TOWN OF YAMPA
TOWN BOARD AGENDA
October 22, 2025 – 6:00 pm

To the Town Board of Yampa and to all Other Persons to whom it may concern:
Notice is hereby given that a Special Yampa Town Board Meeting will be held on **Wednesday, October 22, 2025 beginning at 6:00 pm** in the Upstairs Board Room at Crossan's/Town Hall, 101 Main St., Yampa, CO. Agenda is subject to change up to 24 hours prior to the scheduled meeting.

Join Zoom Meeting
https://us06web.zoom.us/j/87279221896
Meeting ID: 872 7922 1896
Phone: 7193594580 Passcode 87279221896

1. **Call to Order**
   a. Roll Call
   b. Pledge of Allegiance

2. **Interview with Potential Audit Services for Fiscal Years 2024 and 2025**
   Town Board interview with Chad Atkinson, CPA and Partner at Hinton Burdick CPAs & Advisors, regarding potential audit services for the Town of Yampa for fiscal years 2024 and 2025. This discussion will provide an opportunity for the Board to ask questions, review qualifications, and consider engagement for upcoming audit cycles.

3. **Scheduled Meeting/Work Sessions (5 Minutes)**
   a. Town Board and other requests for Agenda Items
      i. November 5, 2025 @ 6:00 p.m. – Town Board Regular Meeting

4. **Adjournment**

Professional Auditing Services Proposal

Town of Yampa, CO

PROPOSAL DATE: October 15, 2025

PREPARED BY:
PARTNER: CHAD B. ATKINSON, CPA

63 S. 300 E., Suite 100
St. George, UT 84770
catkinson@hintonburdick.com
888.566.1277 Ext. 207

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Transmittal Letter

October 15, 2025

Mary Alice Page-Allen, Town Treasurer
Town of Yampa
101 Main Street
Yampa, CO 80483-0224
planner@townofyampa.com

It is with great pleasure that we present this Summary of Qualifications and Firm Profile for the Town of Yampa, Colorado to provide auditing services for the years ended December 31, 2024 and 2025.

In addition to technical services, we will provide **commitment, concern, attention** and resources to assist you in meeting the many financial reporting requirements of the Town. We are dedicated to providing you with **prompt and effective services** that are not only responsive to, but anticipate your needs.

Our firm provides services of the highest quality and value. Our assigned audit team consists of partners and senior level staff with **over 30 years of combined experience**; all of whom are highly trained and have sufficient expertise to meet or exceed your highest expectations. I personally manage the work we do, and see that members of our team are continuously accessible and responsive to your needs.

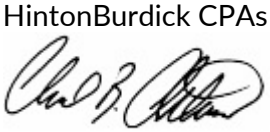
We have included a **Value Proposition on page 2** which provides you with a short list of reasons why HintonBurdick is the right fit for the Town of Yampa, Colorado.

You will be one of our most valued and important clients and I personally commit to you that you will always receive top quality service at very reasonable rates. HintonBurdick currently provides audit services for **more than 80 local governments in various states.** Our **specialization in governmental auditing** has allowed us to develop techniques and procedures which are highly efficient and enable us to provide more effective audit services at reasonable rates.

Clients frequently tell us that the **character and personality of our staff** is one of our firm's best qualities. Because of our staff and our proactive approach to solving problems for our clients, we have become one of the largest providers of governmental audits in the areas we serve.

If you want a **personal touch and excellent service,** HintonBurdick is the right firm for you.

