

Office of the State Auditor  
Financial and Compliance Audit of the Great Outdoors Colorado Trust Fund  
Responses to Prospective Bidder Inquiries  
February 1, 2017

1. What was the typical timing that the prior audit firm performed their on-site planning/interim work and year end fieldwork? How long did fieldwork take place on site at GOCO in the prior year and how many auditors were generally on site?
  - a. The interim field work typically begins in June, with year-end field work in August-September. The number of auditors and length of time on site was not provided to us.
2. Can interim fieldwork be performed as early as May or June?
  - a. Yes.
3. What is the preferred timing of interim and year-end fieldwork?
  - a. According to GOCO staff, the preferred timing for interim work is May and early June and for final, late August/ early September.
4. How many hours did it take the prior audit firm to complete the GOCO June 30, 2016 audit?
  - a. The actual number of hours was not provided to us.
5. Please provide information on the total contract price for the June 30, 2016, 2015, and 2014 audits. Were any additional fees incurred for non-attest services during these timeframes? If so, please elaborate.
  - a. The June 30, 2016 audit was not contracted by our office. The contract fees for Fiscal Year 2015 and 2014 were \$33,900 and \$32,900, respectively. There were no additional fees incurred for non-attest services.
6. What is the current composition of GOCO's finance/accounting staff and how long have the personnel been in their current positions?
  - a. According to GOCO staff, GOCO's accounting staff consists of a Senior Accountant who has been with GOCO for 4 years and a Controller who has been with GOCO for a year and half. The Controller is a CPA and both have public accounting experience. The Controller reports to the COO.
7. Has there been any recent turnover or expected turnover in finance/accounting personnel?
  - a. According to GOCO staff, the most recent turnover was the departure of the CFO in spring of 2015. Her position was replaced with the COO and Controller positions. No other turnover is expected.

8. Where are GOCO's administrative offices and finance/accounting team located?
  - a. GOCO's offices are located at 1900 Grant Street, Suite 725, Denver, CO.
  
9. Have there been any known instances of fraud or illegal acts during the current fiscal year, or in the previous three fiscal years? Have there been any instances of non-compliance with laws and regulations during the last two fiscal years?
  - a. The OSA is unaware of any known instances of fraud or illegal acts for GOCO during the last three fiscal years. According to GOCO staff, there are no known instances of fraud, illegal acts or non-compliance.
  
10. Were there any major IT system failures or issues noted during the current fiscal year, or previous three fiscal years?
  - a. We are not aware of any major IT system failures or issues during the current or previous three fiscal year years. According to GOCO staff, there are no known IT system failures.
  
11. Have there been any regulatory audits performed during the previous three fiscal years? If so, were there any major findings or issues brought to management's attention?
  - a. There were no other regulatory audits performed during the previous three fiscal years.
  
12. Are there any significant events or transactions in 2017 that are different/new/unusual that could materially impact our audit approach (with the presumption that we are examining the 2016 financial statements to build our audit approach)?
  - a. According to GOCO staff, significant events in 2017 are as follows:
    - A new Executive Director will be hired in early 2017
    - A marketing campaign will be launched in 2017 that will extend into 2018 that will impact the operating budget and create new intangible assets. The marketing campaign is expected to include development of strategies, tactics and tools which could result in new trademarks, domain names and other forms of intellectual property which may have value.
  
13. Are there any known significant transactions/activities planned for the future periods not covered by the Request for Proposal that should be considered in our proposed fee structure?
  - a. According to GOCO staff, no.
  
14. Does the audit require site visits? If so, please list the sites we would be required to visit.
  - a. Site visits other than to the GOCO central office are not required.
  
15. When will the Department's books be closed?
  - a. According to GOCO staff, for fiscal year end 6/30/17, most of the accounts will be closed by the end of July 2017. However, normally there is a delay in receiving invoices from Colorado Parks and Wildlife in order to accurately record an accrual.

