



~ Agenda ~
For a Regular Meeting of the
SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

PO Box 963
Durango, CO 81302
<http://co.laplata.co.us>

Friday, November 7, 2014

1:30 PM

Board Room

[The Board reserves the right to hold Executive Session per CRS 24-6-402(4)]
[To participate via teleconference, please call 661-673-8600 and enter participant code 850589#]

I. UPDATED TIME - 1PM

II. Introductions

III. Consent Agenda

1. October 2014 Minutes
2. September 2014 Financials

IV. Discussion Items

1. 2015 Projected Fund Balance

V. Decision Items

1. Auditor Selection
2. Billing for Backbone Connectivity

VI. Reports

1. Director's Report
2. AAA Report
3. Housing Report
4. Telecommunications Report
5. Transportation Report
6. Community Updates

ITEM NO. (ID # 2146)

DATE: 11/7/2014

AGENDA REQUEST

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MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Minutes

SUBJECT: October 2014 Minutes

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- October 2014 Board Meeting Minutes (DOCX)

Southwest Colorado Council of Governments
 October Board Meeting
 3 October 2014
 La Plata County Court House

Board in Attendance:

Michael Whiting – Archuleta County
 Dick White – City of Durango
 Ernie Williams – Dolores County
 Michelle Nelson – Town of Bayfield
 Andrea Phillips – Town of Mancos
 Lana Hancock – Town of Dolores
 William Tookey – San Juan County
 Greg Schulte – Town of Pagosa Springs
 Joe Kerby – La Plata County
 Chris Tookey – Town of Silverton
 John Egan – Town of Pagosa Springs
 Dan Naiman – Town of Ignacio (non-voting member)
 Shane Hale – City of Cortez (via phone)

Staff in Attendance:

Miriam Gillow-Wiles – Executive Director

Guests in Attendance:

Ken Charles – DoLA
 Darlene Marcus – Congressman Tipton’s Office
 John Whitney – Senator Bennet’s Office

I. Call to Order

The meeting was called to order at 1:37pm. Everyone introduced themselves.

II. Consent Agenda: Minutes & Financials

In the September minutes, a motion to amend the agenda changing the Club 20 FCC Letter discussion into a decision item was placed in the wrong area on the minutes. This update was made prior to the board meeting; however, the updated minutes did not make the board packet in time. Motion to Approve September 2014 Minutes with changes that have already been rectified: Dick White, Second: William Tookey. Passed by a unanimous voice vote.

Motion to Approve August 2014 Financials: William Tookey, Second: Dick White. Passed by a unanimous voice vote.

III. Discussion Items:

Executive Session:

A question was asked as to the happenings with the Executive Session that happened at the last board meeting at the Silverton Town Hall. Michael Whiting informed the board that the executive session pertained to a contract fulfillment. A work session with the contracted

individual was held prior to the COG board meeting, and it appears all contract requirements will be upheld without further Executive Sessions scheduled. A resolution will be brought to the full board when all details are at hand; most likely the next board meeting.

IV. Decision Items:

Draft 2015 Budget:

There was concern about the budget being very close, especially if some communities choose not to participate in 2015 dues. Should we have legal issues within the year, the budget would be consumed quickly. This budget would need to be adhered to very closely.

All Hazards grants - All Hazards grants run a year behind. Currently, we are using the 2013 grant and will be using the 2014 grant in 2015. These funds go to the communities and emergency services managers to purchase radios, ground antennas, etc. There is also administration dollars included. The budgeted 2013 AH grant funds indicate what will be available in 2015 as some of the funds have already been spent in 2014. In addition, the AH 2014 funds will be spent throughout both 2015 and 2016 as these grants run for two years.

SCAN revenues - SCAN revenues are exact figures. CEDAR, Brainstorm, and FastTrack revenues are for dark fiber leasing that are contractual and not over inflated for possible future revenues.

E-TICS - To bring other communities in with the E-TICS, a contractor would be needed because communities do not have the staff. Shane Hale feels the need is there, and a contractor should be sought by staff.

Staff - The budget includes a part-time position for a general office person.

A fund balance was requested as a fund balance from the previous year will help determine if net income is correct going forward into next year's budget . Sara will work on a fund balance to present to the board.

Consulting - Consulting services are lumped into one account, which will include an IT consultant and the RREO consultant.

AAA - The AAA is currently paying their bookkeeper \$10,000 annually, so this is what was budgeted for with the COG doing the AAA books in 2015.

This preliminary budget needed to be presented to the board by October 15, but not approved. Therefore, this budget was reviewed by the board with no decision made. The board agrees in the direction of the budget, but does ask that staff complete a fund balance and look into alternatives if end-of-year figures are in the red.

CIRSA Renewal:

The Property and Casualty insurance premium went down and the Workman's Comp insurance premium went up, which basically even each other out making the overall premium stay essentially the same for 2015. The premium does not reflect a possible part-time admin person next year.

(This decision item was combined with the next item, CEBT Renewal)

CEBT Renewal:

The premium increased because we changed from CEBT's state calendar year to our calendar year for budgeting purposes, meaning we had a premium increase in July for CEBT's calendar year, but because we are changing our annual policy to begin January, we will see another increase in January.

Motion to Approve both the CIRSA and CEBT renewals with Michael Whiting as signature authority: Ernie Williams, Second: Andrea Phillips. Passed by a unanimous voice vote.