Very truly yours,
HintonBurdick CPAs & Advisors



Chad B. Atkinson, CPA
Audit Partner

Value Proposition

- Services performed by a highly trained, **experienced governmental auditing staff**. The individuals who work in our audit department **specialize in audits** and **perform more than 80 local government audits all year round** not just as "filler work" in the off – tax season.
- HintonBurdick is an active member of the **AICPA Government Audit Quality Center**.
- Our assigned audit team consists of a Partner and Senior Certified Accounting staff that has **over 30 years of combined experience**, including extensive experience with municipal audits**.** We do not assign a team of lower level staff who need to be "trained" by your staff.
- The **character and personality of our staff** is one of our biggest strengths. We always receive positive feedback from client's they work with. **Please call our references listed below.**
- Staff are trained and have extensive experience in performing municipal audits and single audits. All of our staff that will work on your engagement receives 80 hours of audit and accounting continuing education every two years. Staff size allows assignment of resources to complete the on-site audit work in the shortest possible time to minimize day-to-day disruption.
- Partner and staff have **extensive experience working with Colorado governments**. See our **Colorado municipalities references** below.
- Experience with assisting local governments in obtaining the GFOA Certificate of Achievement for Excellence in financial Reporting. Partner is a member of the **GFOA Special Review Committee.**
- Our experience with providing audits to local governments in multiple states such as Arizona, Colorado, Nevada and Utah provides us with **a background and broad range of experience which is unique to the majority of firms providing audit services** to local governments.
- We audit using the latest audit software technology, which has enabled us to keep our audit prices competitive despite the continual changes to auditing and reporting standards. Our **Suralink Professional Document Exchange System** used for the Prepared by Client list is a cloud based system that allows the Town to monitor all exchanged documents.
- Receive **constructive, practical recommendations** for strengthening over-all management and internal controls of the Town. Audit techniques consistently identify areas of significant cost savings for our clients.
- We provide **financial trend analysis** of your local government during our audit presentations to the Town Council.

Technical Proposal

Independence

HintonBurdick is independent of the Town of Yampa, Colorado and all other entities included in the request for proposal as defined by auditing standards generally accepted in the United States and the U.S. General Accounting Office's *Government Auditing Standards* (2018).

HintonBurdick meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards*. HintonBurdick is an equal opportunity employer and does not discriminate against any individual for any reason.

License to Practice in Colorado

HintonBurdick and key professional staff are properly registered/licensed to practice as Certified Public Accountants in the State of Colorado.

Firm Qualifications and Experience

For more than 50 years, HintonBurdick has established a reputation for providing quality governmental auditing services to numerous local governments in Arizona, **Colorado,** Nevada, and Utah. We are dedicated to providing high-quality services to a wide variety of public and private entities. In addition to the audit and accounting work traditionally associated with Certified Public Accounting firms, a broad spectrum of consulting, analysis, and negotiation services are offered. HintonBurdick was recently listed as Utah's seventh largest Certified Public Accounting firm. Our St. George, Mesa, Cedar City, Richfield and Mesquite offices employ approximately 100 associates, which includes numerous CPA's and professional staff trained to audit various local governments and accounting systems. We will primarily service the needs of the Town from our St. George and Mesa offices which have 10 partners, 2 directors, 4 managers, 5 senior accountants, 8 staff accountants and various paraprofessional and support staff.

HintonBurdick is an active member of the AICPA Government Audit Quality Center.

HintonBurdick is an active member of the American Institute of Certified Public Accountants, Utah Association of Certified Public Accountants, Governmental Finance Officers Association, Arizona Government Finance Officer Association, and participates in the American Institute of Certified Public Accountants' quality review program.

HintonBurdick is currently engaged and has recently performed audits for more than 80 governmental clients that we feel provides us with auditing experience for governmental entities in accordance with the provisions set forth in Generally Accepted Auditing Standards, Government Auditing Standards, issued by the Comptroller General of the United States (the "Yellow Book"), and OMB Uniform Grant Guidance and the Single Audit Act Amendments of 1996 and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Our experience with providing audits to local governments in multiple states such as Arizona, Colorado, Nevada and Utah provides us with a background and broad range of experience which is unique to the majority of firms providing audit services to local governments. We also provide monthly **full-service accounting work,** including budgeting, general ledger, payroll, bank reconciliation, billing, cash receipts and cash disbursement procedures, for some of our local government clients. This provides us with an in-depth knowledge of basic accounting systems and procedures for local governments.