Also, there is usually a delay in receiving unrealized gain and loss information from Treasury. These items may push the final close into the beginning of August.

16. Does GOCO draft the financial statements and related notes?
  - a. Yes.
17. When are GOCO's financial statements typically made available to the external auditor?
  - a. According to GOCO staff, mid-August.
18. Please send us the 2017 departmental budget to determine the magnitude of the departmental transactions.
  - a. See attached provided by GOCO staff.
19. Have there been issues encountered in recent prior years relating to the timeliness of receipt of the exhibits/attestation memos, stand-alone audit reports and findings from the external auditors?
  - a. There were no significant issues regarding the timeliness from the external auditors.
20. Does the department have current internal control documentation over significant transaction classes (i.e. cash receipts, disbursements, payroll, federal and state compliance), in accordance with COSO standards?
  - a. According to GOCO staff, GOCO maintains a policy framework and department level procedures that document internal controls.
21. What software system(s) does GOCO utilize? Does GOCO use CORE? Are there any automated controls within the system(s) that would impact the audit?
  - a. GOCO does not utilize CORE. According to GOCO staff, GOCO's accounting system is called Financial Edge and the Grants system is Foundation Connect which is on the Salesforce platform.
22. Can the financial information be accessed through the departments' software? If so, would this include access to scanned images or original source documents?
  - a. According to GOCO staff, most accounting documentation can be accessed from the system such as journal entries or financial reports. Invoices and other source documents are kept in hard copy at GOCO's offices. Grant information including source documents are in an electronic format.
23. Will the department be able to provide total populations for us to pull our samples from?
  - a. According to GOCO staff, yes they will be able to query and pull data from either system.

24. Does the department utilize outside service providers for any significant functions?
  - a. According to GOCO staff, GOCO's payroll provider is Sage (Paychoice) and the Human Resources administrator and insurance broker is Zenefits.
25. Will there be one point of contact for information requests regarding the audit? Are all records for compliance testing maintained at a central location for the Department, or are they at each individual division's locations?
  - a. According to GOCO staff, they will provide one point of contact for the audit. All of GOCO's records and staff are located at 1900 Grant Street. The auditors should also maintain frequent communication on the audit status with the OSA's contract liaison.
26. Was there a performance audit performed by OSA on this department? If so, when and are the reports available for our review?
  - a. The OSA is currently in the process of conducting a performance audit of GOCO. The report will be available upon release by the Legislative Audit Committee, which is currently scheduled for summer 2017.
27. The RFP indicates a one year fee to be included in the compensation section, are we also to include four additional years or only one year?
  - a. All requirements are outlined in the RFP which states that the firm selected will be awarded a one-year contract which may be renewed on an annual basis for up to four additional years subject to actable performance and costs. Specific fees for future years are not required.
28. Were there any amendments to the defined contribution or deferred compensation plan in 2017?
  - a. According to GOCO staff, no.
29. Will there be any new GASB's implemented in 2017 that effect GOCO?
  - a. According to GOCO staff, no.
30. The 2016 report does not indicate any findings for prior or current year, correct?
  - a. There were no findings reported for either the Fiscal Year 2015 or 2016 audit.
31. What does GOCO like and what would GOCO want to change in regards to the current audit process?
  - a. According to GOCO staff, GOCO is happy to work collaboratively with the external audit team. It is helpful to receive requests in advance of fieldwork so that they can prepare responses while working around internal deadlines. GOCO staff also appreciates when they receive a list of follow up questions gathered by the audit team instead of one-off questions throughout the day. GOCO staff are also

happy to respond directly to OSA if additional questions come up after or during fieldwork.

