



## Audit Committee

Wednesday August 28, 2023  
2:30 p.m. – 3:30 p.m.  
Admin Conference Room

# AGENDA

### 1. CALL TO ORDER

### 2. NEW BUSINESS

- a) 2022 ACFR and Audit Review
  - i. Review 2022 Audit Report and Audit Findings with Auditors.
  - ii. Confirm readiness for Sept 12, 2023 Town Board meeting.
- b) Consider appointment of Haynie and Company to perform the 2023 Audit.

### 3. ADJOURN

**Attachments:**

Attachment A – Auditor Management Letter  
Attachment B – Auditor Presentation

[Link to the Annual Comprehensive Financial Report for year ended 12-31-2022](#)

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## Independent Auditor's Report

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970-667-2269

www.HaynieCPAs.com

Honorable Mayor and Board of Trustees  
Town of Estes Park, Colorado

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Estes Park, Colorado (the "Town"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Estes Park, Colorado, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



An independently owned member  
RSM US Alliance



Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion, the budgetary comparison information, and pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the Local Highway Finance Report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, and component unit financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

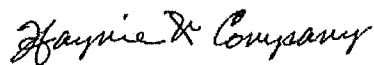
**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

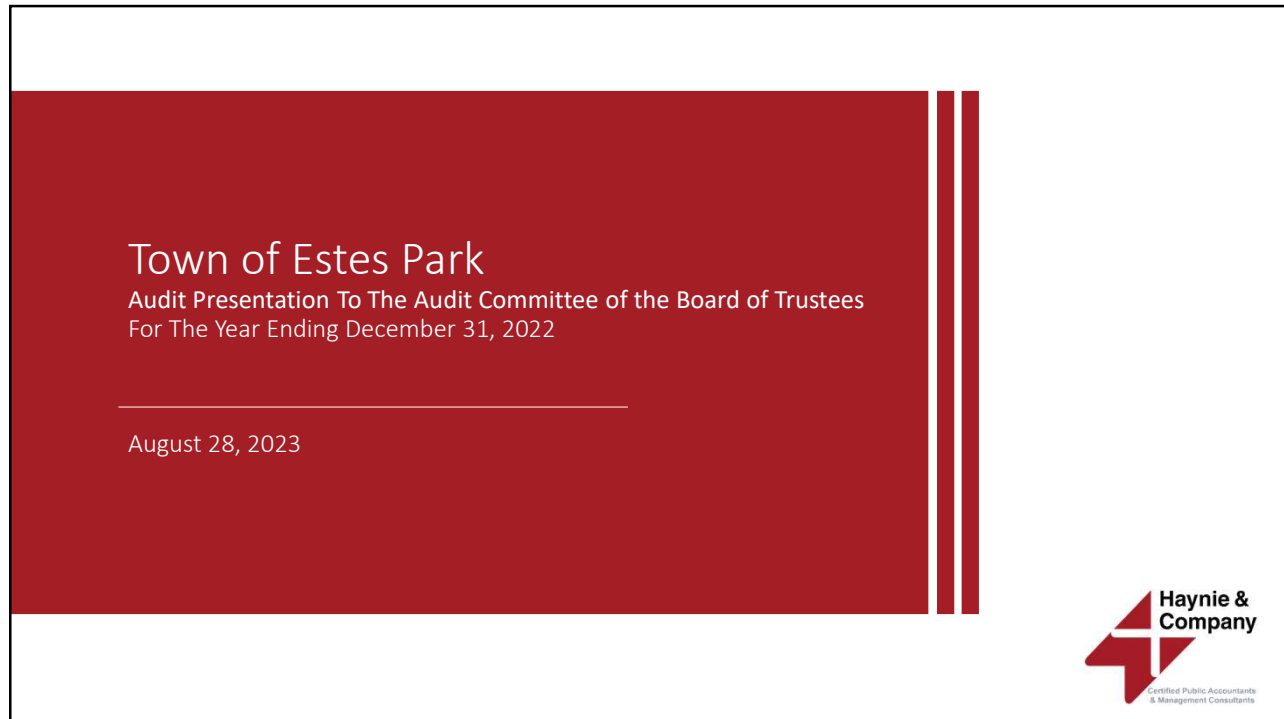
**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of Town of Estes Park, Colorado's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Estes Park, Colorado's internal control over financial reporting and compliance