HintonBurdick has assisted local governments such as City of Fernley, NV, Churchill County, NV, White Pine County, NV, City of Page, AZ, City of El Mirage, AZ, Town of Williams, AZ, City of Show Low, AZ, Town of Pinetop-Lakeside, AZ, Town of Taylor, AZ, Town of Snowflake, AZ, and St. George City, UT **in obtaining the GFOA Certificate of Achievement in Financial Reporting for several years.**

We have a CPA staff member who is designated as a **certified information systems auditor** (CISA) who supervises a team that provides in-depth auditing and analysis of information and technology systems. We have also recently established a team that provides in-depth analysis of internal controls in relation to SSAE 18 (SOC) Type I and Type II audits. We have Experience in performing various rate studies, payroll studies, impact fee studies and other analysis.

The business and regulatory environment is constantly changing. HintonBurdick is committed to staying on the leading edge and helping our clients cope with change in a positive manner. Our system of quality control meets the highest industry standards. We understand that while management is responsible for the success of the organization, independent accounting professionals can provide valuable resources to support management efforts. HintonBurdick considers itself "on call" twenty-four hours a day and well suited to handle the changing needs of its growing clientele. An on-going dedication to proactive, quality service has built the practice and maintains the growth of HintonBurdick.

External Quality Control Review

HintonBurdick has never received any disciplinary actions from any federal, state, or other agency. The firm has undergone two mandatory external quality control reviews conducted by the Utah State Auditor's office within the last eight years. Both of the reviews were conducted specifically for governmental audits, and resulted in no findings or recommendations.

A copy of our most recent independent peer review report follows. This review included several governmental audit engagements. The report is posted on our firm's website at www.hintonburdick.com for the public accessibility requirement.

Independent Peer Review

Poulsen VanLeuven & Catmull PA
Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Jeffrey D. Poulsen, CPA
Darren B. VanLeuven, CPA
Jacob H. Catmull, CPA

Report on the Firm's System of Quality Control

December 19, 2023

To the Owners of
Hinton Burdick CPAs & Advisors
and the Peer Review Committee of the Nevada Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Hinton Burdick CPAs & Advisors (the firm) in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans; and an examination of service organizations (SOC 1® engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Hinton Burdick CPAs & Advisors in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Hinton Burdick CPAs & Advisors has received a peer review rating of *pass*.

Poulsen, VanLeuven & Catmull
Poulsen, VanLeuven & Catmull P.A.

1408 Pomerelle Ave Suite C • Burley, Idaho 83318 • (208) 678-1300 • Fax (208) 678-1301 • www.pvc.cpa

Partner, Supervisory, and Staff Qualifications and Experience

The **character and personality of our staff is one of our biggest strengths**. We always receive positive feedback from client's they work with. The individuals who work in our audit department specialize in audits and perform approximately 130 audits, including **more than 80 local government audits,** all year round, not just as "filler work" in the off – tax season.

The assigned audit team will include three full-time professionals, including multiple certified public accountants and one or more full-time administrative staff. All Certified Public Accountants listed as key staff assigned to the engagement are properly registered to practice in the state of Colorado. Collectively, all members of the assigned team have **over 30 years of audit experience**. We do not assign a team of lower level staff who need to be "trained" by your staff. The assigned team provides the resources to complete the on-site audit work in the shortest possible time to minimize day-to-day disruption. We do not anticipate rotation of any key staff on the engagement. Over many years of experience we have experienced very little staff turnover. If a staffing change is needed, the personnel will be replaced with personnel possessing equal qualifications.

The team members are highly trained and have sufficient expertise to meet or exceed your highest expectations. The required team members receive 80 hours of "yellow-book" audit and accounting continuing education and complete at least 24 hours of continuing education in subjects directly related to government accounting and auditing every two years. They are trained and have extensive experience in performing single audits. All staff assigned to the engagement are experienced in the use of various accounting software systems.

