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.