Littleton, Colorado  
June 28, 2023

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**Attachment B**


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## Town of Estes Park

Audit Presentation To The Audit Committee of the Board of Trustees  
For The Year Ending December 31, 2022

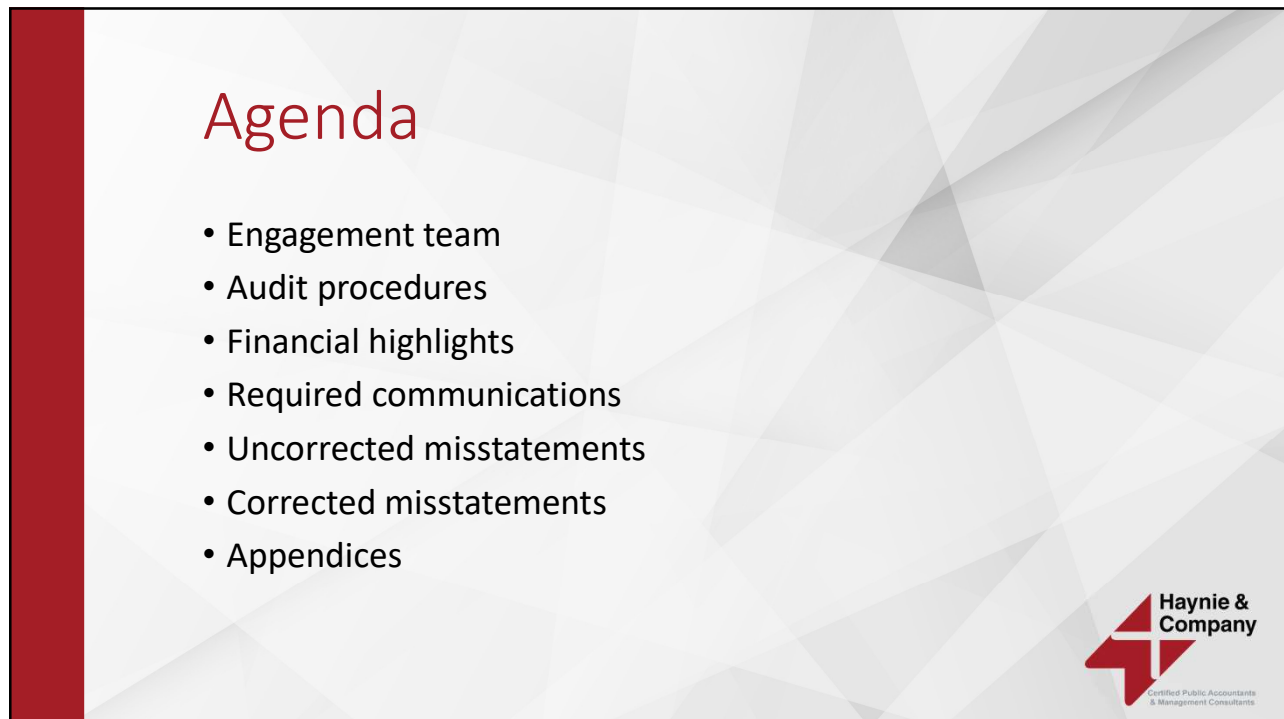
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August 28, 2023



Haynie & Company  
Certified Public Accountants  
& Management Consultants


1



This slide has a light gray background with a subtle geometric pattern of overlapping triangles. A solid red vertical bar is on the left side. The title 'Agenda' is in a large red font. Below it is a bulleted list in black font. The Haynie & Company logo is in the bottom right corner.