The Partner will personally manage the entire engagement and see that members of our team are continuously accessible and responsive to your needs. The partner will work together with the senior staff to plan the audit and supervise the on-site audit services. The partner will also be involved and provide supervision for review of audit work papers and the technical review of the financial statements and other reports issued with the engagement. The planned audit team will consist of approximately three professional staff from the St. George and Gilbert offices.

Key staff assigned are as follows:

- *Engagement and Quality Control Partner:* Chad B. Atkinson, CPA over 20 years of experience
- *Director:* Kelli Jones, CPA over 10 years of experience

Chad B. Atkinson, B.A., M.Pr.A., C.P.A.

Audit Partner

Chad B. Atkinson graduated from the University of Utah with a Bachelor of Arts degree in 1998 and a Master of Professional Accountancy degree in 1999. While attending the University of Utah, Mr. Atkinson was recognized as an outstanding accounting student by receiving several academic scholarships and was an active member of Beta Alpha Psi, a nationally recognized accounting organization. Mr. Atkinson has also served on various student organizations at Dixie College and the University of Utah.

With **more than 20 years of audit experience,** Mr. Atkinson serves on the firm's Audit Executive Committee. Mr. Atkinson has **specialized in governmental audit services** and has extensive experience in providing financial and federal single audits for numerous local governments. In addition to his local government experience, he also has a broad range of accounting and related experience in performing rate studies, internal control reviews, information system analysis and installations, MAS court audits, budgeting, compiled and reviewed financial statements, forecasted/projected financial statements, business planning and general management consulting. Mr. Atkinson also has experience in the use of various accounting software systems.

Mr. Atkinson has served a wide variety of clientele in Colorado, Arizona, Utah, and Nevada including, municipalities, counties, school districts, special service districts, courts, not-for-profit organizations, utilities, construction and development companies and other business entities. A selected list of municipalities served by him in the last five years includes:

- Town of Bayfield, CO
- Town of Ignacio, CO
- Town of Pagosa Springs, CO
- Town of Hayden, CO
- Town of Hot Sulphur, CO
- Washington, UT
- Boulder City, NV
- Carson City, NV
- City of Somerton, AZ
- Hurricane City, UT
- Churchill County, NV
- White Pine County, NV

Mr. Atkinson has received 80 hours of "yellow-book" audit and accounting continuing professional education (CPE) and has attended and completed more than 24 hours of CPE in subjects directly related to government accounting and auditing every two years. Relevant CPE courses attended over the last three years includes training on government and non-profit accounting and auditing, single audits, new statements on auditing standards suite, preparing a ACFR, FASB standards codification, GASB updates, Uniform Guidance, internal control, risk assessment, fraud risks, ethics and numerous other courses.

Mr. Atkinson is a **Certified Public Accountant** licensed to practice in Utah, Arizona and Nevada and has met the license requirements for conducting local government audits in Colorado. He is a member of the American Institute of Certified Public Accountants, and the Utah Association of Certified Public Accountants. He regularly provides instruction at annual local government seminars sponsored by HintonBurdick.

Kelli Jones, B.S., M.Acc., C.P.A.

Director

Kelli Jones graduated Summa Cum Laude from Southern Utah University, completing her Bachelor of Science degree in 2009, and her Master's degree in Accountancy in 2010. Ms. Jones has **specialized in audit services** and has experience in providing financial audits for numerous local governments. In addition to her local government experience, she also has a broad range of accounting and related experience in performing internal control reviews, compiled and reviewed financial statements, and general management consulting. Ms. Jones also has experience in the use of various accounting software systems.

In her employment with HintonBurdick, CPAs & Advisors, Ms. Jones has served a wide variety of clientele, including municipalities, school districts, special service districts, not-for-profit organizations, construction and development companies and other business entities.

