

RECORD OF PROCEEDINGS

Town of Estes Park, Larimer County, Colorado, November 17, 2017

Minutes of a Regular meeting of the **AUDIT COMMITTEE** of the Town of Estes Park, Larimer County, Colorado. Meeting held in the Municipal Building in said Town of Estes Park on the 17th day of November 2017.

Committee: Mayor Jirsa, Mayor Pro Tem Koenig, Trustee Holcomb, Town Administrator Lancaster, Assistant Town Administrator Machalek, Finance Director Hudson, Accounting Manager Garcia, Accountant Johnson

Attending: Mayor Pro Tem Koenig, Trustee Holcomb, Assistant Town Administrator Machalek, Finance Director Hudson, Accounting Manager Garcia, and Accountant Johnson

Absent: Mayor Jirsa, Town Administrator Lancaster

Chair Koenig called the meeting to order at 1:00 p.m. Michael Bodman was also present representing Visit Estes Park in the selection process.

AUDITOR INTERVIEWS

Director Hudson briefly reviewed the auditor selection process to date. The Request for Proposals for Professional Auditing Services was issued September 6, 2017 with a closing date of October 30, 2017. A total of five proposals were received. The proposal review team consisting of Assistant Town Administrator Machalek, Finance Director Hudson, Accounting Manager Garcia, and Accountant Johnson reviewed and ranked the proposals for qualifications, after which the dollar bids were opened. After discussing the relative experience of the firms, the hours proposed, and the amount bid, the review team recommended three firms be interviewed, Haynie & Company, Anton Collins Mitchell LLP, and Swanhorst and Company LLC. Director Hudson stated that the purpose of this meeting of the audit committee is to hold these interviews and for the audit committee to recommend a firm to be appointed as the Town's auditors to the full Town Board.

Haynie & Company: Ms. Christine McLeod and Ms. Lori Morris presented a handout going over the proposal from Haynie & Company. The proposed audit team from Haynie & Company would consist of Ty Holman, Audit Partner; Nich Warnick, Engagement Quality Review Partner; Christine McLeod, Audit Manager; and Shannon Fuller, Senior Auditor. Other staff may be utilized as needed. Haynie & Company has over 50 years of experience with 6 different locations. They currently serve approximately 60 governmental clients.

Anton Collins Mitchell LLP: Mr. Steven Bolz and Ms. Krista Shockley presented a handout going over the proposal from Anton Collins Mitchell LLP. The proposed audit team from Anton Collins Mitchell LLP would consist of Randy Watkins, Engagement Partner; Steven Bolz, Senior Manager; and Krista Shockley, Audit Senior. Other staff may be utilized as needed. Anton Collins Mitchell LLP is based out of Greeley Colorado and has approximately 15-20% of the audit practice devoted to government audits. Krista highlighted the "Beyond the Numbers" report that Anton Collins Mitchell LLP prepares and presents to the governing body in addition to the regular audit report. This additional report includes comparison to peers, various ratios and other statistical data to help the non-financial user understand the financial data presented.

Swanhorst & Company LLC: Ms. Wendy Swanhorst and Mr. Ken LeCrone presented the proposal from Swanhorst & Company LLC. Unlike the other firms, Swanhorst &

RECORD OF PROCEEDINGS

Audit Committee – November 17, 2017 – Page 2

Company LLC specializes in government audits, generating 85% of firm revenues from auditing services and 80% of audits are governmental clients. The proposed audit team from Swanhorst & Company LLC would include Wendy Swanhorst, Engagement Partner; Ken LeCrone, Audit Manager; Jacy Hochstetter, Audit Supervisor; Ron Richardson, Senior Auditor; and Linda Frueh, Information Technology Consultant. Swanhorst & Company LLC contracts with Linda Frueh to perform a detailed review of the client's IT functions and controls over financial software programs.

After the presentations were completed, the audit committee and staff discussed the merits of each firm. After discussion of the challenges of extracting electronic data out of the accounting system, it was agreed that Swanhorst & Company LLC seemed most comfortable working with the data in the form available. Swanhorst & Company LLC had performed the Town's audit in the past with satisfactory results and was also the low bidder. After further discussion, the Audit Committee unanimously agreed to recommend appointment of Swanhorst & Company LLC as the Town's auditors for the year ending December 31, 2017 with optional renewals for the next four years through December 31, 2021.

There being no further business, the meeting was adjourned at 4:40 p.m.

/s/Duane Hudson, Finance Director