## Agenda

- Engagement team
- Audit procedures
- Financial highlights
- Required communications
- Uncorrected misstatements
- Corrected misstatements
- Appendices



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2

## ENGAGEMENT TEAM

**Ty Holman, CPA, [tyh@hayniecpas.com](mailto:tyh@hayniecpas.com)**  
303-995-4970  
Audit Partner

**Abbey Irvine, CPA, [abbeyi@hayniecpas.com](mailto:abbeyi@hayniecpas.com)**  
970-443-0936  
Audit Manager

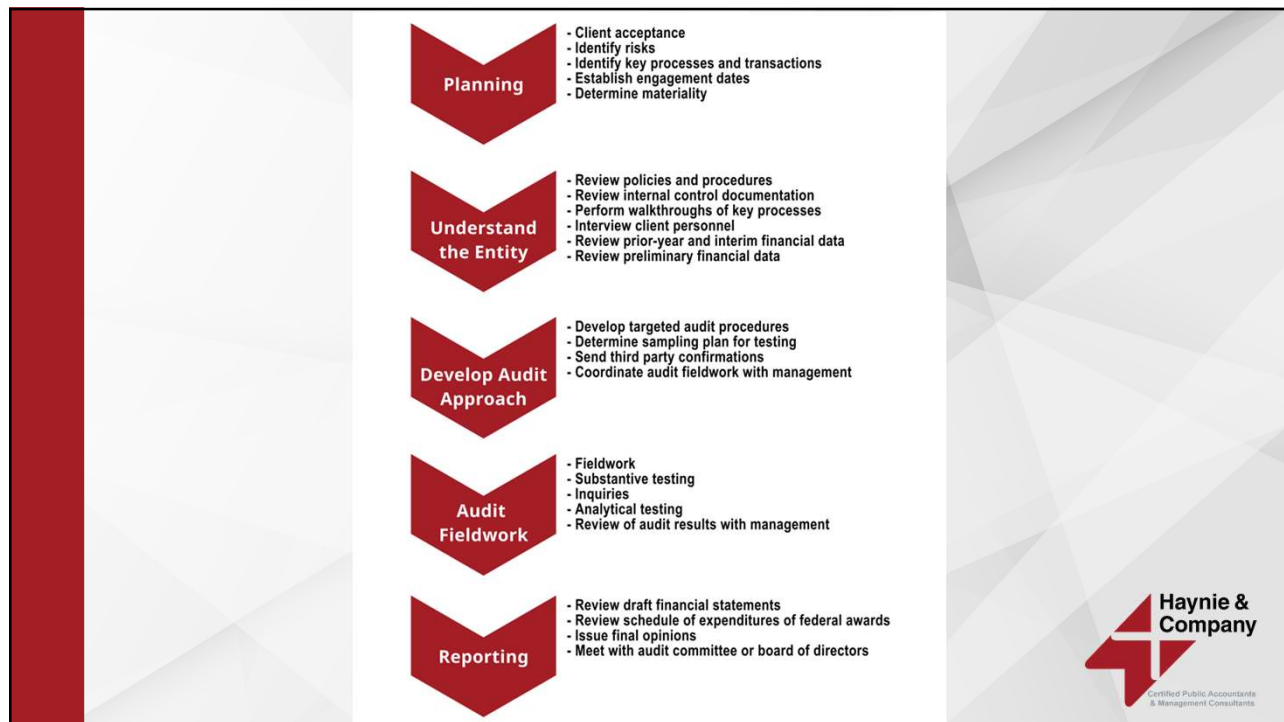


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## AUDIT PROCEDURES



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## Engagement status

We issued a clean, or unmodified, audit opinion on the 2022 financial statements effective June 28, 2023.

We conducted our audit in accordance with United States Generally Accepted Auditing Standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement.



