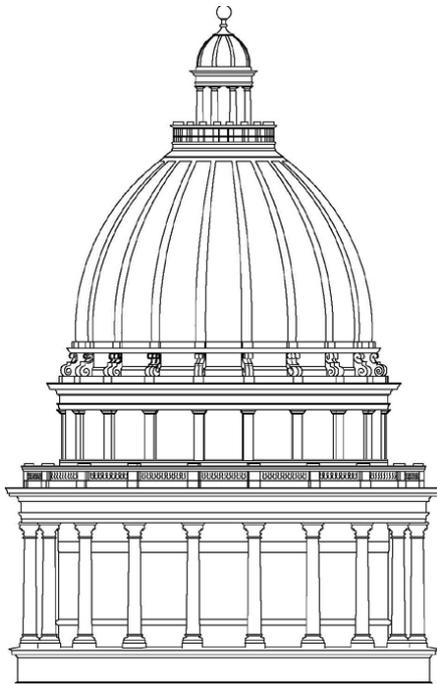


A Performance Audit of the Economic Development Corporation of Utah



Presentation to the
Economic Development and
Workforce Services
Interim Committee

November 16, 2016

EDCU Operations Are Largely Funded with State and Local Funds

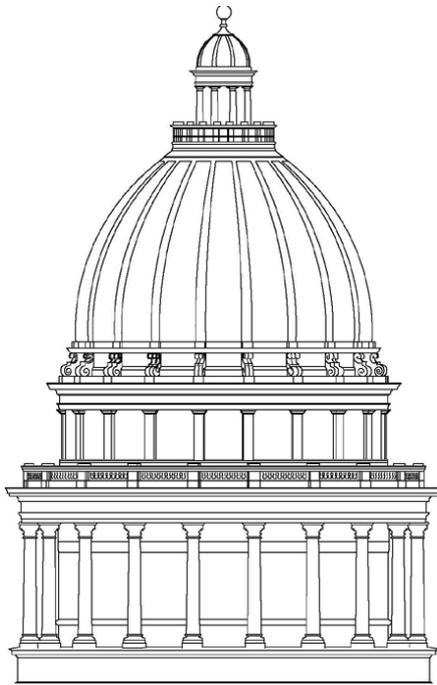
Fiscal Year	Government Revenues	Private Revenues	Total Revenues	Percent Government Revenues
2015	\$ 2,086,974	\$ 1,091,971	\$ 3,178,945	66%
2014	\$ 1,621,207	\$ 1,024,082	\$ 2,645,289	61%
2013	\$ 1,622,290	\$ 1,042,456	\$ 2,664,746	61%
2012	\$ 1,781,071	\$ 1,015,781	\$ 2,796,851	64%
2011	\$ 1,487,415	\$ 854,586	\$ 2,342,001	64%

***GOED is EDCU's largest contributor:
\$900,000 recruitment contract
\$52,349 for receptions***

FOR MORE INFORMATION

See Figure 1.1, Page 2

Chapter II



Improper and Questionable
Expenses Have
Occurred at EDCU

Improper Credit Card Purchases Linked to a Former EDCU Executive



**Missing
Devices**
\$3,005



FOR MORE INFORMATION

See Chapter II, Pages 8-12

Poor Documentation and Unclear Purposes Made Many Purchases Questionable

***Over Half of the Former Executive's
Credit Card Charges Lacked Receipts***

Status	Transactions	Percent	Amount	Percent
Receipt	493	45%	\$ 42,794	48%
No Receipt	591	55%	\$ 46,496	52%
Total	1,084	100%	\$ 89,290	100%

