

Wasatch County Fire Board of Directors Meeting

Tuesday June 9, 2020

Meeting held at the Wasatch County Administration Building located at 25 N Main, Heber City.

Those in Attendance:

Spencer Park

Jeff Wade

Steve Farrell

Kendall Crittenden

Mark Nelson

Chief Ernie Giles

EMS Battalion Chief Clair Provost

Many advisory board members

Auditor Michael Michelsen

Auditor Brett Hancock

Kierstan Smith, CPA

Minutes

A motion was made by Councilman Nelson to approve the minutes of the May 12, 2020 fire board meeting. The motion was seconded by Councilman Wade and the motion passed all in favor.

Warrants

The listing of warrants totaled \$198,928.00. This total included the added warrants and the payroll transmittals.

A motion was made by Councilman Parks to approve the warrants as presented. The motion was seconded by Councilman Wade and the motion passed all in favor

Chief report

Chief Giles: I do have stuff. If we could move to the audit first and let them report that would be great.

Councilman Farrell: Alright, lets go to the audit report then.

Michael Michelsen: Thank you we are happy to be here today. It is certainly unusual times, and this is a different way to present. Thank goodness for technology. My name is Mike Michelsen. I am the engagement partner on the audit with Eide Bailly. Also, with us is Brett Hancock who is the manager on the engagement and management of the audit team. This year was unusual because we begin field work after Governor Herbert had instituted the stay safe program were our office closed and other offices closed so we did most of the work remotely. We were individually working in our own homes to keep ourselves and families safe. We were able to obtain the information that we needed from the fire district through our secure portal. We were able to keep all those communications and documents secure in performing our audit procedures. As a result, we have issued the financial statements with a auditors report dated May 29th. In accordance with auditing standards that we follow, we issue independent auditors report, 2 compliance reports, and we issued a letter to the board. Brett is going to discuss our auditors report and then I will discuss the 2 compliance reports, and then we will finish up with Brett going through some of the required communications from the additional board letter.

Brett Hancock: Thanks for having us. I am assuming you guys have a board packet. If you want, you can turn the auditors report. Basically, it just goes over the performing needs of the audit based off county standards and our government audit standards. It goes over management responsibility basically provide us the proper information and an auditor's responsibility which is to not provide absolute assurance but reasonable assurance. As Mike said we also give an opinion on financial statement. In our opinion, basically the statement refers to the following specs. There are specs specific for the government and each major fund of the districts as of 12/31/19. We did not note any material misstatements or issues. This also has 2 paragraphs explaining the required supplemental information. I will turn the time back to you Mike.

Michael Michelsen: So as a result of our audit procedures we did not have any adjustments. So, the financial statements you have viewed through the year as part as your responsibility has not changed. There may be some presentation differences and the footnotes are probably not there every time you have viewed them. But there are no adjustments to those that we have reviewed. Since those are the organizations statements, we will not go through them at this time. The additional reports we have issued begin on page 56. That last paragraph of our independent auditor's report referred to audit government standards and this is the governments auditing standard report. By statute of the state of Utah anytime a governmental entity has an audit we are required to follow these additional auditing standards that are established by the government accountability office. That requires the issuance of this report that deals with internal control over financial reporting and compliance with other matters. In order to plan our audit procedures, we do gain an understanding of internal controls. That helps in our risk assessment. If we had seen any internal control weaknesses that we had noticed as a result of our audit, we would communicate those here. But there are non-communicated in that first section on page 56. At the bottom of page 56 and the top of page 57 is the section on compliance and we did not note any instances of noncompliance and there are no instances reported in this report. This is an unmodified report under government standards. This report deals specifically with laws that would have an effect on the financial statements themselves. There are other compliance issues that might not result in change and calculation of any financial statement numbers. A lot of those are things that the state auditor is interested in and the state auditor has issued an auditor guide for auditors to follow. Beginning on page 58, is the report we issued in accordance to that audit guide. You will see those indented items there. The state audit guide has a lot of different areas of consideration. Some of those