Letter of Support 160/550 Interchange:

Money has been dedicated to this project before with no completion. Some communities feel there are other important projects that need to be considered where funds could be put to good use. Ernie Williams stated that changes have been made to this interchange plan creating an increased cost of \$27 million.

The TPR is in place for these issues. At the TPR meeting that took place prior to the COG board meeting October 8, the TPR decided to table this issue until the December meeting where research will be given to indicate how much money SB228 will forward construction and what criteria have been used to rank transportation projects.

Motion to table this item until the next COG meeting where additional information can be gathered from CDOT and the TPR: Ernie Williams, Second: Shane Hale. Passed by a unanimous voice vote.

Executive Director Review Overview:

Michael Whiting explained Miriam's performance review – Individual feedback was given. Review was taken directly from personnel manual and work plan. Miriam's score was 4.8 out of 5. With the COG being a startup in some regards, there has been a lot of forensic work, which Miriam has handled well. She has created a value proposition for members and has done a great job building relationships with other organizations. Miriam has also been approved for all grants applied for.

Per manual, 6-month raises are 2% and annual raises 4%. Because Miriam's review was late with her 6-month review complete in September and annual review should be complete in November, Shane Hale motioned to implement an immediate (next pay period) 5% pay increase with the additional 1% given at the annual review in November 2014, Second: Ernie Williams. Passed by a unanimous voice vote.

V. Reports:

Director's Report:

RREO:

First waste audit will begin October 4. Tables, chairs, tents, suits, gloves, masks, etc. will be provided. Volunteers welcome.

MURP:

Miriam received an application from the CU Denver Masters of Urban Regional Planning (MURP) that requires master graduating students to complete a 15-week capstone. Because

the program is free and can further COG needs, Miriam applied for our transit needs. If we get approved, the board can decide to move forward with an intern to work on transit items in the spring.

AAA:

There will be an AAA board retreat on November 14 that will be an open meeting. This will help determine if the AAA would like to come on board with the COG for financial purposes and cost savings in that department. Miriam feels that having the entire COG board may be a bit overwhelming, so Michael, Dick, and Andrea would be preferred to attend for the ability of reporting back to the board.

Telecom:

Silverton is connecting their fiber next week. There will be a celebration on October 9.

Transportation:

TPR meeting was this morning. Next meeting is scheduled for December 5.

Other:

Shane Hale and Ron LeBlanc were re-nominated for the nominating committee. Michael Whiting volunteered to be a place holder.

Next COG board meeting will be scheduled for November 7.

VI. Adjourned at 2:46pm

ITEM NO. (ID # 2147)

DATE: 11/7/2014

AGENDA REQUEST

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MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Item

SUBJECT: September 2014 Financials

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- SWCCOG September 2014 Financials (PDF)

Southwest Colorado Council of Governments
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 September 2014

	100-General	125-SWIMT	200-All Hazards	300-Fort Lyons	500 - RREO	600-TPR	830-Telecom	900-SCAN	TOTAL
ASSETS									
Current Assets									
Checking/Savings									
1001 - 1st Southwest Bank	25,293.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,293.23
1002 - Alpine Bank Unrestricted	56,989.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56,989.73
1010 - Petty Cash	151.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	151.39
Total Checking/Savings	82,434.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82,434.35
Accounts Receivable									
1200 - Accounts Receivable	6,168.01	3,445.98	-58,141.02	8,829.84	0.00	0.00	-4,744.04	6,930.11	-37,511.12
Total Accounts Receivable	6,168.01	3,445.98	-58,141.02	8,829.84	0.00	0.00	-4,744.04	6,930.11	-37,511.12
Other Current Assets									
1090 - Due To/ Due From	-22,117.09	8,843.49	1,433.07	-5,652.34	-7,862.74	2,658.27	27,602.80	-4,905.46	0.00
Total Other Current Assets	-22,117.09	8,843.49	1,433.07	-5,652.34	-7,862.74	2,658.27	27,602.80	-4,905.46	0.00
Total Current Assets	66,485.27	12,289.47	-56,707.95	3,177.50	-7,862.74	2,658.27	22,858.76	2,024.65	44,923.23
TOTAL ASSETS	66,485.27	12,289.47	-56,707.95	3,177.50	-7,862.74	2,658.27	22,858.76	2,024.65	44,923.23
LIABILITIES & EQUITY									
Liabilities									
Current Liabilities									
Credit Cards									
1003 - Alpine Bank Credit Card-Miriam	6,285.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,285.86
1004 - Alpine Bank Credit Card - Sara	2,062.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,062.90
Total Credit Cards	8,348.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,348.76
Total Current Liabilities	8,348.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,348.76
Total Liabilities	8,348.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,348.76
Equity									
32000 - Retained Earnings	49,245.32	0.00	-2,443.05	0.00	0.00	0.00	4,228.96	5,649.05	56,680.28
Net Income	8,891.19	12,289.47	-54,264.90	3,177.50	-7,862.74	2,658.27	18,629.80	-3,624.40	-20,105.81
Total Equity	58,136.51	12,289.47	-56,707.95	3,177.50	-7,862.74	2,658.27	22,858.76	2,024.65	36,574.47
TOTAL LIABILITIES & EQUITY	66,485.27	12,289.47	-56,707.95	3,177.50	-7,862.74	2,658.27	22,858.76	2,024.65	44,923.23

