



# ROUTT COUNTY BOARD OF COUNTY COMMISSIONERS

## AGENDA COMMUNICATION FORM

ITEM DATE: September 20, 2022	ITEM TIME: CONSENT

FROM:	Dan Strnad, Accounting
TODAY'S DATE:	9/13/2022
AGENDA TITLE:	Approval of and authorization to request an extension of time to file Routt County's audit for the year ended December 31, 2021.

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

**I. DESCRIBE THE REQUEST OR ISSUE:**

The Office of the State Auditor of Colorado is allowing an automatic extension of time to September 30, 2022 from the original deadline of July 31, 2022 to file the December 31, 2021 financial statements due to the COVID-19 pandemic. The Accounting department is requesting Board approval to file for the automatic extension due to the significant resources diverted from closing the 2021 general ledger and production of the 2021 financial statements during 2021 and 2022.

**II. RECOMMENDED ACTION (*motion*):**

Approval of and authorization to request an extension of time to file Routt County's audit for the year ended December 31, 2021 evidenced by the Routt County Board of Commissioners Chair's signature on the request form.

**III. DESCRIBE FISCAL IMPACTS (VARIATION TO BUDGET):**

PROPOSED REVENUE (*if applicable*): NA

CURRENT BUDGETED AMOUNT: NA

PROPOSED EXPENDITURE: NA

FUNDING SOURCE: NA

SUPPLEMENTAL BUDGET NEEDED: YES  NO

**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:

Due to the items listed below, Accounting department personnel were diverted from ongoing and year end general ledger and financial statement preparation activities. The department was not able to close the 2020 general ledger until July 6, 2021 and completed the 2020 financial statements on September 30, 2021. The 2020 delays negatively impacted the 2021 general ledger close until May 23, 2022 and 2021 financial statement preparation until September 7, 2022. This in turn results in the Accounting Department working on the year end financial statements and next year's budget at the same time which is not efficient. In order for an on-time general ledger close and financial statement completion to occur, the general ledger closing goal is the second week of April with financial statement preparation completed by the end of May.

- COVID – 19:
  - Processing the 2020 CARES Act grant awards for both the not-for-profit and for-profit grantee's during the first several months of 2021.
  - Preparation of the 2020 and 2021 accounting and reporting for multiple streams of COVID-19 relief revenue and related expenditures COVID-19.
  - Administration and training related to COVID-19 funding streams.
  - Staff COVID-19 illness in 2021 and 2022.
- Projects:
  - P-card implementation in 2021.
  - Audit Request for proposal in 2021.
  - Munis budget implementation trial in 2021.
  - Munis financial statement conversion in 2021 and 2022.
  - 2021 Jr. Livestock sale accounting and reporting in 2021 and 2022.
  - Adventure Office point of sale conversion for Fair in 2022.
- Staff turnover:
  - Accounting accounts payable
  - Environmental Health office technician
  - Planning office technician
  - Personnel office technician
  - YVRA payroll and accounts payable

Final audit fieldwork in a normal year is the first or second full week of June. The 2021 final audit fieldwork took place June 20 – 24, 2022. 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. The Finance Director and Auditor Partner agreed in mid-July 2022 that requesting the automatic extension of 60 days to September 30, 2022 was the best fit for a successful audit.

The impact of Accounting department turnover for one Accounting Manager and one Finance Technician may require an extension of time to file for the County's 2022 Financial Report. Extensive training is required to close the general ledger and to prepare the financial statements for both positions during the first 6 months of 2023. A 2023 budget request has been made for additional Accounting Department staff.

### VI. LEGAL ISSUES:

N/A



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**VII. CONFLICTS OR ENVIRONMENTAL ISSUES:**

There are no external conflicts. Internal conflicts include the Department working on items related to the 2021 financial statements and the 2023 budget during the same time period.

**VIII. SUMMARY AND OTHER OPTIONS:**

Currently, there is no other option as the July 31, 2022 original deadline has passed.

**IX. LIST OF ATTACHMENTS:**

Office of the State Auditor – Local Government Audit Division  
Request for Extension of Time to File Audit for the Year Ended December 31, 2021