A selected list of municipalities served by her in the last five years includes:

- Town of Bayfield, CO
- Town of Ignacio, CO
- ETSA of La Plata County, CO
- Forest Lakes Metropolitan District, CO
- Southwest Colorado Council of Governments
- Town of Pagosa Springs, CO
- Parowan City, UT
- Town of Fredonia, AZ
- Town of Somerton, AZ
- Santa Clara City, UT

Ms. Jones has received 80 hours of "yellow-book" audit and accounting continuing professional education (CPE) and has attended and completed more than 24 hours of CPE in subjects directly related to government accounting and auditing every two years. Relevant CPE courses attended over the last three years includes training on government accounting and auditing, compilations and reviews, risk assessment, fraud risks, GASB Updates, internal control, ethics and numerous other courses.

Ms. Jones is a **Certified Public Accountant** licensed in Utah and has met the requirements for practicing in the neighboring states of Arizona, Colorado, and Nevada. She is also a member of the Utah Association of Certified Public Accountants.

Similar Contracts with Other Governmental Entities

HintonBurdick performs audits for more than 80 local governments on an annual basis. We current audit **several municipalities in Colorado;** including: Bayfield, Hayden, Pagosa Springs, and Hot Sulphur Springs.

The following are the **significant municipal engagements** performed from the St. George office in the last five years that are similar to the engagement described in the Town of Yampa's request for proposal.

Firm/Government Agency Name: **Town of Bayfield, CO**	
Contact Person: Kathleen Cathcart, CMC	Phone: 970-884-9544
Title: Finance Director	Total staff hours: 150
Address: 1199 US Highway 160 B Bayfield, CO 81122	E-Mail Address: kcathcart@bayfieldgov.org
	Engagement Partner: Chad B. Atkinson, CPA
Project Size, Complexity, Scope and Duration: 8 funds (5 Governmental and 3 proprietary) Financial Audit (single audits when applicable) for several years	
Firm/Government Agency Name: **Town of Hot Sulphur Springs, CO**	
Contact Person: Katie LeDrig	Phone: 970-563-9494
Title: Town Clerk	Total staff hours: 120
Address: 513 Aspen Street Hot Sulphur Springs, CO 80451	E-Mail Address: townclerk@townofhss.com
	Engagement Partner: Chad B. Atkinson, CPA
Project Size, Complexity, Scope and Duration: 4 funds (2 Governmental and 2 proprietary) Financial Audit (single audits when applicable) for several years	

Firm/Government Agency Name: **Town of Pagosa Springs, CO**	
Contact Person: April Hessman	Phone: 970-264-4151
Title: Town Clerk/Finance	Total staff hours: 200
Address: 551 Hot Springs Blvd. Pagosa Springs, CO 81147	E-Mail Address: ahessman@pagosasprings.co.gov
	Engagement Partner: Chad B. Atkinson, CPA
Project Size, Complexity, Scope and Duration: 6 funds (4 governmental and 2 proprietary) Financial Audit (single audits when applicable) from 2015 to 2019	

Firm/Government Agency Name: **Town of Hayden, CO**	
Contact Person: Andrea Salazar	Phone: 970-276-3741
Title: Finance Director	Total staff hours: 225
Address: 178 West Jefferson Hayden, CO 84639-0190	E-Mail Address: andrea.salazar@haydencolorado.org
	Engagement Partner: Chad B. Atkinson, CPA
Project Size, Complexity, Scope and Duration: 10 funds (9 governmental and 1 proprietary) Financial and Single Audit for several years	

Specific Audit Approach

We believe, and have demonstrated repeatedly, that the annual audit should complement and enhance management, in addition to providing the desired assurances of a thorough, professional examination of the records. All aspects of the audit planning process, evaluation of controls, audit programs, field work and final analytical procedures are integrated so that the audit is a continuous process. We utilize the latest procedures in our audit tests, as well as using the latest technology to reduce costs and errors. Our firm structure and staff size enables us to provide more value by allowing professional staff to perform tasks that match their expertise level. We are constantly alert during our examination, and it is not uncommon for us to discover situations during the audit which result in savings to entities of thousands of dollars, often much greater than our fee. In addition to auditing financial results, we look at the overall performance and operations of the entity. We develop constructive, practical suggestions for the improvement of internal accounting controls and procedures, as well as for the strengthening of overall management, and will formally communicate these suggestions in a management letter.

