

**OSBORNE, ROBBINS & BUHLER, P.L.L.C. Certified Public Accountants**

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November 1, 2011

Honorable Mayor and Members of the City Council  
City of Holladay, Utah

In planning and performing our audit of the financial statements of the City of Holladay (the City) for the year ended June 30, 2011, we noted certain matters for your consideration. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 1, 2011, on the financial statements of the City. Also, significant deficiencies, including those considered to be material weaknesses, if any, are included in our report dated November 1, 2011, in accordance with *Government Auditing Standards*.

*Osborne Robbins & Buhler PLLC*

## STATE OF UTAH LEGAL COMPLIANCE

### State of Utah Legal Compliance Finding # 2011-A

#### Building Permit Surcharges

The City is required to collect a 1% surcharge on all building permits and shall remit 80% of the surcharge collected to the State Division of Occupational and Professional Licensing (DOPL). The City is required to remit this surcharge in connection with a quarterly report prepared using a form provided by the DOPL. This report is due within 30 days following the end of each calendar quarter. During the year ended June 30, 2011, none of the four quarterly reports had been filed in a timely manner and the corresponding surcharges were remitted to the State beyond the due dates.

#### Recommendation

Procedures should be implemented to ensure that the report is filed in a timely manner.

#### Management Response and Action Plan

The Accounting Department will prepare the reports at the end of each quarter, and deliver them to the Planning Department for review approval and filing.

### State of Utah Legal Compliance Finding # 2011-B

#### Expenditures in Excess of Budgets

The City incurred expenditures in excess of approved budget amounts in the following governmental fund:

	<u>Expenditures in Excess of Budget</u>
Redevelopment Agency Fund	
Community Development - Millrock	\$ 55,536
Interest – Village Center	185,000

#### Recommendation

The City should closely monitor expenditures, including expenditures related to long term debt and contracts. The City should amend the budget throughout the year as circumstances change and additional expenditures become necessary.

#### Management Response and Action Plan

The City will closely monitor expenditures to ensure they do not exceed budget amounts, in addition a more comprehensive analysis of revenues and expenditures, will be made and incorporated into future budgets.

## OTHER COMMENTS AND OBSERVATIONS

### Finance Department Staffing

At present, the City has a full-time finance director. In addition, during most of the year and while the audit was performed, the finance department also included a part-time accounting assistant. Because of their efforts, management comments from prior years have been resolved.

Recommendation

We recommend the City consider increasing the accounting assistant position to a full-time position to ensure that the accounting and bookkeeping needs of the City are met in a timely and accurate manner.

Management Response and Action Plan

The staffing needs of the finance department will be considered during the budget process in connection with the budgetary needs of all the departments within the City.