialed and dated by the respondent. Each proposal must be signed by an authorized respondent and all required information must be provided. Each respondent may submit only one (1) proposal. The contents of the proposal submitted by the successful respondent will become part of any contract awarded as a result of this request.

ADDENDUM: All changes in connection with this request for proposals will be issued by the County's in the form of a written addendum. Signed acknowledgment of receipt of each addendum should be submitted with the proposal response.

TAX EXEMPT: Grand County is exempt from federal and state taxes. DO NOT include taxes in the proposal.

LATE PROPOSALS AND MODIFICATIONS OR WITHDRAWALS: Proposals received after the date and time indicated on the cover sheet shall not be considered and shall be returned (unopened if sealed) if the respondent is identified on the proposal envelope. Proposals may be withdrawn or modified in writing prior to the proposal submission deadline. Proposals that are resubmitted or modified must be sealed and submitted to the County prior to the proposal submission deadline. After proposal opening no changes in proposal prices or other provisions of proposals prejudicial to the interest of the County or fair competition shall be permitted.

NEGOTIATION: The County reserves the right to negotiate any and all elements of this proposal.

TIME LIMIT TO EXECUTE CONTRACT: The respondent must successfully execute a contract within the specified time after the County's notification to enter into contract. If the respondent fails to execute a contract within the required time, award to that respondent may be withdrawn and award made to the next highest rated respondent.

CODES AND REGULATIONS: All deliverables and work within the scope of this request shall be completed by the respondent in conformance with all applicable codes and regulations.

ASSIGNMENT OF CONTRACTUAL RIGHTS: Successful respondent shall not assign, transfer, convey or otherwise dispose of any contractual rights derived from this quotation request or its right, title or interest in or to the same, or any part thereof, without the previous written consent of Grand County.

COLLUSIVE PROPOSALS: The respondent certifies, by submission of a proposal, that their proposal is made without any previous understanding, agreement or connection with any person, firm or corporation making a proposal for the same products or services with prior knowledge of competitive prices, and is in all respects fair, without outside control, collusion, fraud or otherwise illegal action. Any evidence of collusion among respondents and prospective respondents acting to illegally restrain freedom of competition by agreement to offer a fixed price, or otherwise, will render the proposals of such respondent void.

CONFLICT OF INTEREST: The award hereunder is subject to provisions of Utah State Statutes and Grand County ordinances and policies. All respondents must disclose with their proposal the name of any officer, director, or agent who is also an employee of Grand County, Utah. Further, all respondents must disclose the name of any Grand County employee who owns, directly or indirectly, any interest in the respondent's firm or any of its branches.

No person involved in making the award decisions may have personal investments in any business entity that will create a substantial conflict between their private interests and their public duties. Any person involved in making procurement decisions is guilty of a felony if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use of benefit of any other person or organization from any person or organization interested in selling to the County.

DISCLAIMER OF LIABILITY: Grand County or any of its agencies will not hold harmless or indemnify any respondent for any liability whatsoever.

HOLD HARMLESS: The respondent agrees to protect, defend, indemnify, and hold the Grand County, and its officers, council members, commissions, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character resulting from the error, omission, or negligent act of the respondent, its agents, employees or representatives, in the performance of the respondent duties under any agreement resulting from award of this proposal. The respondent further shall agree to investigate, handle, respond to, provide defenses for and defend any such claims, etc., even if such claim in groundless, false or fraudulent.

ANTI-DISCRIMINATION CLAUSE: No respondent on this proposal request shall in any way, directly or indirectly, discriminate against any person because of age, race, color, handicap, sex, national origin, or religious creed.

PUBLIC RECORD: Grand County is governed by the Governmental Record Management Act (except from exemptions allowed by state law). Information or data pertinent to the respondent's proposal and of a confidential nature must be bound and placed in a separate sealed envelope and included with each copy of the respondent's proposal. Grand County requests that a minimum amount of confidential material be used by the respondent in preparing responses to the proposal. Materials consisting merely of general descriptive information will not be considered confidential under any circumstances.

INCURRED EXPENSES: This proposal does not commit Grand County to make an award, nor shall the County be responsible for any cost or expenses which may be incurred by any respondent in preparing and submitting any offer, or expenses incurred by any respondent prior to the execution of a purchase order or contract agreement.

NO WAIVER OF FUTURE RIGHTS: No provision in this document or in the respondent's proposal shall be construed, expressly or by implication, as a waiver by Grand County of any existent or future right and/or remedy available by law in the event of any claim or default or breach of contract.

RFP DISCLAIMER. Grand County reserves the right to disqualify incomplete proposals, waive minor defects, as it deems applicable, in the written proposals, to request additional information from any respondent, change or modify the scope of the project at any time, without any penalty, negotiate terms with one or more of the respondents, reject any or all proposals, without a penalty, and take any steps necessary to act in the County's best interest. The County also reserves the unilateral right to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.

AGENDA SUMMARY

Audit Committee Meeting

Date: July 7, 2025

Title:	Update on 2024 External Audit
Fiscal Impact:	

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):	Mark Tyner, Commission Coordinator
Legal Review:	Not Applicable
Department:	Commission Administrators Office
Approved and within budget?	Yes
Budget Number:	

Recommended Motion:

Background:

Attachments:

None