We estimate a total of **150 hours** to complete the financial audit and 20 hours to complete the single audit, if applicable.

Detailed Work Plan

Staff Level:	Staff	Supervisory Staff	Partner	Total
Planning Stage (March - April):				
Engagement letter and other planning				
Preliminary analytical procedures				
Internal control documentation and review				
Audit approach plan - risk assessments				
Development of audit programs				
Confirmations				
Review of minutes				
Inventory, tests of controls and other				
Total planning stage	5	15	5	25
Fieldwork Stage (April - May):				
Testing of cash and invesments				
Testing of long term debt				
Testing of capital assets				
Testing of current liabilities and payroll				
Testing of interfund and transfers				
Detailed examination of all funds:				
General, water, sewer				
Single audit testwork, if needed				
Compliance testwork				
Total fieldwork stage	55	20	10	85
Wrap Up Stage (May - June):				
Review of workpapers and audit programs				
Drafting of audit reports and management letter				
Financial statements and LHFR				
Final review and analytical procedures				
Total wrap up stage	5	20	15	40
Totals	65	55	30	150

Proposed Work Schedule

HintonBurdick's staff size and experience allows assignment of resources to complete the audit work in the shortest possible time to minimize day-to-day disruption. We have conducted countless audits over the last 40 years and have developed an audit process which will allow us to perform the audit and meet the deadlines as outlined in your request for proposals. The details of each segment of the audit are proposed as follows:

Segment 1 – Planning Stage (March to April):

- Hold entrance conference and review prior year financial statements, accounting records and other information and issue the engagement letter.
- Prepare and submit the detailed audit plan to the Town with a Prepared by Client (PBC) list.

- Obtain preliminary trial balance, select accounts and prepare confirmation letters.
- Review prior period audit work papers and review council meeting minutes.
- Prepare internal control narratives and review internal controls, accounting systems and grant management procedures.
- Prepare risk assessments, review compliance issues and develop audit programs.
- Prepare calculations for major fund determination, single audit major program determination and materiality levels for financial statements and major programs.
- Perform inventory observations and tests of controls, as applicable.
- Schedule field work dates.

Client responsibilities for Segment 1:

- Ensure availability of Town audit liaison and other Town staff for the entrance conference and preliminary planning work as applicable.
- Provide preliminary trial balance, and confirmation contact information.
- Update internal control narratives provided by the auditor.
- Assemble information for the PBC list in preparation for the field work stage.
- Coordinate field work dates.

SEGMENT 2 – FIELDWORK STAGE (APRIL TO MAY):

- Hold entrance conference for field work.
- Perform detailed audit procedures based on planning and assessment of internal controls and risk assessments, including procedures for cash and investments, capital assets, cutoff, inter-fund transactions, current liabilities, payroll, long-term debt, detailed examination of all funds and related accounts, compliance testing and single audit test work, when applicable.
- Hold exit conference with Town staff upon completion of field work to summarize the results of field work, review preliminary findings and discuss report deadlines and any unresolved issues.

Client responsibilities for Segment 2:

- Provide various documents and schedules as per the PBC list.
- Ensure that work space is available and that Town staff are available to provide assistance, locate supporting documentation and respond to inquiries during the scheduled field work dates.

SEGMENT 3 – WRAP UP STAGE (MAY TO JUNE):

- Conduct partner and manager review of audit workpapers and audit programs.
- Conduct final review and analytical review procedures.
- Prepare and submit draft financial statements, proposed audit adjustments, MD&A template, proposed financial statement grouping schedules, GASB 34 reconciliations,

- Prepare and submit draft findings and recommendations, as applicable.
- Deliver final reports and communication letter to those charged with governance.
- Prepare the single audit electronic submission to the federal single audit clearing house, when a single audit is performed.
- Present the audit to the Town council or audit committee.