***The Business Purpose for Most
Charges Needed to be Recreated***

FOR MORE INFORMATION

See Figure 2.2, Pages 14-18

Providing Gifts and Meals to GOED Employees Is Risky Behavior

3 Contracts from 2005 to 2019

**76 Contract Update Meals
70 GOED Employee Meals**

**Director Gifts: \$100 - \$300
Update Meals: \$330 per year**

Contractual
Relationship



Regularly &
Frequently



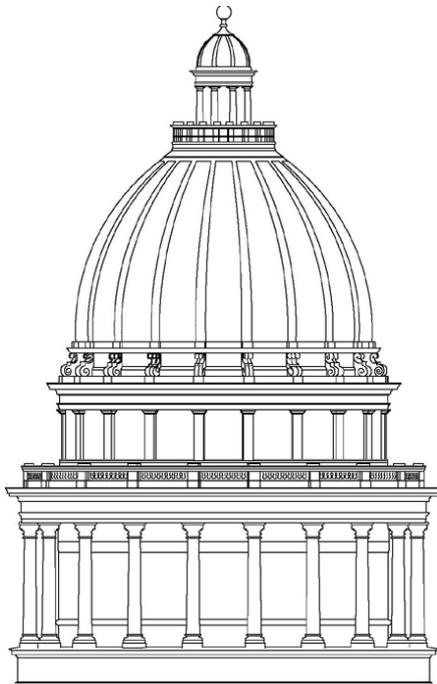
Value
Exceeds
\$50



FOR MORE INFORMATION

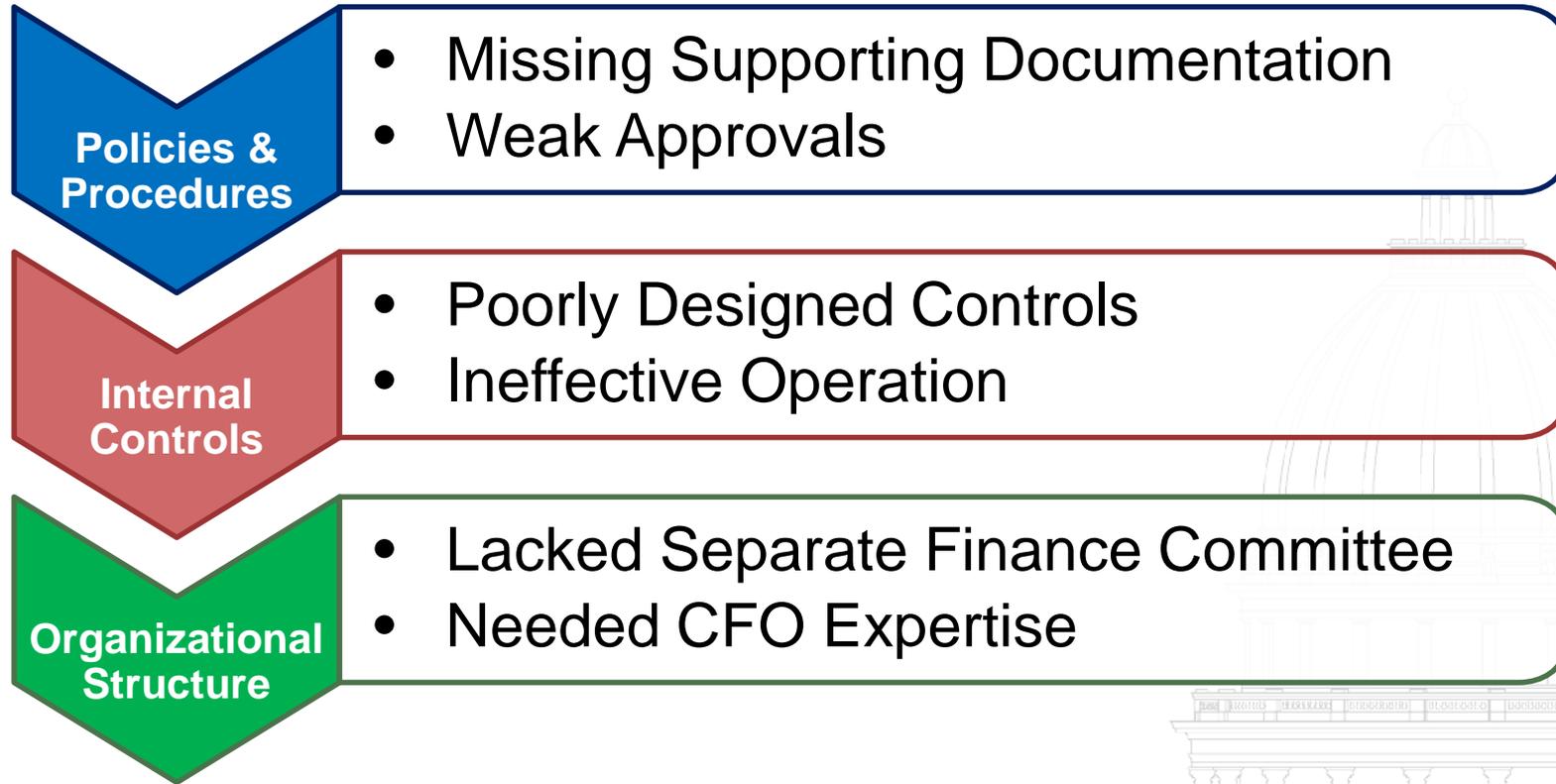
See Chapter II, Pages 19-22

Chapter III



EDCU's Financial Governance
Has Been Unacceptable

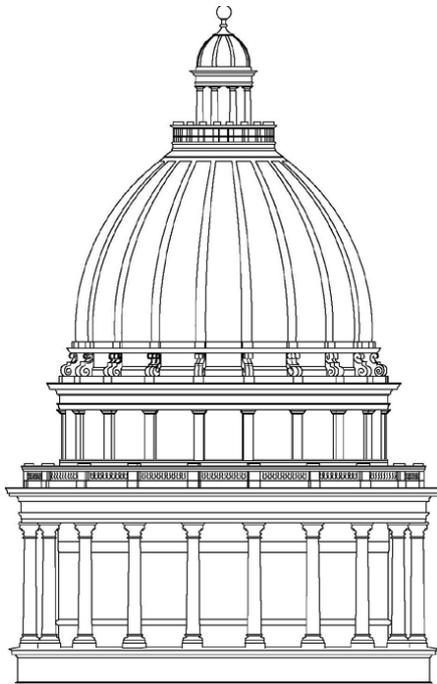
