18 AUG 2025
Grand County Audit Committee Meeting

Commissioners Winfield, Martinez, and Hadler in attendance. Also attending, Karen Kurtin (Forvis Mazars), Julian Metcalf (GPP), Erik Spivak (GPP), Ofunfonsam (GPP), and Jon Haderlie (Larson). Other commissioners in attendance in the audience.

Commissioner Winfield began the meeting at 9:04.

Motion by Commissioner Hadler to approve the minutes from the prior meeting.
Motion seconded by Commissioner Martinez.
Motion passes 3-0

Jon Haderlie discussed the 2024 Grand County Audit. Jon asked if everyone had a chance to review the financial statements. Jon noted the importance of review by the audit committee.

Karen reviewed the draft as well. Karen sent comments to Grand County on Friday, but they don't seem to have come to anyone. Jon ran through the component units and associated amounts, and some other important components of the general audit - major funds, treasurer's statements, supplemental information, etc.

Jon Haderlie discussed various financial components of the audit - assets and liabilities, government wide statements, etc., noting there were no qualified or modified opinions.

Jon discussed internal controls and risk management. Jon recommended the Commission begin looking at Cybersecurity controls for the future. Local governments should be on high alert for phishing and scams. IT staff needs to ensure backups exist and are updated regularly. Larson identified no material weaknesses.

The report to the State Auditor is very specific and speaks to compliance only, and the opinion looks at the processes an entity uses to maintain compliance - and the opinion is unmodified.

The federal single audit addresses compliance with grant funding and federal requirements to maintain grant funding and looks at 6-7 key components of compliance. For 2024 the single audit looked at airport grant funding and it is unmodified, with no material weaknesses identified.

There are 2 findings related to budget amounts. The Clerk/Auditor response was comprehensive. The Commission should consider looking at actuals compared to budgeted amounts on a regular basis. Because this was a finding for the last 2 years, it's possible the State Auditor's office will reach out looking for a response. There was a deficit fund balance in one account, and the County should budget to reduce the deficit. Some issues could likely be resolved with some training and keeping revenue and expenses more up to date. The Audit Committee should report and advise the commission and/or the Clerk/Auditor's office to maintain more up to date records.

Discussions on improving the reporting standards to the commission, component units and expectations, timely delivery of financial statements (end of May), Clerk/Auditor office involvement and responsibilities, and fieldwork timeline adjustments (earlier in the year). Karen shared some comments and notes about draft financial statements. Jon and Karen discussed some language nuances, heading titles, and balance adjustments in the draft financials.

Karen noted that other than her comments, and within the bounds of professional courtesy, she generally agrees with the audit and findings. Karen suggested the transfers in 2024 are clear, but inclusion of 2023 transfers as background could be helpful. Jon noted that if appropriate, it could be included in the “subsequent events” section. Some discussion about the fund balance deficit and management of negative balances.

Jon ran through some of the journal entries suggested by Larson, but noted the importance of maintaining independence in both action and language. Jon noted they suggested 14 journal entries to “clean up” or bring into balance and reconcile specific accounts; rollover amounts and transfers, depreciation, fixed asset adjustments, grant receipting was adjusted to the correct period, EMS funds were accrued back to the prior year, Accounts Receivable, and the Transient Room Tax (TRT) transfer.

Commissioner Martinez noted the change in net position of the County. Karen noted that revenue seems to be going up, but expenditures have too. Some discussion about the level of research needed to address the difference between net positions government-wide over the last few years, including net pension liability, interest allocations, and other government-wide adjustments, and the ways the government-wide statements read when compared to the fund statements.

Motion by Martinez to approve the draft financials and to incorporate comments made by Karen Kurtin and include the modified management response surrounding the TRT transfer and subsequent event note regarding transfers for 2025.

Motion seconded by Hadler

Motion carries 3-0.

Julian Metcalf (GP) discussed the Internal Audit Charter Draft - noting that adopting it as a policy is likely better than creating a resolution at this point.

Motion by Martinez to approve the Internal Audit Charter as presented.

Motion seconded by Hadler.

Motion carries 3-0.

Some discussion around departments that may be looked at for internal controls and risk management. Commissioner Martinez suggested also looking at one elected office, one non-elected department, and one Special Service District (SSD). Some discussion about component units and the oversight from the Commission.

Discussion surrounding the scope of the internal audit and where upcoming work could focus to be most effective and delivery of the final work product with phases and subsequent steps. Further discussion about ongoing costs and benefits to the County long-term. Admin will create some version of department rotation for internal audit focus.

Commissioner Martinez suggested focusing on fund balances of departments and the makeup of those fund balances to ensure compliance. Julian noted work this fall (FY25) could focus on creating a comprehensive plan for 2026. Commissioner Winfield suggested the conversation continue via admin. Julian noted something needs to be signed between GPP and the County. Julian suggested the County draft the contact. Admin will get the ICA to GPP and GPP will address the scope of work.

Commissioner Winfield adjourned 11:25.