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Southwest Colorado Council of Governments
Attachment: SWCCCOG Septemtem 2014 Financials
January through September 2014

Account	100-General	125-SWIMT	200-All Hazards	300-Fort Lyons	500 - RREO	600-TPPR	830-Telecom	900-SCAN	Unclassified	TOTA
4004 - SWIMT Rev	0.00	45,588.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,588.86
4005 - E-tics	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4006 - Dues Revenue	117,032.01	0.00	0.00	0.00	0.00	4,000.00	0.00	8,400.00	0.00	129,432.01
4009 - Fiber Lease Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4010 - Grant-DOLA Admin	13,036.95	0.00	0.00	0.00	0.00	0.00	23,707.84	10,185.00	0.00	46,929.79
4020 - Grant-DOLA-Construction	0.00	0.00	0.00	0.00	0.00	0.00	287,821.26	0.00	0.00	287,821.26
4040 - Grant-Transit	7,850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,850.00
4041 - All Hazards Grant	0.00	0.00	7,098.70	0.00	0.00	0.00	0.00	0.00	0.00	7,098.70
4042 - Grant - Fort Lyons	0.00	0.00	0.00	8,829.84	0.00	0.00	0.00	0.00	0.00	8,829.84
4950 - Match-GOV Admin	0.00	0.00	0.00	0.00	0.00	0.00	29,630.50	0.00	0.00	29,630.50
4951 - Match-GOV Construction	0.00	0.00	0.00	0.00	0.00	0.00	107.75	0.00	0.00	107.75
4952 - Region 9-Matching Funds	0.00	0.00	0.00	0.00	0.00	0.00	2,034.54	0.00	0.00	2,034.54
4955 - In Kind Project Match- Construc	0.00	0.00	0.00	0.00	0.00	0.00	95,399.21	0.00	0.00	95,399.21
4956 - In Kind Project Match- Admin	0.00	0.00	0.00	0.00	0.00	0.00	1,847.31	0.00	0.00	1,847.31
Total Income	138,518.96	45,588.86	7,098.70	8,829.84	0.00	4,000.00	440,548.41	18,595.00	0.00	663,169.77
Gross Profit	138,518.96	45,588.86	7,098.70	8,829.84	0.00	4,000.00	440,548.41	18,595.00	0.00	663,169.77
Expense	8,133.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,133.44
1008 - Alpine Credit Card	65.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65.00
5009 - Bookkeeper	0.00	0.00	63,592.22	0.00	0.00	0.00	0.00	0.00	0.00	63,592.22
5200 - All Hazard Project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,600.00	0.00	5,600.00
5401 - Software Maintenance (E-Tic)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5410 - Rent	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00
5505 - Bank Fees	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00
5510 - Travel Exp	4,423.99	0.00	0.00	0.00	0.00	1,270.57	0.00	0.00	0.00	5,694.56
5512 - Meeting Exp	1,298.18	0.00	399.00	0.00	28.82	71.16	0.00	0.00	0.00	1,767.16
5514 - Professional Fees	80.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80.00
5515 - Legal Fees	5,518.50	0.00	0.00	0.00	0.00	0.00	619.20	0.00	0.00	6,137.70
5520 - Advertising	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00
5521 - Telephone/Website/Internet	2,784.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,784.41
5523 - Payroll Processing Fees	980.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	980.45
5525 - Audit	7,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,500.00
5526 - Internet Connectivity (100 Mb)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,250.00	0.00	11,250.00
5532 - Postage	70.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.73
5535 - Printing/Reproduction	121.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	121.15
5540 - Membership/Sub	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00
5545 - Equipment/Computers	2,415.82	0.00	-5,016.00	0.00	0.00	0.00	0.00	0.00	0.00	-2,600.18
5550 - Supplies	3,153.62	0.00	37.84	0.00	0.00	0.00	0.00	0.00	0.00	3,191.46
5551 - RREO Supplies	0.00	0.00	0.00	0.00	1,230.60	0.00	0.00	0.00	0.00	1,230.60
5555 - Liability Insurance	2,212.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,212.00
5558 - Insurance- Health	6,502.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,502.62
5570 - SWIMT Contract Reimb Exp	0.00	33,299.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,299.39
5570 - Car Allowance/Mileage	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,700.00
5580 - Salary & Wages	4,105.71	0.00	282.29	0.00	0.00	0.00	0.00	0.00	0.00	4,388.00
5585 - Payroll Tax Expense	48,888.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48,888.15
Total Expense	52,993.86	0.00	282.29	0.00	0.00	0.00	5,250.00	0.00	0.00	58,526.15
5587 - Worker's Compensation	1,450.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,450.00
5636 - Admin Project Expense	0.00	0.00	0.00	0.00	0.00	0.00	5,541.94	0.00	0.00	5,541.94
5637 - SCAN GM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,359.40	0.00	5,359.40
5638 - Region 9 EDO	1,628.00	0.00	0.00	0.00	0.00	0.00	8,811.87	0.00	0.00	10,439.87
5639 - Infor Services-Project Mgmt	0.00	0.00	0.00	0.00	0.00	0.00	4,940.00	0.00	0.00	4,940.00
5640 - Consulting	0.00	0.00	2,098.25	0.00	1,103.32	0.00	3,670.80	0.00	0.00	6,872.37
5641 - Regional Project Mgmt	0.00	0.00	0.00	0.00	0.00	0.00	7,476.50	0.00	0.00	7,476.50
5642 - Project Engineering & Mgmt	0.00	0.00	0.00	0.00	0.00	0.00	2,164.10	0.00	0.00	2,164.10
5643 - Transit	7,850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,850.00
5645 - Project Construction	0.00	0.00	0.00	0.00	5,500.00	0.00	286,197.68	0.00	0.00	286,197.68
5647 - FLC Interns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5650 - Conference/Seminars/Training	225.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	225.00
5662 - Contract Services	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00
5663 - Contract - Other	16,975.00	0.00	0.00	3,702.34	0.00	0.00	0.00	0.00	0.00	20,677.34
5660 - Contract Services - Other	0.00	0.00	0.00	1,950.00	0.00	0.00	0.00	0.00	0.00	1,950.00
Total Expense	17,100.00	0.00	0.00	5,652.34	0.00	0.00	0.00	0.00	0.00	22,752.34
5955 - In Kind Project Expense- Constr	0.00	0.00	0.00	0.00	0.00	0.00	95,399.21	0.00	0.00	95,399.21
5956 - In Kind Project Exp.- Admin	0.00	0.00	0.00	0.00	0.00	0.00	1,847.31	0.00	0.00	1,847.31
Total Expense	129,627.77	33,299.39	61,383.80	5,652.34	7,862.74	1,341.73	421,916.61	22,209.40	0.00	683,275.58
Net Income	8,891.19	12,289.47	-54,284.90	3,177.50	-7,862.74	2,658.27	18,629.80	-3,624.40	0.00	-20,105.81

