

ROUTT COUNTY BOARD OF COUNTY COMMISS IONERS

AGENDA COMMUNICATION FORM

ITEM DATE: 7/ 23/ 19	ITEM TIME: CONSENT
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FROM:	Dan Strnad
TODAY'S DATE:	7/16/19
AGENDA TITLE:	Approval of and authorization to request an extension of time to file Routt County's audit for the year ended December 31, 2018. The request will be submitted to the Office of the State Auditor to extend filing the County's audit by 60 days from the July 31, 2019 statutory deadline to September 30, 2019.

CHECK ONE THAT APPLIES TO YOUR ITEM:
<input checked="" type="checkbox"/> ACTION ITEM
<input type="checkbox"/> DIRECTION
<input type="checkbox"/> INFORMATION

I. DESCRIBE THE REQUEST OR ISSUE:

Key personnel turn over in the Accounting, Human Resources, Road and Bridge and Treasury departments significantly reduced the Accounting resources available during the last quarter of 2018 and first two quarters of 2019. During the transition in these departments, Accounting resources were diverted from monthly general ledger reconciliations, closing year end and financial statement preparation for 2018.

II. RECOMMENDED ACTION:

Approval of and authorization to request an extension of time to file Routt County's audit for the year ended December 31, 2018 evidenced by the Routt County Board of Commissioners Chair's signature on the request form.

III. DESCRIBE FISCAL IMPACTS (VARIATION TO BUDGET):

PROPOSED REVENUE: N/ A

PROPOSED EXPENDITURE: N/ A

FUNDING SOURCE: N/ A

IV. IMPACTS OF A REGIONAL NATURE OR ON OTHER JURISDICTIONS (IDENTIFY ANY COMMUNICATIONS ON THIS ITEM):

N/A

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V. BACKGROUND INFORMATION:

Key personnel turn over in the Accounting, Human Resources, Road and Bridge and Treasury departments significantly reduced the Accounting resources available during the last quarter of 2018 and first two quarters of 2019. During the transition in these departments, Accounting resources were diverted from monthly general ledger reconciliations, closing year end and financial statement preparation for 2018.

In order to mitigate the impacts on the department from key personnel turnover, Accounting personnel worked on average 48 hours per week or more from the first week in January 2019 until April 15, 2019. During this time, Accounting managed to catch up from being 10 months behind on 2018 general ledger work resulting from the implementation of Munis and closed the 2018 general ledger on 5/21/19. Typically, the Department closes the prior year general ledger by April 30th. The 2018 final audit fieldwork commenced as planned on 6/10/2019 with the financial statements (except for Management's Discussion and Analysis and cash flows statements) completed and the Single Audit and all audited schedules completed.

Management's Discussion and Analysis (MD&A) and the cash flows statements are expected to be completed by the County on 7/19/19 and 7/26/19, respectively. In a typical year, the financial statements including the Single Audit and the Auditor's Letter to the Board require approximately 6 weeks to complete after the auditor's complete their final fieldwork. Due to the MD&A and cash flows statements scheduled for completion over the next two weeks, the start of 2020 budget meetings and audit personnel not being available during the latter part of July 2019, the Finance Director and Auditor Partner agreed that requesting the maximum extension of 60 days to September 30, 2019 was the best fit for a successful audit.

VI. LEGAL ISSUES:

None.

VII. CONFLICTS OR ENVIRONMENTAL ISSUES:

There are no external conflicts. Internal conflicts include the Department working on items related to the 2018 financial statements and the 2020 budget during the same time period.

VIII. SUMMARY AND OTHER OPTIONS:

See above for summary of current plan. Currently, there are no other options to meet the July 31, 2019 statutory deadline based on workload and available resources.