Client responsibilities for Segment 3:

- Review the proposed audit adjustments draft reports and draft findings and recommendations and comment as applicable.
- Provide signed client representation letter to the auditor.
- Coordinate the council meeting or audit committee presentation.
- Certify the single audit on-line submission, when applicable.
- Submit financial statements and applicable reports to the state.

Detailed Work Plan for Technical Review of Reports

HintonBurdick has developed a local government financial statement review checklist that we use in the preparation and/or review of the financial report. The checklist includes numerous recalculations, relationship tests and other procedures that we have developed over the last 40 years of preparing and reviewing local government financial statements. To ensure all disclosures are properly reported, we utilize GFOA checklists and the PPC Practice Aids Disclosure Checklist for governmental financial statements which is updated every year.

We will submit proposed audit adjustments, our opinion letters, and our findings and recommendations to management in order to provide the opportunity for comments and clarifications before the reports are finalized.

Audit Objectives

We follow the eight standards (SAS104 to SAS111) that have been collectively referred to as the risk assessment standards. The primary objective of these standards is to enhance auditors' application of the audit risk model in practice by specifying, among other things:

- More in-depth understanding of the entity and its environment, including its internal control, to identify the risks of material misstatement in the financial statements and what the entity is doing to mitigate those risks.
- More rigorous assessment of the risks of where and how financial statements could be materially misstated based on that understanding.
- Improved linkage between the auditor's assessed risks and the nature, timing, and extent of audit procedures performed in response to those risks.

In addition to the above objectives related to risk assessment the following audit objectives related to assets, liabilities, revenues, expenditures, financial statements and compliance are common to governmental audits and will be utilized based on our assessment of risks and the results of our procedures.

- All cash and investments of the entity are on hand, in transit, or on deposit with third parties in the name of the entity. Cash and investments are stated at the correct amount and reflect a proper cutoff. Depositories are legally acceptable; adequate collateral has been pledged and cash and investment restrictions are appropriate.
- Wages, salaries and benefits disbursements are computed using rates or amounts approved by the governing board and in accordance with laws and regulations and for work performed and authorized.
- Expenditures and cash disbursements are properly recorded for goods or services received and as authorized (in accordance with the budget and grant agreements). Expenditures and related liabilities have been recorded correctly as to account, fund, budget category, period and amount.
- All valid revenues have been recorded correctly as to account; fund, budget category, period and amount and billed revenues or charges for services and related receivables have been properly stated at the net realizable amount.
- Account balances and transactions are properly summarized and classified in the financial statements, and related disclosures are adequate.
- GASB34 conversion adjustments for the statement of net assets and statement of activities have been made in accordance with accounting standards in all material respects.
- Federal and state grant revenues and expenditures are administered and recorded in accordance with grant provisions and related laws and regulations.
- Management is aware of federal and state compliance issues and has established procedures for compliance with laws and regulations.

Audit Sampling

Statistical sampling is generally not deemed to be appropriate or necessary based on the number and type of transactions processed by governmental entities and other cost/benefit considerations; however, statistical sampling may be used based upon professional judgment as a result of our audit planning. We normally select numerous samples of transactions for testing various account balances and compliance based on our preliminary analytical procedures and depending on materiality, risk assessments, inquiries of personnel and based on our assessment of internal control and major programs for the single audit, as applicable.

Information Technology

HintonBurdick's paperless audit software system enables us to import and analyze your financial data and gives us the ability to analyze, sort, extrapolate and compare your information with prior years, projected results and other expectations so that we can effectively and efficiently plan and perform the audit. Documents provided to HintonBurdick should be provided in an electronic format whenever possible. As an integral part of our evaluation of your system of internal controls we will evaluate your electronic data processing (EDP) system and document the system through inquiries and observations. Software for data extraction will be used if applicable as a result of audit planning. System tests for integrity, security, use of computer assisted audit tools, and the use of an IT specialist will be applied if deemed necessary based on audit objectives and results of planning and other test work.