areas do not comply with the fire district. Part of what we do at the beginning of a report is list areas that we did audit and that did apply. So, we tested those 6 areas for compliance for the fire districts compliance. As we look at budgetary compliance that deals with statues required or notice of your budget hearings approving it in a timely period before the beginning of the fiscal year and those types of things. Fund balance deals with your net position and how much of that is available to roll forward from prior years. Rather there is a deficit fund balance withing the appropriate limits and those types of things. There are also statutory requirements related to the Utah retirement systems inputting their census information in an accurate timely matter and we did some procedures around that. Opening public meeting acts deals with publishing agendas as well as other public notices in a certain amount of time and publishing minutes after the meetings. As a government entity you are also required to have a treasurer's bond to help protect the organization in the issue of an event where there may be fraud. We are finding there are requirements related to special service district board members including the training you are required to receive on an annual basis as a board. So, we preformed the audit procedures over those areas suggested in the statement audit guide developing this report. If there had been any noncompliance to report and be referred to and there were no instances in those compliances. I think in prior years we had issues in documentation on training of board members and things like that but that has been remediated. We were able to look at the documentation of the training for board members this year and had no findings and that is explicitly detailed on page 60. That's kind of a pretty page. There are no current findings and no prior year findings in our audit procedures. Final thing we issued is under our auditing standards is a Board letter with some required communications. Brett is going to go through some of those required communications.

Brett Hancock: In the beginning it goes over the auditor's responsibilities and auditing standards. It talks about the scope and timing of engagement letter that we sent to have signed by the chief. The compliance with ethical requirements regarding independence basically stating we make sure we control and are and independent service. Then it goes down to explain that as auditors we are looking at significant accounting policies and which ones those are. Seeing if there are accounting estimates that are applicable to the district. We kind of explain those briefly, nothing new has changed from last year as far as those are concerned. That are applicable to the district. Nothing new has changed since last year. It also goes over the disclosures and financial statements. If there were significant difficulties encountered rather than be with management or anything else related with the audit, we would report it to you in this page. We do not have any corrected or uncorrected mistakes. I think mike spoke about that. We did not find anything that needed to be adjusted or altered. If there were, we would get back with you in this letter. The rest is straight forward. We used other accountants or management of accountants that is recorded in there. That is basically it. There has not been anything this year. We have always enjoyed working with you guys out there.

Michael Michelsen: Is there any other questions we can answer about the audit?

Councilman Farrell: Has this audit been submitted it to the state auditor?

Michael Michelsen: We have not submitted it. I don't know if management has.

Kierstan Smith: No Steve, I need you to sign it and then I will submit it.

Councilman Farrell: Thanks Kiersten, that is due by July 1st correct?

Kierstan Smith: Yes, it needs to be done within the week.

Councilman Farrell: Does anybody have any other questions for the audit? Again, thank you for your time. Let's go back to the chief.

Chief Giles: We need a motion to accept audit for 2019.

A motion was made by Councilman Crittenden to asset the audit as presented for 2019. The motion was seconded by Councilman Wade and the motion passed all in favor.

Chief Giles: I need to go to closed session to talk about the land purchase. I do not have a lot to report. I need to travel to Oregon to get a bed for a truck we bought. We are having a stainless-steel bed built. That was the closest place we could get a bid for it. I will be out of town from 22 – 28th. Then we ordered a truck. Its being built in Wyoming and Minnesota. It should be delivered at the end of the month according to them. Unless somebody has questions that's all I have to report.

A motion was made by Councilman Crittenden to move to closed session. The motion was seconded by Councilman Park and the motion passed all in favor.

A motion was made by Councilman Wade to end the closed session. The motion was seconded by Councilman Nelson the motion passed all in favor.

A motion was made by Councilman Crittenden to direct the Chief to move the money from Capitol Improvement Fund to make a down payment on the property for a potential Heber fire station. The motion was seconded by Councilman Wade and the motion passed all in favor.

Councilman Farrell: Chief, do you have anything else?

Chief Giles: No, I would just like to thank the board. This is a big step for the district, and we appreciate the support.

A motion was made by Councilman Nelson adjourn, the motion passed all in favor.