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Administrative Control Board
Six County Infrastructure Coalition
Price, Utah 84501

Ladies/Gentlemen:

The following comments and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the basic financial statements of Six County Infrastructure Coalition for the year ended December 31, 2015.

Since our review was made primarily to determine the scope of our auditing procedures and was not intended as a comprehensive study or evaluation of the systems and procedures, this memorandum should not be considered all inclusive.

We welcome the opportunity to discuss any items mentioned in this memorandum or any other accounting or procedural questions.

2015-1 W-2 INFORMATION

While reviewing the payroll information and subsequent filing of W-2 information for the employee of the Coalition, we found there was inaccurate information reported. The federal income tax withheld (BOX 2) reported on the W-2 was \$23,250.06 while the actual federal withholding amount, according to 941 reports, was \$23,544.00.

We recommend the Coalition submit a corrected W-2 and other forms that might need to be corrected for the difference of \$293.94, so the employee can report their accurate amount of federal tax withheld.

Coalition's Response

Due to the immaterial of the withholding difference, an adjustment will be made to the 2016 Federal withholding reporting to correctly give credit for all Federal taxes withheld.

2015-2 STATE UNEMPLOYMENT

While reviewing the payroll information for employer taxes on wages paid to employees, we found that a reporting to the Utah Department of Employment Security had not been filed for the entire 2015 year. These reports are required to be made quarterly to the Utah Department of Employment Security for unemployment insurance for all eligible employees.

2015-2 STATE UNEMPLOYMENT (continued)

We recommend the Coalition prepare the required quarterly reports to Utah Department of Employment Security and pay the associated amounts due as quickly as possible. We further recommend the review of current year preparation and reporting to ensure the filing for unemployment is corrected in the current calendar year.

Coalition's Response

When the Coalition initially incurred payroll expenses, the correct registration with the Utah Department of Employment Security was not filed. This department has been contacted and corrections of unemployment taxes will be paid once the required amounts and any penalty are verified with the state agency.

2015-3 DEPOSIT AND INVESTMENT REPORT

State of Utah law requires entities to file a written report with the Money Management Council on or before January 31 and July 31 of each year. This report, entitled the "Deposit and Investment Report Form," provided by the Council contains information about the deposits and investments of that entity during the preceding six months ending December 31 and June 30, respectively. The Coalition did not file this report for either reporting period during the 2015 year.

We recommend the Coalition file these reports with the Money Management Council as quickly as possible to bring the Coalition back into compliance. We further recommend the Coalition review the current year filing to ensure compliance for the subsequent calendar year.

Coalition's Response

The State Deposit and Investment report for both 2015 and 2016 will be filed by January 31, 2016.

2015-4 PAYMENTS TO URS

While reviewing Utah State Retirement requirements and the availability for eligible employees, we found payments for the employee of the Coalition had not been made timely. Wages have been paid to the employee starting in June of 2015, but no payments were actually made to the Utah State Retirement System until January of 2016.

We recommend the timely filing of retirement payments to the Utah State Retirement System for all eligible employees. We also recommend a review by the Coalition to determine that all past penalties and interest (if any) have been paid to avoid any potential problems in the future.

Coalition's Response

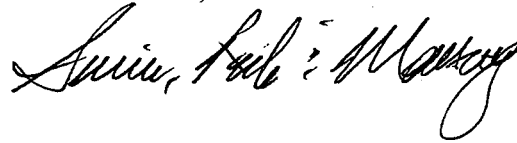
At inception, the Coalition had to reimburse all expenditures through the CIB Board. Due to the nature of the Coalition and the differences in its mission and typical CIB funded projects, reimbursements were slowed to the point that some obligations were not paid in a timely manner. The Board has since corrected these issues and are current with all URS obligations.

SUMMARY

We feel the issues mentioned above are areas where the Coalition can make changes so as to further improve its internal control structure to safeguard the assets, check the accuracy and reliability of accounting data and promote operating efficiency.

Sincerely,

SMUIN, RICH & MARSING

A handwritten signature in cursive script, appearing to read "Smuin, Rich & Marsing".

Price, Utah

December 9, 2016