Packet Pg. 9

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Southwest Colorado Council of Governments

Attachment: SWCCOG September 2014 Financials

January through December 2014

	100-General				125-SWIMT				200-All Hazards			
	Jan - Dec 14	Budget	\$ Over Budget	% of Budget	Jan - Dec 14	Budget	\$ Over Budget	% of Budget	Jan - Dec 14	Budget	\$ Over Budget	% of Budget
Income												
4001 - Fiber Access (ramp) fee	0.00				0.00				0.00			
4002 - Internet Usage	0.00				0.00				0.00			
4004 - SWIMT Rev	0.00				45,588.86			99.9%	0.00			
4005 - E-tics	117,632.01	120,000.00	-2,367.99	98.0%	0.00	45,650.00	-61.14	99.9%	0.00			
4006 - Dues Revenue	0.00	10,500.00	-10,500.00	0.0%	0.00				0.00			
4007 - TR	0.00				0.00				0.00			
4009 - Fiber Lease Revenue	13,096.95	14,000.00	-903.05	93.1%	0.00				0.00			
4010 - Grant-DOLA Admin	0.00				0.00				0.00			
4020 - Grant DOLA-Construction	7,850.00	7,800.00	50.00	100.6%	0.00				0.00			
4040 - Grant-Transit	0.00				0.00				0.00			
4041 - All Hazards Grant	0.00				0.00				0.00			
4042 - Grant - Fort Lyons	0.00				0.00				0.00			
4890 - Match-GOV Admin	0.00				0.00				0.00			
4891 - Match-GOV Construction	0.00				0.00				0.00			
4892 - Region 9-Matching Funds	0.00				0.00				0.00			
4893 - Housing Matching Funds	0.00				0.00				0.00			
4895 - In Kind Project Match- Construc	0.00	6,700.00	-6,700.00	0.0%	0.00				0.00			
4896 - In Kind Project Match- Admin	0.00				0.00				0.00			
4957 - REO Grant	0.00				0.00				0.00			
Total Income	138,518.96	159,000.00	-20,481.04	87.1%	45,588.86	45,650.00	-61.14	99.9%	7,098.70	244,800.00	-237,701.30	2.9%
Gross Profit	138,518.96	159,000.00	-20,481.04	87.1%	45,588.86	45,650.00	-61.14	99.9%	7,098.70	244,800.00	-237,701.30	2.9%
Expense												
1008 - Alpine Credit Card	11,811.88				0.00				0.00			
5009 - Bookkeeper	65.00				0.00				0.00			
5200 - All Hazard Project	0.00				0.00				64,831.82	224,448.00	-159,616.18	28.9%
5401 - Software Maintenance (E-Tric)	0.00				0.00				0.00			
5403 - Fiber Leasing Expe.	0.00				0.00				0.00			
5410 - Rent	4.00	12.00	-8.00	33.3%	0.00				0.00			
5505 - Bank Fees	6.00				0.00				0.00			
5510 - Travel Exp	4,423.99	4,500.00	-76.01	98.3%	0.00				0.00			
5512 - Meeting Exp	1,409.22	500.00	909.22	281.8%	0.00				399.00	596.00	-566.00	0.0%
5514 - Professional Fees	80.00				0.00				0.00			
5515 - Legal Fees	7,037.40	2,500.00	4,537.40	281.3%	0.00				0.00			
5517 - Data Back Up Exp	0.00				0.00				0.00			
5520 - Advertising	54.60	323.00	-268.40	0.0%	0.00				0.00			
5521 - Telephone/Webster/Internet	2,945.90	2,240.00	705.90	131.5%	0.00				0.00			
5523 - Payroll Processing Fees	1,449.31	1,800.00	-350.69	63.9%	0.00				0.00			
5525 - Audit	7,500.00	7,500.00	0.00	100.0%	0.00				0.00			
5526 - Internet Connectivity (100 Mb)	0.00				0.00				0.00			
5530 - RAIP Fees	0.00				0.00				0.00			
5532 - Postage	70.73	125.00	-54.27	56.6%	0.00				0.00			
5535 - Printing/Reproduction	121.15	500.00	-378.85	24.2%	0.00				0.00			
5540 - Memberships/Sub	3,500.00	4,000.00	-500.00	87.5%	0.00				0.00			
5545 - Equipment/Computers	2,531.79				0.00				0.00			
5550 - Supplies	3,243.90	1,212.00	2,031.90	267.6%	0.00				0.00			
5551 - REO Supplies	0.00				0.00				0.00			
5555 - Liability Insurance	2,212.00	2,203.00	9.00	100.4%	0.00				0.00			
5558 - Insurance- Health	7,176.75	8,220.00	-1,043.25	87.3%	0.00				0.00			
5556 - M&A COG 10%	0.00				0.00				0.00			
5566 - SWIMT Contract Reimb Exp	0.00				33,299.39	4,150.00	-4,150.00	0.0%	0.00			
5568 - SWIMT Team Exp.	0.00				0.00				0.00			
5570 - Car Allowance/Mileage	3,000.00	6,100.00	-3,100.00	49.2%	0.00	41,500.00	-8,200.61	80.2%	0.00			
5580 - Salary & Wages	64,345.89	67,500.00	-3,154.11	95.3%	0.00	0.00	0.00	0.0%	0.00			
5587 - Worker's Compensation	1,450.00				0.00				0.00			
5636 - Admin Project Expense	0.00				0.00				0.00			
5637 - SCAN GM	0.00				0.00				0.00			
5638 - Region 9 EDD	1,828.00				0.00				0.00			
5639 - Infor Services-Project Mgmt	0.00				0.00				0.00			
5640 - Consulting	0.00				0.00				0.00			
5641 - Regional Project Mgmt	0.00				0.00				0.00			
5642 - Project Engineering & Mgmt	0.00				0.00				0.00			
5643 - Transit	7,850.00	7,800.00	50.00	100.6%	0.00				0.00			
5645 - Project Construction	0.00				0.00				0.00			
5647 - FLC Interns	0.00				0.00				0.00			
5650 - Conference/Seminars/Training	225.00	1,000.00	-775.00	22.5%	0.00				0.00			
5660 - Contract Services	17,100.00	6,700.00	10,400.00	255.2%	0.00				0.00			
5955 - In Kind Project expense- Constr	0.00				0.00				0.00			
5956 - In Kind Project Exp - Admin	0.00				0.00				0.00			
Total Expense	147,822.51	121,387.00	26,435.51	121.8%	33,299.39	45,650.00	-12,350.61	72.9%	62,603.20	244,164.00	-181,560.80	25.6%
Net Income	-9,303.55	37,613.00	-46,916.55	-24.7%	12,289.47	0.00	12,289.47	100.0%	-55,504.50	636.00	-56,140.50	-8,727.1%

