

## **AGENDA ITEM #12**

Consideration of Resolution 2021-38  
approving Gilbert & Stewart to provide  
auditing services.

**GRANTSVILLE CITY  
RESOLUTION NO. 2021-38**

**A RESOLUTION AWARDING GILBERT & STEWART, P.C. A CONTRACT TO  
PROVIDE AUDITING SERVICES FOR GRANTSVILLE CITY**

**WHEREAS**, Utah Code Ann. § 10-6-151 (2008) requires that all Utah municipalities perform an annual financial audit by an independent auditor in conformity with state and federal law; and

**WHEREAS**, the Grantsville City Council authorized the City's Finance Director to solicit proposals via requests for proposal (RFP) for a service provider to provide auditing services for the City; and

**WHEREAS**, Grantsville City issued and advertised via a request for production (RFP) and received three (1) bid from the following entity:

1. Gilbert & Stewart, P.C.

**WHEREAS**, after review of the proposals and the scope of services, the City is recommending that the City Council award the contract to Gilbert & Stewart, P.C.; and

**WHEREAS**, Gilbert & Stewart, P.C. was the lowest bidder; and

**WHEREAS**, the total project bid amount from Gilbert & Stewart, P.C. is \$62,500.00; and

**WHEREAS**, the Grantsville City Council hereby determines that it is in the best interest of the City to approve Gilbert & Stewart, P.C. to provide independent auditing services for the City.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANTSVILLE CITY, STATE OF UTAH, AS FOLLOWS:**

**Section 1. Contract Award.** The City of Grantsville hereby appropriates \$62,500.00 for Gilbert & Stewart, P.C. to provide independent auditing services for the City.

**Section 2. Severability Clause.** If any part or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution and all provisions, clauses and words of this Resolution shall be severable.

ADOPTED AND PASSED BY THE CITY COUNCIL OF GRANTSVILLE CITY, THIS  
16<sup>th</sup> DAY OF JUNE, 2021.

BY ORDER OF THE  
GRANTSVILLE CITY COUNCIL

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By Mayor Brent K. Marshall

ATTEST

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Christine Webb, City Recorder

**PROPOSAL TO PROVIDE  
AUDITING SERVICES TO  
GRANTSVILLE CITY**



**GILBERT & STEWART**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

RANDEL A HEATON, CPA  
LYNN A. GILBERT, CPA  
JAMES A. GILBERT, CPA  
BEN H PROBST, CPA  
RONALD J. STEWART, CPA  

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SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

June 3, 2021

Grantsville City  
429 East Main  
Grantsville, UT 84029

ATTN: Sherrie Broadbent

Thank you for the opportunity to submit our proposal to provide audit and other services as described in your request for proposal for Grantsville City for the year ending June 30, 2021, with possible extensions for four succeeding years. We believe we are the City's best choice for auditing services because we are uniquely qualified and experienced in providing auditing services to governmental entities.

We believe that our detailed response to the request for proposal demonstrates that:

- We have extensive experience in local government accounting and auditing. We believe that, compared to other firms, large and small, our partners and managers are more directly involved with our clients on a continuing basis. The team that will perform your audit will be highly trained and experienced.
- We have extensive experience auditing cities. Our staff has detailed knowledge of the specific auditing and reporting requirements of a city.
- We are committed to providing Grantsville City with technical excellence and superior service with the highest level of professionalism.

Gilbert & Stewart CPA, PC was organized in 1974. We serve our clients from three locations, Provo, American Fork, and Heber. Ron Stewart, CPA is the individual to contact if questions arise. Our firm contact information is as follows:

Gilbert & Stewart CPA, PC  
190 West 800 North, Suite #100  
Provo, Utah 84601  
(801) 377-5300 (801) 373-5622 (Fax)  
Email: [rstewart@gilbertandstewart.com](mailto:rstewart@gilbertandstewart.com)

As you read our proposal, you will see that we have the necessary experience, technical expertise and other resources required for this engagement.

We thank you in advance for your consideration.