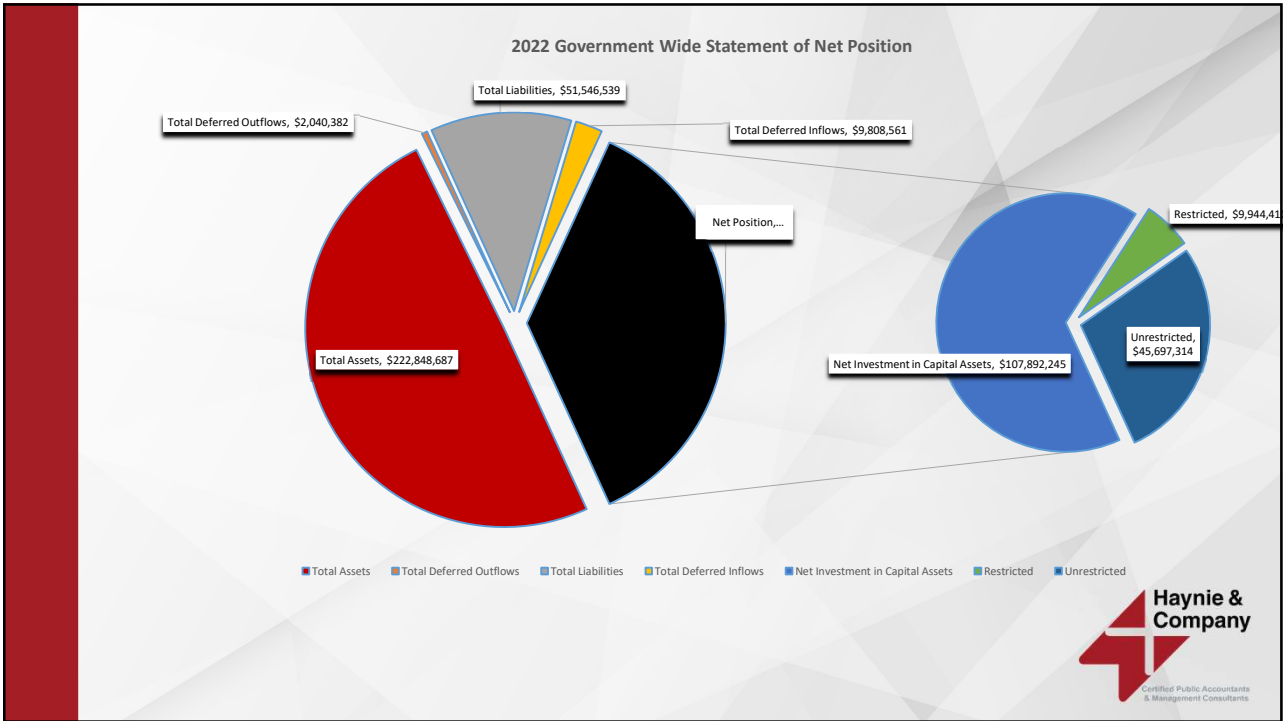
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# FINANCIAL STATEMENT HIGHLIGHTS