3.2.a

Southwest Colorado Council of Governments
Attachment: SWCCOG September 2014 Financials (21147) : September 2014 Financials
January through December 2014

Packet Pg. 11

	300-Fort Lyons				500 - RREO				600-TPR			
	Jan - Dec 14	Budget	\$ Over Budget	% of Budget	Jan - Dec 14	Budget	\$ Over Budget	% of Budget	Jan - Dec 14	Budget	\$ Over Budget	% of Budget
Income												
4001 - Fiber Access (ramp) fee	0.00			0.00				0.00				
4002 - Internet Usage	0.00			0.00				0.00				
4004 - SWIMT Rev	0.00			0.00				0.00				
4005 - E-tics	0.00			0.00				0.00				
4006 - Dues Revenue	0.00			0.00				0.00				
4007 - TPR	0.00			0.00				0.00				
4009 - Fiber Lease Revenue	0.00			0.00				0.00				
4010 - Grant-DOLA Admin	0.00			0.00				0.00				
4020 - Grant DOLA-Construction	0.00			0.00				0.00				
4040 - Grant-Transit	0.00			0.00				0.00				
4041 - All Hazards Grant	0.00			0.00				0.00				
4042 - Grant - Fort Lyons	8,829.84			100.0%				8,829.84				100.0%
4990 - Match-GOV Admin	0.00			0.00				0.00				
4991 - Match-GOV Construction	0.00			0.00				0.00				
4992 - Region 9-Matching Funds	0.00			0.00				0.00				
4993 - Housing Matching Funds	0.00			0.00				0.00				
4995 - In Kind Project Match- Construc	0.00			0.00				0.00				
4996 - In Kind Project Match- Admin	0.00			0.00				0.00				
4997 - RREO Grant	0.00			0.00				0.00				
Total Income	8,829.84			100.0%	17,287.56			100.0%	17,287.56			100.0%
Gross Profit	8,829.84			100.0%	17,287.56			100.0%	17,287.56			100.0%
Expense												
1008 - Alpine Credit Card	0.00			0.00				0.00				
5009 - Bookkeeper	0.00			0.00				0.00				
5200 - All Hazard Project	0.00			0.00				0.00				
5401 - Software Maintenance (E-Tic)	0.00			0.00				0.00				
5403 - Fiber Leasing Expe.	0.00			0.00				0.00				
5410 - Rent	0.00			0.00				0.00				
5505 - Bank Fees	0.00			0.00				0.00				
5510 - Travel Exp	0.00			0.00				0.00				
5512 - Meeting Exp	0.00			0.00				0.00				
5514 - Professional Fees.	0.00			0.00				0.00				
5515 - Legal Fees	0.00			0.00				0.00				
5517 - Data Back Up Exp	0.00			0.00				0.00				
5520 - Advertising	0.00			0.00				0.00				
5521 - Telephone/Webster/Internet	0.00			0.00				0.00				
5523 - Payroll Processing Fees	0.00			0.00				0.00				
5525 - Audit	0.00			0.00				0.00				
5526 - Internet Connectivity (100 Mb)	0.00			0.00				0.00				
5530 - RAMP Fees	0.00			0.00				0.00				
5532 - Postage	0.00			0.00				0.00				
5535 - Printing/Reproduction	0.00			0.00				0.00				
5540 - Membership/Sub	0.00			0.00				0.00				
5545 - Equipment/Computers	0.00			0.00				0.00				
5550 - Supplies	0.00			0.00				0.00				
5551 - RREO Supplies	0.00			0.00				0.00				
5555 - Liability Insurance	0.00			0.00				0.00				
5558 - Insurance- Health	0.00			0.00				0.00				
5556 - M&A COG 10%	0.00			0.00				0.00				
5566 - SWIMT Contract Reimb Exp	0.00			0.00				0.00				
5568 - SWIMT Team Exp.	0.00			0.00				0.00				
5570 - Car Allowance/Mileage	0.00			0.00				0.00				
5590 - Salary & Wages	0.00			0.00				0.00				
5587 - Worker's Compensation	0.00			0.00				0.00				
5635 - Admin Project Expense	0.00			0.00				0.00				
5637 - SCAN GM	0.00			0.00				0.00				
5638 - Region 9 EDD	0.00			0.00				0.00				
5639 - Infor Services-Project Mgmt	0.00			0.00				0.00				
5640 - Consulting	0.00			0.00				0.00				
5641 - Regional Project Mgmt	0.00			0.00				0.00				
5642 - Project Engineering & Mgmt	0.00			0.00				0.00				
5643 - Transit	0.00			0.00				0.00				
5645 - Project Construction	0.00			0.00				0.00				
5647 - FLC Interns	0.00			0.00				0.00				
5650 - Conference/Seminars/Training	0.00			0.00				0.00				
5660 - Contract Services	5,652.34			100.0%				5,652.34				100.0%
5955 - In Kind Project expense- Constr	0.00			0.00				0.00				
5956 - In Kind Project Exp.- Admin	0.00			0.00				0.00				
Total Expense	5,652.34			100.0%	13,808.63			100.0%	13,808.63			100.0%
Net Income	3,177.50			36.3%	3,678.93			34.9%	3,678.93			34.9%

Southwest Colorado Council of Governments
 Attachment: SWCCOG September 2014 Financials (71421) September 2014 Financials
 January through December 2014