*Ron Stewart*

Gilbert & Stewart, CPA's

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AMERICAN FORK OFFICE  
85 NORTH CENTER STREET  
AMERICAN FORK, UT 84003  
(801) 756-9666  
FAX (801) 756-9667

PROVO OFFICE  
190 WEST 800 NORTH #100  
PROVO, UT 84601  
(801) 377-5300  
FAX (801) 373-5622

HEBER OFFICE  
45 SOUTH MAIN ST  
HEBER, UT 84032  
(435) 654-6477  
FAX (801) 373-5622

WWW.GILBERTANDSTEWART.COM

## **General Background Information**

Gilbert & Stewart, a local firm, was organized in 1974 and has served the Utah area from its Provo location since that time. We now have offices in American Fork and Heber to better serve our clients. The audit of Grantsville City will be conducted out of the Provo office. Ron Stewart is the individual to contact if questions arise.

Gilbert & Stewart (A Professional Corporation)  
Certified Public Accountants  
190 West 800 North, Suite #100  
Provo, Utah 84601  
(801) 377-5300

## **Firm Qualifications**

Gilbert and Stewart has had varied and extensive experience in auditing government entities including counties, cities, school districts, special improvement districts, non-profit government grant agencies, etc. (A list of some audit client references is attached).

We are familiar with and have the capability to audit all computerized accounting systems including the Caselle Clarity Financial System.

Over the years our approach to auditing has been one of providing assistance to audit clients whenever and however possible including, but not limited to, providing management letter recommendations on matters that may come to our attention during the course of the audit. Our collective experience and our library of resource materials allows us to act in a management advisory capacity on accounting, audit, tax, or other issues that may arise during the year. We have also had experience in qualifying auditees' reports for the certificate of excellence in financial reporting awards given by governmental organizations.

Gilbert & Stewart is a member of the Private Companies Practice Section of the Division for CPA Firms of the American Institute of Certified Public Accountants. We have undergone four peer reviews administered by the Private Companies Practice Section, which review serves to document and enhance the quality of our auditing procedures. Our last review was performed in 2018 and we received a pass opinion (the best opinion that can be received). A copy of the report is attached.

### **Response to RFP qualifications:**

1. Ron Stewart, an Audit Partner, will supervise the work of this engagement. He is properly licensed as a Certified Public Accountant in the State of Utah.
2. Ron Stewart has over 21 years of municipal auditing experience in the State of Utah. (See individual resume attached.)
3. The staff personnel assigned to this audit have the appropriate educational backgrounds and meet the continuing education requirements of the State of Utah. Gilbert & Stewart is very familiar with the Caselle financial system and has been auditing cities using this software for many years.
4. Gilbert & Stewart does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and these are not a factor in consideration for employment, selection for training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion or separation.

## **Audit Team**

Gilbert & Stewart has an audit staff of 13 professionals. Personnel that will be assigned to the audit and in what capacity are as follows. Please see attached resume sheet for experience and qualifications.

Ron Stewart - Audit Partner  
Spencer Hintze – Audit Manager  
Randell Heaton - Audit Manager / Single Audit Specialist  
Kurt Gilbert – Audit Staff

## **Audit Requirements**

It is our understanding that this is a proposal to audit the basic financial statements of Grantsville City including all funds. All discretely presented component units, (if any) as described in GASB 14 will be included in the financial statements but will be audited by other firms or under a separate engagement. This proposal also includes all compliance auditing and control systems review as required by *Government Auditing Standards*, and State Compliance Manuals.

We will provide you with the following:

1. An auditor's opinion on the City's financial statements with a in-relation-to opinion on combining and supplementary information, if any. We will ensure that the financial statements are prepared in conformity with Government Auditing Standards.
2. A report on the internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards.
3. An auditor's report on compliance and internal control over compliance as required by the Utah State Audit Compliance Guide.
4. A comprehensive management letter including audit findings and recommendations. This letter will include written responses from the City for each recommendation given. If the City declines to respond that will be noted in the letter as well.
5. If necessary we will perform procedures and reports in compliance with Uniform Guidance 2 CFR 200 (Single Audit).

We will plan and perform our audit procedures to ensure that the report will be issued prior to November 20<sup>th</sup> of each year.

## **Audit Approach**

Our audit will be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Grantsville City and other procedures we consider necessary to enable us to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on Grantsville City's compliance with laws and regulations and its internal controls as required by *Government Auditing Standards* and OMB Uniform Guidance. Our audit will also cover all requirements of the State of Utah Legal Compliance Audit Guide.