32. Are you currently aware of any areas for which OSA would like additional audit procedures performed?
  - a. All audit procedures expected from the contractor are outlined in the RFP. Any additional procedures will be evaluated on an annual basis.
33. Are there any specific accounting or auditing concerns? What, if any, new regulations, standards, or issues may cause either the OSA or GOCO concern for the upcoming year and beyond?
  - a. According to GOCO staff and the OSA, there are currently no accounting or audit issues of which we are aware.
34. Has the OSA performed a separate IT audit over this system in the past two years?
  - a. No.
35. Does GOCO have an internal audit function? If so, is the assistance of GOCO's internal auditor(s) made available to the external auditor during the audit process?
  - a. According to GOCO staff, GOCO does not have an internal audit staff.
36. Can you please provide the posted and passed adjusting journal entries, if there were any, for the 2016 audit?
  - a. See attached provided by GOCO staff.
37. Please provide the following, if applicable, relating to the FY2016 audit: Other matters communicated to management that are not included in the issued financial statements (Management Letter)
  - a. According to GOCO staff, no management letter was provided for the Fiscal Year 2016 audit.
38. Did the Department have any federal award programs that required Single Audit Testing in each of the past two years and are any expected over the term covered by this RFP?
  - a. GOCO has not received any federal funds, nor are any receipt of federal funds expected.
39. Are the financial statements and compliance report for June 30, 2016 available?
  - a. The link to the financial statements and compliance report for June 30, 2016 was provided as part of the RFP.
40. Any significant changes to cash/investments during fiscal year 2017 or investment policy changes?
  - a. According to GOCO staff, no.

41. Any new debt anticipated in 2017 or 2018?

a. According to GOCO staff, no.

42. Any significant changes in state, local or federal funding during FY17?

a. According to GOCO staff, no.

Great Outdoors Colorado Trust Fund  
 FY2016 and FY2017 Budget

Expense Type	FY 2015/2016	FY 2016/2017
	Budget	Budget
Employee Count	16	17
<b>Salaries and Benefits</b>		
Salaries - Full Time Employees .....	1,039,583	1,090,630
Wages - Interns .....	16,100	16,422
Bonus Pool .....	16,783	20,000
Payroll Taxes .....	23,344	22,213
Deferred Compensation Plan Administration .....	12,500	12,500
Defined Contribution Plan Contributions .....	107,749	114,959
Defined Contribution Plan Administration .....	12,000	12,500
Medical Insurance .....	101,300	78,000
Wellness Reimbursement .....	1,267	1,920
Life & LTD Insurance .....	7,125	8,000
Training, Professional Development, and Conferences .....	48,199	42,170
Other Employee Benefits - Commuter Benefits .....	1,583	8,644
Temp Employees/Contract Workers .....	39,167	-
FSA Administration .....	600	390
Health Savings Employer Contribution .....	17,813	19,200
<b>Total Salaries and Benefits</b>	<b>1,445,113</b>	<b>1,447,548</b>
<b>Professional Services</b>		
Strategic Planning Implementation and Special Projects .....	105,000	50,000
Legislative Services .....	60,000	60,000
Audit .....	35,600	30,000
Legal .....	30,000	50,000
<b>Total Professional Services</b>	<b>230,600</b>	<b>190,000</b>
<b>Communications</b>		
Creative Services		
Professional Services .....	30,000	40,000
Professional Services (Campaign base) .....	-	75,000
Professional Services (Campaign estimate) .....	-	450,000
TV/Video/Photo .....	25,000	27,000
Graphic/Web design .....	6,000	5,300
Marketing Research .....	-	55,000
Publications		
Printing/Copying .....	-	241
Annual Report .....	10,000	10,000
Advertising /Marketing/Promotion		
Conference Sponsorships .....	15,000	12,000
Other Advertising .....	20,000	9,000
Customer Service .....	2,250	1,500
Marketing Collateral items .....	20,000	21,500
Social Media .....	11,000	9,000
<b>Total Communications</b>	<b>139,250</b>	<b>715,541</b>
<b>Travel</b>		
Board Meeting Travel .....	28,000	22,700
Board Member Per Diems .....	3,000	700
Site Visit Travel .....	17,345	18,300
Outreach Travel .....	24,482	27,520
Administrative Travel .....	3,345	3,000
<b>Total Travel</b>	<b>76,172</b>	<b>72,220</b>
<b>Equipment Maintenance &amp; Leasing</b>		
Copier Maintenance/Repair .....	1,500	1,530
Office Equipment Maintenance/Repair .....	350	357
Automobiles Maintenance/Repair .....	1,500	1,530
Automobiles Gas .....	1,500	1,530
Automobiles Leases .....	5,245	5,350
Copier Lease .....	4,200	4,284
Postage Machine Lease .....	1,915	1,953
<b>Total Equipment Maintenance &amp; Leasing</b>	<b>16,210</b>	<b>16,534</b>
<b>Computer Expenses</b>		
Software Licenses/Maintenance Agrmts .....	43,953	48,218
Computer Support - Maintenance .....	20,545	11,000
Computer Support - Foundation Connect .....	-	40,000
<b>Total Computers</b>	<b>64,498</b>	<b>99,218</b>
<b>Capital Outlays</b>		
Hardware/Software .....	24,240	28,500
Furniture & Fixtures .....	2,000	85,000
Leasehold Improvements .....	-	10,000
<b>Total Capital Outlays</b>	<b>26,240</b>	<b>123,500</b>
<b>Office Expenses</b>		
Office Rent .....	156,000	187,211
Office Parking .....	7,800	8,400
Office Supplies - General .....	4,200	4,965
Kitchen Supplies .....	2,850	1,856
Printing/Copying .....	2,000	1,000
Non-capitalized purchases .....	6,000	6,000
Postage .....	3,100	1,342
Delivery .....	250	300
Internet/Telephone .....	7,550	7,550
Telephone - Conference Calls .....	1,340	2,000
Telephone - Cellular .....	3,000	1,500
Insurance .....	18,531	17,114
Bank Charges .....	458	750
Payroll Processing Expenses .....	1,527	1,900
Subscriptions & Memberships .....	9,340	8,100
Recruitment Expense .....	1,833	51,200
Contingency (office move) .....	137	19,250
<b>Total Office Expenses</b>	<b>225,917</b>	<b>320,439</b>
<b>Total</b>	<b>2,224,000</b>	<b>2,985,000</b>