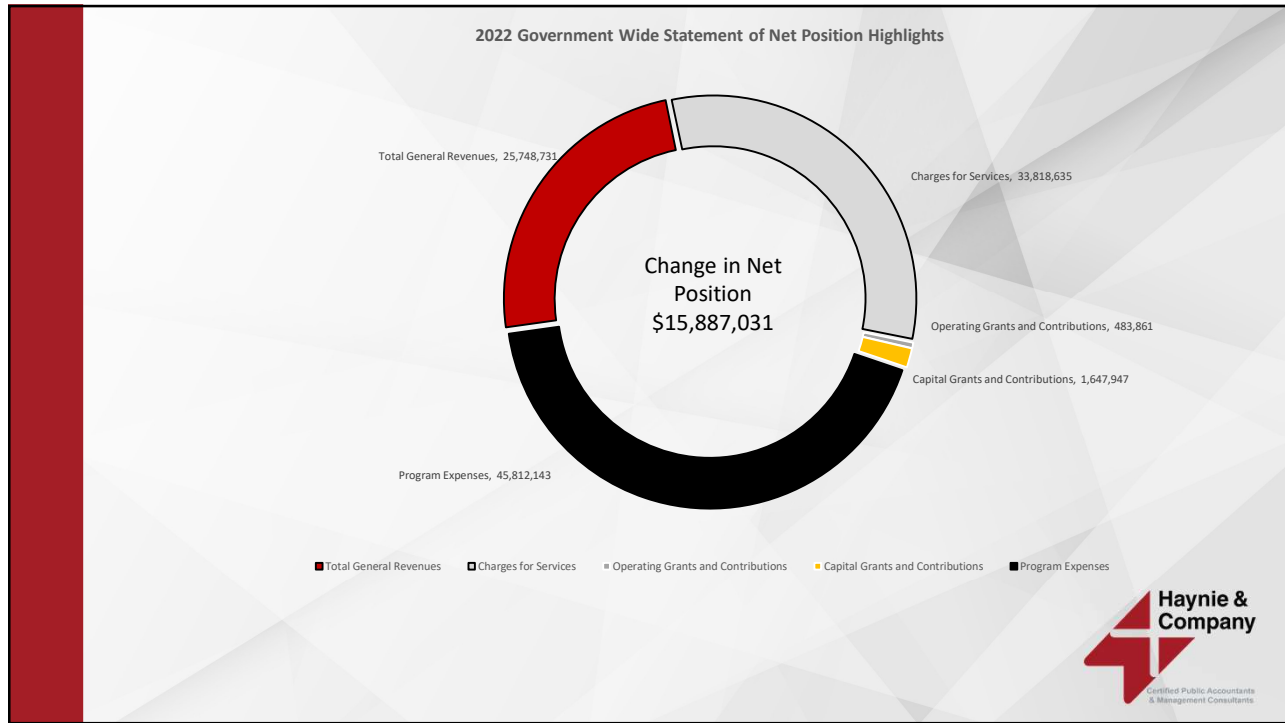


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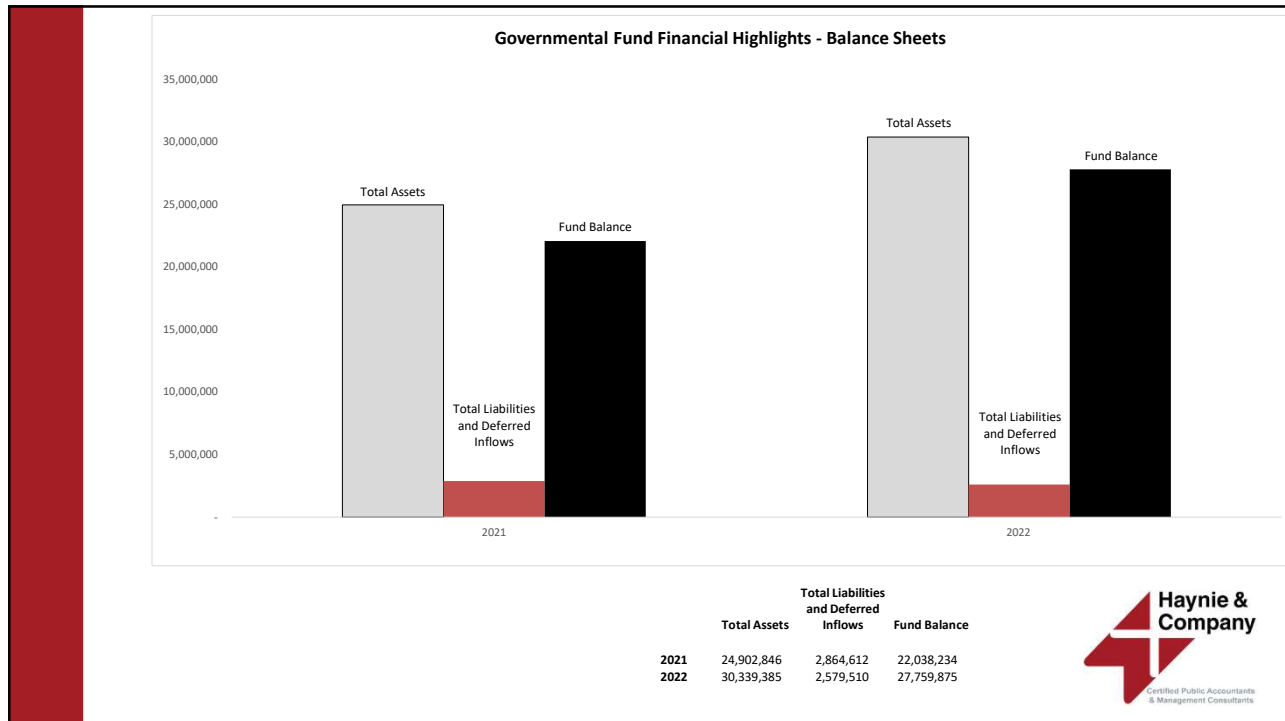