Our audit fieldwork will be determined by our evaluation of accounting systems and controls, by evaluation of audit risk and materiality, and will consist of both compliance and substantive testing based upon those evaluations. We would expect the cooperation of City personnel in providing a suitable place to work, in helping to locate records, preparation of schedules where possible, and by responding to questions. We would, however, try not to be unnecessarily disruptive of day-to-day operations. The number of hours needed to complete the audit will be described in the fees section.

We perform audits of governmental entities each year and are very familiar with the reporting requirements. We will plan and perform the audit in a manner which will meet all the filing deadlines required of the City.

**Affirmations**

Gilbert & Stewart does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and these are not a factor in consideration for employment, selection for training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion or separation.

Gilbert & Stewart is properly licensed for practice as a Certified Public Accounting firm in the State of Utah.

Gilbert & Stewart is independent of Grantsville City as defined in the AICPA's *Rules of Conduct*, and by the requirements of the *Government Auditing Standards*, 2018 revision published by the U.S. General Accounting Office.

Gilbert & Stewart meets the continuing education and external quality review requirements contained in the *Government Auditing Standards*, 2018 revision published by the U.S. General Accounting Office.

**Fee Schedule**

Our fee, which includes all out-of-pocket expenses for the audit of the basic financial statements for the year June 30, 2018 is as follows:

		Basic Financial Statements		
2021	<u>Hourly Rate</u>	<u>Estimated Hours</u>	<u>Estimated Total</u>	
Partners	\$ 170	18	\$ 3,060	
Manager	135	25	3,375	
Staff	110	23.32	2,565	
Total		<u>66.32</u>	<u>9,000</u>	
Basic financial statement audit		<u>66.32</u>	<u>\$ 9,000</u>	



2021	Single Audit (if needed)		
	Hourly Rate	Estimated Hours	Estimated Total
Partners	\$ 170	7	\$ 1,190
Manager	\$ 135	8	1,080
Staff	110	11.18	1,230
Total		26.18	3,500
Basic financial statement audit		26.18	\$ 3,500

Not to exceed fee for the years ended June 30, 2021 and 2025 are as follows:

YEARS	Financial Audit	Single Audit	Total
2021	\$ 9,000	\$ 3,500	\$ 12,500
2022	9,000	3,500	\$ 12,500
2023	9,000	3,500	\$ 12,500
2024	9,000	3,500	\$ 12,500
2025	9,000	3,500	\$ 12,500
Total	\$ 45,000	\$ 17,500	\$ 62,500

### What Sets Us Apart

Gilbert & Stewart is different than most firms because partners and managers are on-site performing tests and audit procedures along with other staff members. This allows us to address critical issues up-front rather than later when reviews are performed. We have found that our clients enjoy the interaction with partners and the job is completed in a much more efficient manner when issues can be resolved immediately. Our firm approach is to have a partner on the audit rather than in the office.

Thank you for your consideration of our proposal. If you have further questions, please call.

Sincerely,

### **Gilbert & Stewart**

GILBERT & STEWART  
*Certified Public Accountants*

**NAMES OF ENTITIES FOR WHICH AUDIT  
SERVICES HAVE BEEN PROVIDED**

Some of the entities for which we have provided audit services include:

Utah County  
Bryan Thompson, Clerk/Auditor  
Provo, Utah 801- 373-5510

South Jordan City  
Sunil Nadu, Finance Director  
11175 South Redwood Road  
South Jordan, Utah 801-254-3742

Payson City  
Cathy Jensen, City Recorder  
Payson, Utah 801-465-5205

Orem City  
Brandon Nelson, Finance Director  
Orem, Utah 801-229-7010

American Fork City  
Kathy Jensen, Finance Director  
American Fork City, Utah 801-763-3000

Eagle Mountain City  
Paul Jerome, Finance Director  
Eagle Mountain, Utah, 801-789-6606

Midway City  
Brad Wilson, City Recorder  
Midway, Utah 435 654-3223

Saratoga Springs City  
Chelese Rawlings, Finance Director  
Saratoga Springs, Utah 801-766-9793

Additional references will be submitted upon your request.

PERSONNEL EXPERIENCE AND QUALIFICATIONS OF

**RONALD J STEWART**

*Certified Public Accountant*

**Audit Partner**

Graduated	1999
Degree	Master of Accountancy B.S. degree in Business Management
College	Weber State University College of Business Utah Valley State College

**Qualifications:**

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Awarded CPA certificate from the State of Utah in 2001.