EDCU's Financial Governance Has Been Unacceptable



FOR MORE INFORMATION

See Chapter III, Pages 25-37

Chapter IV



EDCU's Weak Financial Oversight Resulted in Its Tax-Exempt Status Being Revoked

EDCU's Management of Audit and Tax Work Was Unacceptable

**Tax- Exempt
Revocation**

November 15, 2013

Failed to file 2010, 2011, & 2012 returns

**Aware of
Revocation**

November 5, 2015

Management subsequently notified the board

2 Years!

Late
Initiation

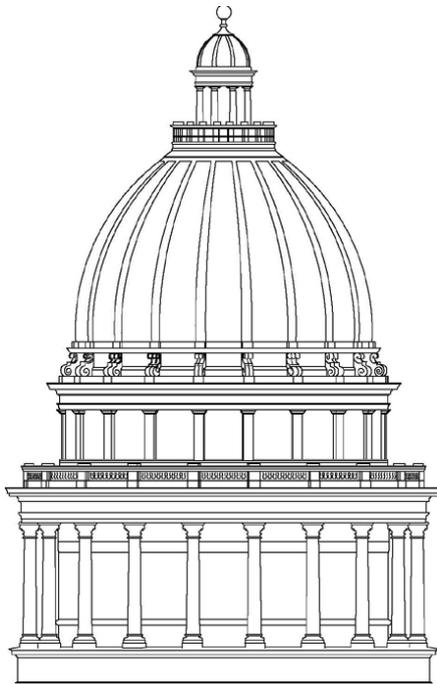
Unresponsive
to Requests

Poor
Communication

FOR MORE INFORMATION

See Chapter IV, Pages 39-43

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