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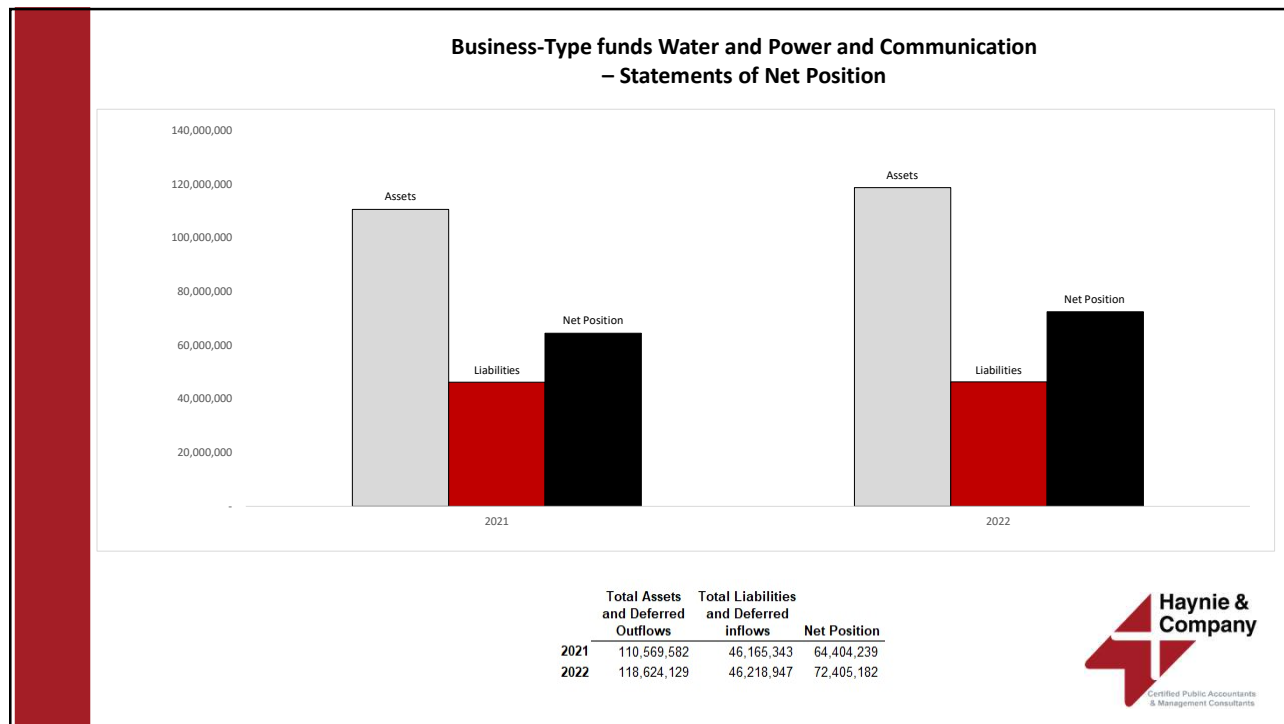
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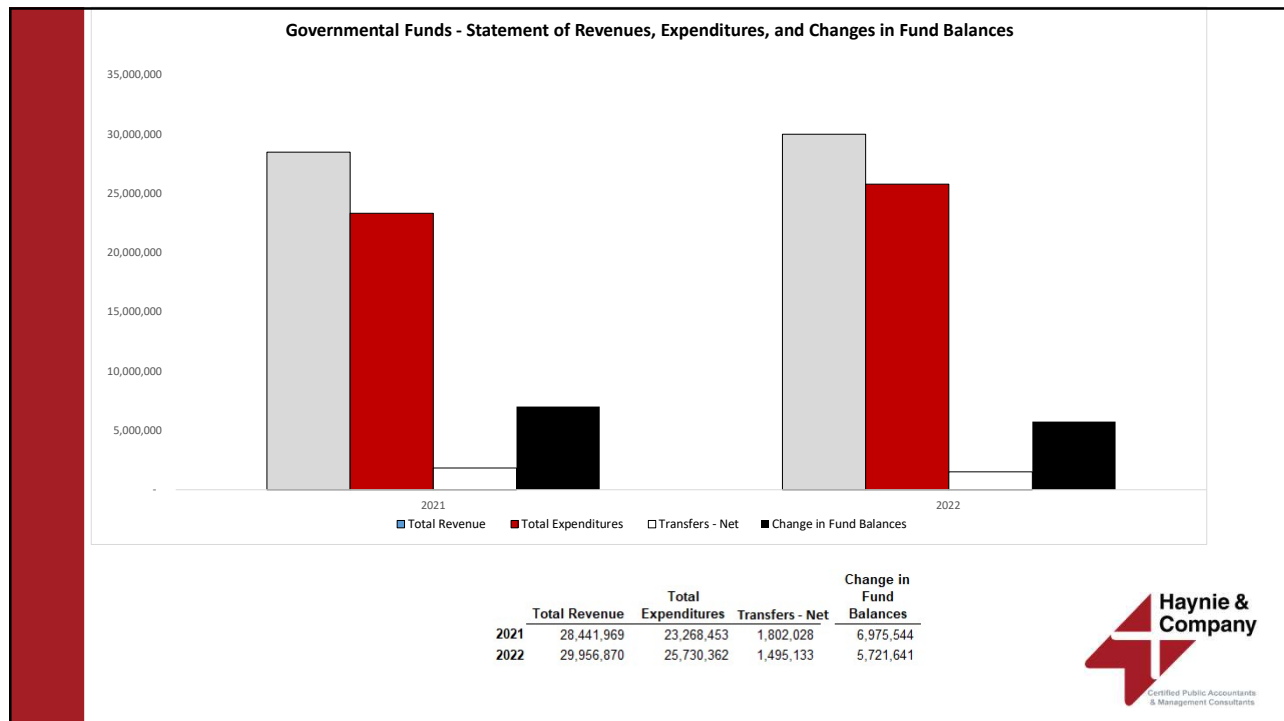
