



Audit Committee

Wednesday, August 31, 2022

3:00 p.m. – 4:30 p.m.

Admin Conference Room

AGENDA

1. CALL TO ORDER

2. NEW BUSINESS

a) 2021 CAFR and Audit Review

- i. Review 2021 Audit Report and Audit Findings with Auditors.
- ii. Confirm readiness for Sept 13, 2022 Town Board meeting.

b) Consider appointment of Haynie and Company to perform the 2022 Audit.

3. ADJOURN

Attachments:

Attachment A – Auditor Management Letter


Attachment B – Auditor Presentation


[Link to the Annual Comprehensive Financial Report for year ended 12-31-2021](#)



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June 27, 2022

To the Board of Trustees and Management
Town of Estes Park, Colorado

We have audited the financial statements of Town of Estes Park, Colorado (the “Town”) for the year ended December 31, 2021, and have issued our report thereon dated June 27, 2022. Professional standards require that we provide you with the following information related to our audit.

Our responsibility under U.S Generally Accepted Auditing Standards was provided to you in the engagement letter dated November 29, 2021. This letter also communicated the general scope and timing of our audit; any significant updates have been verbally communicated.

We have also requested and received written representations from management regarding the financial statements. A copy of this letter can be provided to you upon request.

Significant Accounting Policies

The significant accounting policies used by the Town are described in Note 1 to the financial statements. No significant new accounting policies were adopted and the application of existing policies did not materially change during 2021.

We noted no transactions entered into by the Town during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management’s estimate of the depreciable lives and estimated residual value of property and equipment is based on prior management experience. We evaluated the key factors and assumptions used to develop the depreciable lives and estimated residual value in determining that it is reasonable in relation to the financial statements taken as a whole.
- The estimates of the net pension and OPEB liabilities are based on actuarial valuations, which make certain assumptions and estimations. We reviewed the valuations and key assumptions and found them to be reasonable.
- The Town estimates the year-end self-insurance claims payable. This estimate is based on past experience and expected results. We reviewed the calculation of this liability and the key assumptions used to determine it, and consider the estimated liability to consistent with expectations.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

None.

Consultations with Other Independent Accountants

None of which we are aware.

Significant Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Significant Difficulties Encountered in Performing the Audit

None.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and required supplementary information (RSI), as listed in the table of contents. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedules, combining and individual nonmajor fund financial statements listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, statistical section and Local Highway Finance Report which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Findings or Issues Noted During the Audit

Audit Observations:

During our engagement, we performed inventory test count of the Power and Communications department inventory that had not been test counted by Town staff prior to our arrival. The Power and Communication department performed a count in December 2021, but did not coordinate with Finance or the external auditors. A departure at the management level of the department contributed to the miscommunication that the test counts should be coordinated with other areas in order to follow proper year-end accounting protocols. The audit test counts performed on January 11, 2022 were materially close to the perpetual records maintained in the work order system. We recommend test counts be scheduled in advance in 2022, with coordination with the Finance department and external auditors to ensure a proper inventory observation can occur.

This information is intended solely for the use of the Town Board and management of the Town of Estes Park, Colorado and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Haynie & Company




**Haynie &
Company**
Certified Public Accountants
& Management Consultants

Town of Estes Park

Report to Board of Trustees- 2021 Audit

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**Haynie &
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Certified Public Accountants
& Management Consultants

Report to Board of Trustees

- Audit Scope and Methodology
- Required communications in accordance with Audit Standards
- Financial Highlights
- New Accounting Pronouncements, General Observations, and Comments

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Audit Scope and Methodology

- Opinion on fair presentation of financial statements
- Risk-based approach – procedures tailored to address risks (including fraud and significant risks)
- Vary procedures from year to year
- Internal controls

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Required Communications

- Significant new accounting policies – none
- Significant estimates
 - Pension
 - Depreciable lives of capital assets
 - Self-insurance claims payable
- Audit adjustments – Standard entries to Record Pension and OPEB adjustments for 2021
- Passed Adjustments – None
- Disagreements with management – None
- Other findings or issues – Audit observations