Great Outdoors Colorado Trust Fund

AJE

Year End: June 30, 2016

Adjusting Journal Entries

Date: 7/1/2015 To 6/30/2016

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	6/30/2016	Grants Payable	05-2000-000-00000-0000	CAJE-1		97,712.00			
1	6/30/2016	Local Govt Payables	05-9000-000-00000-0000	CAJE-1			97,712.00		
Client adjusting entry to update the Local Government Grants Payable (for information received from LG after start of FW)									
2	6/30/2016	Imputed Cash - State Treasury	01-1201-000-00000-0000	CAJE-2		371,830.00			
2	6/30/2016	Imputed Income - State Treasury	01-4201-100-00000-0000	CAJE-2			371,830.00		
Client adjusting entry to record FY2016 unrealized gain net change (information received from Treasury after start of FW)									
3	6/30/2016	Commuter Plan Liability	01-2140-000-00000-0000	FS		1.00			
3	6/30/2016	Fund Balance Created by posting	01-3110-000-00000-0000	FS			3.00		
3	6/30/2016	Book Sales Revenue	01-4305-100-00000-0000	FS			1.00		
3	6/30/2016	Career Development - Administration	01-6165-100-00000-0000	FS		3.00			
3	6/30/2016	Grants Payable	02-2000-000-00000-0000	FS		1.00			
3	6/30/2016	Public Information Program	03-5170-007-14187-5500	FS			2.00		
3	6/30/2016	Accum Depr - Software	06-1755-000-00000-0000	FS		1.00			
I/M adjustments to tie to the client FS and to roll net assets									
						<b>469,548.00</b>	<b>469,548.00</b>		
<b>Net Income (Loss)</b>			<b>17,388,988.00</b>						