Began working for Gilbert and Stewart in 1999 and has worked on municipal, non-profit, school district, and commercial audits.

Government Auditing Experience including but not limited to:

- Utah County
- Orem City
- South Jordan City
- Saratoga Springs
- Eagle Mountain City
- Eureka City
- Grantsville City
- Hooper City
- City of Vineyard
- Greater Salt Lake Municipal Services District
- Many other Governmental, Non-Profit, and Commercial entities

Attends annual government accounting and auditing update courses sponsored by the Utah Association of CPAs.

Attended: Utah State Government Audit Update (attended annually)  
UACPA State & Local Government Update (attended annually)

Member of: The American Institute and Utah Association of CPAs.  
Government Finance Officers Association  
Utah Government Finance Officers Association.

PERSONNEL EXPERIENCE AND QUALIFICATIONS OF

**SPENCER HINTZE**

**Audit Manager**

Graduated	2012
Degree	Master of Accountancy B.S. Accounting
College	Southern Utah University Utah Valley University Woodbury School of Business

**Qualifications:**

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Received Certified Public Accountant license from State of Utah in 2018.

Began working for Gilbert and Stewart in 2012 and has worked on municipal, non-profit, school district, employee benefits, and commercial audits.

Commercial Auditing Experience including but not limited to:

- Utah County
- Orem City
- South Jordan City
- Grantsville City
- Eagle Mountain City
- City of Vineyard
- Heber City
- Payson City
- Hooper City
- Midway City
- Town of Cedar Fort

Many other governmental, non-profit, employee benefits, and commercial entities

Attends annual government accounting and auditing update courses sponsored by the Utah Association of CPA's.

Attends Annually: Utah State Government Audit Update  
UACPA State and Local Government Update

Affiliate Member of UACPA.

PERSONNEL EXPERIENCE AND QUALIFICATIONS OF

**RANDEL A HEATON**

*Certified Public Accountant*

**Audit Manager/ Single Audit Specialist**

Graduated	1972
Degree	B.S. Degree in Accounting
College	Brigham Young University Marriott School of Management

**Qualifications:**

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Entered public practice in Provo, Utah in 1973 and has worked on municipal, non-profit, school district and commercial audits.

Awarded CPA certificate from the State of Utah in 1975.

Audit Partner: Pleasant Grove City  
Housing Authority of Utah County  
Orem City  
Meridian School  
Kids on the Move  
Today's Youth  
Many other Government and Non-Profit Audits

Single Audit Specialist: Utah County  
Pleasant Grove City  
Orem City  
Heber City  
Nebo School District  
North Sanpete School District  
South Sanpete School District  
Millard School District  
Daniels Town  
Many other Government and Non-Profit Single Audits

Attended: Utah State Government Audit Update; Annually  
UACPA State & Local Government Update; Annually  
UACPA - Compliance Auditing

Member of American Institute and Utah Association of CPA's.

PERSONNEL EXPERIENCE AND QUALIFICATIONS OF

**KURT GILBERT**

*Certified Public Accountant*

**Staff Accountant**

Graduated Degree	2018 Master of Accountancy B.S. Degree in Accounting
College	Brigham Young University Marriott School of Business

**Qualifications:**

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Received Certified Public Accountant license from State of Utah in 2018.

Began working for Gilbert and Stewart in 2016 and has worked on municipal, non-profit, school district, and commercial audits.

Auditing Experience including but not limited to:

Utah County  
American Fork City  
Orem City  
Eagle Mountain City  
Saratoga Springs City  
Grantsville City  
South Jordan City  
Hooper City  
Payson City  
Town of Daniels

Many other governmental, non-profit, and commercial entities

Attends annual government accounting and auditing update courses sponsored by the Utah Association of CPA's.

Attends Annually: Utah State Government Audit Update  
UACPA State and Local Government Update

Member of AICPA and UACPA.

## Report on the Firm's System of Quality Control

August 22, 2019

### Gilbert & Stewart, CPA, PC and the Peer Review Committee of the Nevada Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Gilbert & Stewart, CPA, PC (the firm) in effect for the year ended September 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act; and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Gilbert & Stewart, CPA, PC in effect for the year ended September 30, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gilbert & Stewart, CPA, PC has received a peer review rating of *pass*.

  
LITZ & COMPANY, P.C.