Analytical Procedures

HintonBurdick utilizes analytical procedures in both the planning stage and the final review stage of the audit in accordance with generally accepted auditing standards accepted in the United States of America. Comparisons will be made between the current year actual and prior year actual activity as well as budget-to-actual comparisons. We will also utilize various other analytical procedures during the field work stage of the audit such as analysis of gross margins, rate analysis, month to month comparisons for service revenues and various other ratios and analysis. We also step back and review the relationship of each fund's balance sheet and statement of income and analyze net income or loss in comparison to the prior year, fund balance appropriations and other expectations. We look for appropriate relationships and analyze expectations based on our knowledge of the Town and our numerous years of experience. This analytical approach often reveals problems that may have been missed by simply performing "canned" audit procedures and checklists.

Internal Controls

Auditing standards require the auditor to obtain a sufficient understanding of internal control and fraud risk factors in order to plan the audit and to determine the nature, timing and extent of test to be performed. An understanding of the Town's financial operations, funding source requirements, transaction cycles, internal control structure and fraud risk factors will be achieved through inquiry, observation, walkthroughs and tests of transactions. We will request the assistance of your accounting staff in preparing a written narrative of significant transaction cycles and we will utilize other resources such as your policies and procedures manual, organizational charts, the budget and other management information systems. Professional standards require that we communicate, in writing; deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit. We will also communicate, in writing, constructive, practical suggestions for strengthening overall management and internal accounting controls and procedures.

Laws and Regulations

HintonBurdick utilizes a legal compliance audit guide for the State of Colorado which was developed by our firm to test compliance with state laws. The audit guide was created from the *Financial Management Manual A Guide for Colorado Local Governments.* The audit guide, along with inquiry of your personnel and a review of grant agreements will be performed to determine if management is aware of laws and regulations and to perform compliance test work. We also utilize OMB Uniform Grant Guidance for testing federal grants in accordance with the single audit act, as applicable.

Audit Samples for Tests of Compliance

During our financial audit test work we normally select numerous samples of transactions for testing various account balances. In order to test compliance with federal and state laws and local ordinances, additional samples will be selected based on prior year's findings, single audit compliance guides and materiality, specific requirements as per our state compliance audit guide and per review of grant agreements, as applicable.

Fund Approach – Departments

We utilize a **"fund" approach** to our audit, which helps us to focus on issues related to each fund rather than overall revenues or expenditures. This approach is **unique from most firms who provide governmental audits**. This approach allows our audit team to focus on the purpose of the fund and the interrelationships between the balance sheet accounts, revenues, expenditures and fund balance. Our audit approach is based on the materiality level of each major fund and the remaining non-major funds. During our new audit engagements, we frequently find that prior auditors have overlooked some departments and transactions. Thus, we make a point to continue this thorough approach from year to year, which enhances the awareness of the audit requirements and **encourages department heads** to follow policies and procedures. As such, you will receive added value from the audit.

Quality Control

HintonBurdick follows professional standards which require an independent peer review and we also conduct annual in-house quality control reviews on a comprehensive selection of audit engagements. Moreover, every audit engagement is subject to quality control procedures performed by the audit engagement partner and manager who are responsible for ensuring that our audit procedures, documentation, and reporting are in compliance with auditing standards, state statutes, OMB Uniform Grant Guidance and firm policies. Technical partner reviews are also performed on selected engagements and when deemed appropriate.

Identification of Anticipated Potential Audit Problems

We do not anticipate any potential audit problems at this time, however, should any audit problems arise, we will immediately discuss the issue with the appropriate level of Town staff or management and a plan will be implemented to address the problem.