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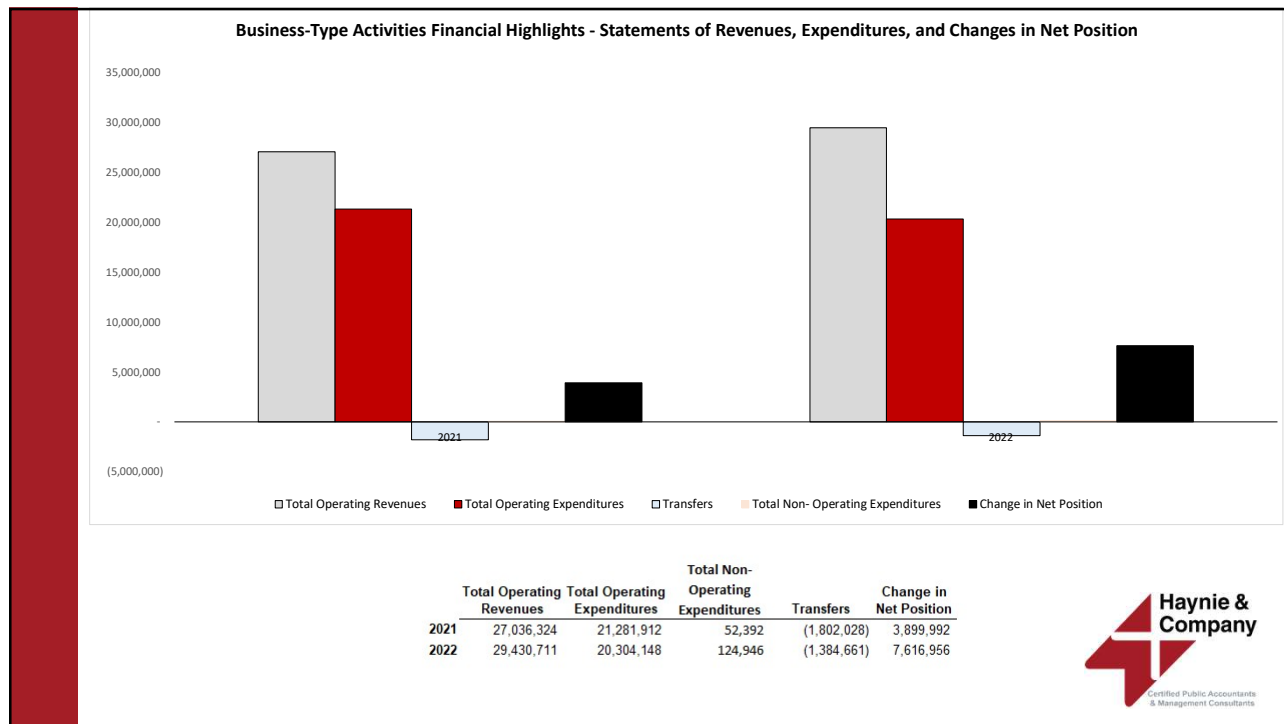
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13