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ACFR – Outline

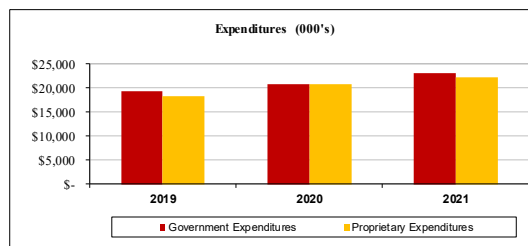
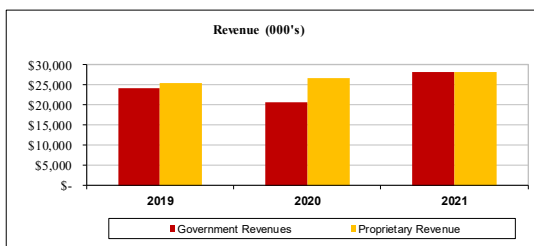
- Audit opinion
- Introductory Section with Transmittal Letter
- Management’s Discussion and Analysis
- Government Wide financial statements
- Governmental fund financial statements
- Proprietary fund financial statements
- Footnotes
- Supplemental Schedules
- Statistical Section
- Compliance Section
 - Single Audit Reports (none for 2021)

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Financial Highlights



	2019	2020	2021
Government Revenues	\$ 24,206	\$ 20,773	\$ 28,327
Proprietary Revenue	25,404	26,609	28,200
Total Revenue (000's)	\$ 49,610	\$ 47,382	\$ 56,527
Change (000's)		\$ (2,228)	\$ 9,145

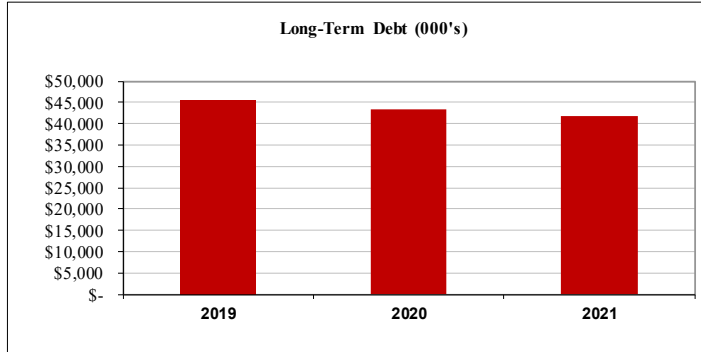
	2019	2020	2021
Government Expenditures	\$ 19,337	\$ 20,853	\$ 23,139
Proprietary Expenditures	18,243	20,718	22,321
Total Revenue (000's)	\$ 37,580	\$ 41,571	\$ 45,460
Change (000's)		\$ 3,991	\$ 3,889

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Financial Highlights



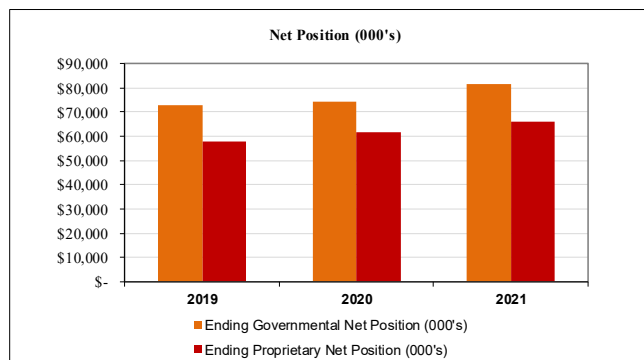
	2019	2020	2021
Long-Term Debt (000's)	\$ 45,592	\$ 43,474	\$ 41,790
Principal due in 2022 (000's)	\$ 1,728		

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Financial Highlights



	2019	2020	2021
Ending Governmental Net Position (000's)	\$ 72,599	\$ 74,377	\$ 81,368
Ending Proprietary Net Position (000's)	\$ 57,786	\$ 61,819	\$ 65,895

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New Accounting Standards, General Observations, and Comments

- Upcoming Accounting Standards Implementation
 - GASBS 87 Leases: Requires recognition of assets and liabilities for certain leases that were previously expensed as incurred (effective for 2022)
 - GASBS 91 Conduit Debt Obligations: Clarifies existing definition and establishes standards for accounting and reporting of additional and voluntary commitments extended by issuers (effective for 2022)
 - GASBS 96 – Subscription-Based IT Arrangements (effective for 2023)
- General observations and comments
- Contact Information:
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