3.2.a

Expense	330-Telecom				900-SCAN				TOTAL			
	Jan - Dec 14	Budget	\$ Over Budget	% of Budget	Jan - Dec 14	Budget	\$ Over Budget	% of Budget	Jan - Dec 14	Budget	\$ Over Budget	% of Budget
Income												
4001 - Fiber Access (ramp) fee	0.00		0.00		0.00		0.00		0.00		0.00	
4002 - Internet Usage	0.00		0.00		12,600.00		-12,600.00	0.0%	0.00		12,600.00	-12,600.00
4004 - SWIMT Rev	0.00		0.00		15,000.00		-15,000.00	0.0%	0.00		15,000.00	-15,000.00
4005 - Ethics	0.00		0.00		8,400.00		8,400.00	100.0%	45,588.88		45,588.88	-61.14
4006 - Dues Revenue	0.00		0.00		8,400.00		8,400.00	100.0%	6,400.00		6,400.00	0.00
4007 - PR	0.00		0.00		0.00		0.00		121,652.01		124,000.02	-2,348.01
4009 - Fiber Lease Revenue	0.00		0.00		11,700.00		840.00	107.2%	12,540.00		11,500.00	1,040.00
4010 - Grant-DOLA Admin	23,707.84		23,707.84		10,200.00		-10,200.00	0.0%	36,744.79		24,200.00	12,544.79
4020 - Grant-DOLA-Construction	287,821.28		287,821.28		0.00		0.00		287,821.28		287,821.28	0.00
4040 - Grant-Transit	0.00		0.00		7,850.00		7,850.00	100.0%	7,850.00		7,850.00	0.00
4041 - All Hazards Grant	0.00		0.00		7,086.70		7,086.70	100.0%	244,800.00		237,701.30	7,098.70
4042 - Grant - Fort Lyons	0.00		0.00		8,829.84		8,829.84	100.0%	8,829.84		8,829.84	0.00
4950 - Match-GOV Admin	29,630.50		29,630.50		29,630.50		29,630.50	100.0%	29,630.50		29,630.50	0.00
4951 - Match-GOV Construction	107.75		107.75		107.75		107.75	100.0%	107.75		107.75	0.00
4952 - Region 9-Matching Funds	2,034.54		2,034.54		0.00		0.00		2,034.54		2,034.54	0.00
4953 - Housing Matching Funds	0.00		0.00		6,700.00		6,700.00	100.0%	6,700.00		6,700.00	0.00
4955 - In Kind Project Match- Construct	95,399.21		95,399.21		0.00		0.00		95,399.21		95,399.21	0.00
4956 - In Kind Project Match- Admin	1,847.31		1,847.31		0.00		0.00		1,847.31		1,847.31	0.00
4957 - RREO Grant	0.00		0.00		17,287.56		17,287.56	100.0%	17,287.56		17,287.56	0.00
Total Income	440,548.41		440,548.41		20,940.00		-36,960.00	36.2%	682,812.33		511,350.02	171,462.31
Gross Profit	440,548.41		20,940.00		57,900.00		-36,960.00	36.2%	682,812.33		511,350.02	171,462.31
Expense												
1008 - Alpine Credit Card	0.00		0.00		0.00		0.00		11,811.88		0.00	11,811.88
5009 - Bookkeeper	0.00		0.00		65.00		65.00	100.0%	65.00		65.00	0.00
5200 - All Hazard Project	0.00		0.00		64,631.82		224,448.00	159.61618	224,448.00		159,616.18	68,831.82
5401 - Software Maintenance (E-Tic)	0.00		7,000.00	83.3%	7,000.00		8,400.00	83.3%	8,400.00		-1,400.00	28.9%
5403 - Fiber Leasing Exp.	0.00		0.00		11,115.00		-11,115.00	0.0%	11,115.00		-11,115.00	83.3%
5410 - Rent	0.00		0.00		0.00		0.00		0.00		0.00	0.0%
5505 - Bank Fees	0.00		0.00		40.00		40.00	100.0%	12.00		28.00	33.3%
5510 - Travel Exp	0.00		0.00		6.00		6.00	100.0%	6.00		6.00	100.0%
5512 - Meeting Exp	0.00		0.00		9,715.41		5,066.00	4,649.41	5,066.00		4,649.41	191.8%
5514 - Professional Fees.	0.00		0.00		1,950.15		500.00	1,450.15	500.00		1,450.15	390.0%
5515 - Legal Fees	619.20		619.20		80.00		80.00	100.0%	80.00		80.00	100.0%
5517 - Data Back Up Exp	0.00		0.00		7,650.60		2,500.00	5,150.60	2,500.00		5,150.60	306.0%
5520 - Advertising	0.00		0.00		0.00		325.00	0.0%	0.00		325.00	0.0%