## Notes and Supplemental Info

- Accounting Policies (Note 1)
- Capital assets (Note 4)
- Long-Term Debt (Note 5)
- Budget to actuals (pages 80-81 and 86-94 and 98-102)
  - No funds over budget in 2022

14

# REQUIRED COMMUNICATIONS



15

## Selection of, or changes in, accounting policies or their application

- GASB 87, Leases, was adopted effective January 1, 2022. No material impact to the financial Statements. A change in accounting principle was also reflected for an Inventory accounting change in the business-type activities, resulting in a prior period adjustment totaling \$390,638 (P&C) and \$6,650 (water)

## Accounting estimates

- Based on our review of the Company's critical accounting estimates, no significant changes were noted in the current period. Estimates considered:
  - Depreciable lives
  - Pension liability (asset)
  - Self Insurance claims payable

## Disagreements with management

- We encountered no disagreements with management about matters that, individually or in the aggregate, could be significant to
  - The District's interim financial information
  - Our audit procedures

## Difficulties encountered in performing the audit

- No difficulties were encountered



16

### Management consultation with other accountants

- We are not aware of any consultations management had with other accountants about significant review or accounting matters.

### Management representation

- Management provided a signed representation letter prior to issuance of the final report.

### Other matters

- Required supplementary information – no opinion and no assurance
- Other supplementary information – in-relation-to opinion

### Single Audit

- Performed in 2022 for one major program - Bus and Bus Facilities Formula Program.
- No findings to report.



17

UNCORRECTED  
MISSTATEMENTS



18

## Uncorrected misstatements

- There were no uncorrected misstatements.



19

## CORRECTED MISSTATEMENTS



20

## Corrected misstatements

- These are also referred to as audit adjustments
  - Standard audit adjustments provided to adjust Pension and OPEB amounts on the financials statements.
  - \$64,000 adjustment to P&C capital assets – not considered material or an control deficiency.



21

## Upcoming GASB Pronouncements



22

Pronouncement	Status	Date Issued	Effective Date (fiscal years beginning )
<b>Statement No. 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements</b> Improves accounting and financial reporting for (1) public-private and public-public partnership arrangements (both referred to as "PPPs") that are outside of the scope of the existing guidance for these transactions: Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 87, Leases, and (2) availability payment arrangements ("APAs").	Final	4/20/2020	6/15/2022
<b>Statement No. 96: Subscription-Based Information Technology Arrangements</b> Provides uniform guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITAs) for government end users in an effort to provide greater consistency in practice, reduce diversity and improve comparability in financial reporting by governments. The Statement effectively applies many of the provisions of Statement No. 87, Leases, to subscription-based transactions	Final	6/5/2020	6/15/2022
<b>Statement No. 100, Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62 )</b> The primary objective is to provide more straightforward guidance that is easier to understand and is more reliable, relevant, consistent, and comparable across governments for making decisions and assessing accountability. Improving the clarity of accounting and financial reporting requirements for accounting changes and error corrections will mean greater consistency in the application of these requirements in general.	Final	6/13/2022	6/15/2023
<b>Statement No. 101: Compensated Absences</b> Aligns recognition and measurement guidance for all types of compensated absences under a unified model. It also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Additionally, it establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. For example, a liability for leave that has not been used would be recognized if the leave:  Provides an alternative to the existing requirement to disclose the gross annual increases and decreases in long-term liability for compensated absences, allowing governments to disclose only the net annual change in the liability as long as it is identified as such; and removes the disclosure of the government funds used to liquidate the liability for compensated absences.	Final	6/16/2022	12/15/2023

23

# QUESTIONS AND ANSWERS



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24

THANK YOU!

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