5521 - Telephone/Website/Internet	0.00		0.00		54.60		250.00	195.40	250.00		195.40	21.8%
5523 - Payroll Processing Fees	0.00		0.00		2,945.90		2,240.00	75.90	2,240.00		705.90	131.5%
5525 - Audit	0.00		0.00		1,149.31		1,800.00	63.9%	1,800.00		650.69	63.9%
5526 - Internet Connectivity (100 Mb)	0.00		0.00		7,500.00		7,500.00	100.0%	7,500.00		7,500.00	100.0%
5530 - RAMP Fees	0.00		12,500.00	83.3%	12,500.00		15,000.00	83.3%	12,500.00		-2,500.00	83.3%
5532 - Postage	0.00		0.00		12,600.00		-12,600.00	0.0%	12,600.00		-12,600.00	0.0%
5535 - Printing/Reproduction	0.00		0.00		70.73		125.00	54.27	125.00		54.27	56.6%
5540 - Membership/Sub	0.00		0.00		350.00		400.00	87.5%	350.00		50.00	24.2%
5545 - Equipment/Computers	0.00		0.00		-2,484.21		350.00	-7.5%	-2,484.21		-50.00	87.5%
5550 - Supplies	0.00		0.00		3,281.74		2,500.00	131.3%	3,281.74		781.74	131.3%
5551 - RREO Supplies	0.00		0.00		1,938.28		0.00	1,938.28	0.00		1,938.28	100.0%
5555 - Liability Insurance	0.00		0.00		2,212.00		2,203.00	9.0%	2,203.00		9.00	100.4%
5558 - Insurance - Health	0.00		0.00		7,176.75		8,220.00	87.3%	8,220.00		-1,043.25	87.3%
5555 - M&A COG 10%	0.00		0.00		0.00		4,150.00	0.0%	4,150.00		-4,150.00	0.0%
5556 - SWIMT Contract Reimb Exp	0.00		0.00		33,289.39		41,500.00	80.2%	33,289.39		8,210.61	80.2%
5558 - SWIMT Team Exp.	0.00		0.00		0.00		0.00	0.0%	0.00		0.00	0.0%
5570 - Car Allowance/Mileage	0.00		0.00		3,000.00		6,100.00	49.2%	3,000.00		3,100.00	49.2%
5580 - Salary & Wages	5,250.00		5,250.00		69,878.18		83,282.00	83.9%	69,878.18		-13,383.82	83.9%
5587 - Worker's Compensation	0.00		0.00		1,450.00		1,450.00	100.0%	1,450.00		0.00	100.0%
5636 - Admin Project Expense	5,541.94		5,541.94		5,541.94		5,541.94	100.0%	5,541.94		0.00	100.0%
5637 - SCAN GM	0.00		0.00		5,359.40		10,200.00	52.5%	5,359.40		4,840.60	52.5%
5638 - Region 9 EDD	8,811.87		8,811.87		10,439.87		10,439.87	100.0%	10,439.87		0.00	100.0%
5639 - Infor Services-Project Mgmt	4,940.00		4,940.00		4,940.00		4,940.00	100.0%	4,940.00		0.00	100.0%
5640 - Consulting	3,670.80		3,670.80		11,870.23		2,100.00	595.2%	9,770.23		2,100.00	595.2%
5641 - Regional Project Mgmt	7,476.50		7,476.50		2,164.10		7,850.00	100.0%	2,164.10		5,685.90	100.0%
5642 - Project Engineering & Mgmt	2,164.10		2,164.10		7,850.00		7,850.00	100.0%	7,850.00		0.00	100.0%
5643 - Transit	0.00		0.00		286,197.68		5,500.00	286.19768	5,500.00		280,697.68	100.6%
5645 - Project Construction	0.00		0.00		5,500.00		1,000.00	100.0%	5,500.00		0.00	100.0%
5647 - FLC Interns	0.00		0.00		225.00		6,700.00	22.5%	225.00		7,475.00	22.5%
5650 - Conference/Seminars/Training	0.00		0.00		22,752.34		95,399.21	339.6%	22,752.34		72,646.87	339.6%
5650 - Contract Services	95,399.21		95,399.21		1,847.31		0.00	100.0%	1,847.31		0.00	100.0%
5955 - In Kind Project expense- Constr	1,847.31		1,847.31		0.00		0.00	0.0%	1,847.31		1,847.31	100.0%
5955 - In Kind Project Exp.- Admin	0.00		0.00		24,559.40		715,158.26	152.6%	24,559.40		240,598.86	152.6%
Total Expense	421,918.61		18,629.80		57,315.00		-32,455.60	43.4%	715,158.26		488,516.00	152.6%
Net Income	18,629.80		-3,194.40		585.00		-4,504.40	-670.0%	-32,345.93		42,834.02	-75.5%

ITEM NO. (ID # 2154)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Item

SUBJECT: 2015 Projected Fund Balance

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- 2014 Projected Fund Balance (XLSX)

2014 Projected Fund Balance

Income

1st SW	\$ 25,293.23
Alpine	\$ 37,194.17

Expenses

M Pay	2524.04/PP	\$ 12,620.20
S Pay	1076.40/PP	\$ 5,382.00
M Car Allow	300/mo	\$ 600.00
M&S Phone Allow	130/mo	\$ 260.00
S Travel	100/mo	\$ 100.00
Payroll Taxes	300.83/PP	\$ 1,504.15
Payroll processing Fees	46.97/PP	\$ 234.85
CEBT	674.13/mo	\$ 1,348.26
Mid-State	700/mo	\$ 1,400.00
FastTrack	1250/mo	\$ 2,500.00
AT&T	31.49/mo	\$ 62.98
Credit Cards	200/mo	\$ 400.00
Total		\$ 26,412.44

Notes

5 pay periods left
5 pay periods left, varies
x2 (Nov & Dec)
x2 (Nov & Dec)
x2 (Nov & Dec), varies
5 pay periods left, varies
5 pay periods left
x2 (Nov & Dec)
x2 (Nov & Dec)
x2 (Nov & Dec)
x2 (Nov & Dec)
x2 (Nov & Dec), varies

Total \$ 62,487.40

Total Projected Rollover to 2015 \$ 36,074.96

ITEM NO. (ID # 2158)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Item

SUBJECT: Auditor Selection

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- Audit Selection Memo 7 Nov 2014 (DOCX)
- FredrickZink & Associates Audit Proposal 2014 (PDF)
- HintonBurdick Audit Proposal 2014 (PDF)

Auditor Selection

To: SWCCOG Board of Directors
 From: Miriam Gillow-Wiles
 Date: 7 November 2014

Comments: We received two proposals for the Audit for 2015, FredrickZink and Associates, of Durango, and HintonBurdick, CPA and Advisors out of St George, Utah. Both proposals were very close. Staff is having a hard time making a recommendation due to the closeness of the proposals. Below is the pro/cons for both, and we have included the proposals for review as well due to their similarity and difficulty choosing. The Purchasing Policy local preference is:

“By reason of its business location, an advantage in consideration for award of a project or bid may be granted to a local business. The local business shall receive a 10% preference over all non-local business bidders, or a \$500.00 reduction in bid price when comparing it against other bids, whichever is less. In no event shall the local business preference exceed the amount of \$500.00.”

FrederickZink & Associates - \$6900

Pros

Local
 Same fee for three years with agreement
 Reputable in region
 Familiar with SWCCOG

Cons

Higher cost
 Possible conflict of interest

HintonBurdick CPA and Advisors - \$6250

Pros

Smaller initial fee (no more than 3% increase each year)
 Reputable in local communities
 Detailed work plan laid out in proposal

Cons

Not local (they do offer email and phone consultations for free)

We are unsure if HintonBurdick will charge for travel, and will report the response at the Board Meeting



FREDRICKZINK & Associates
A professional corporation. | CPAs

October 28, 2014

To the Board of Directors
Southwest Colorado Council of Governments
Durango, Colorado

With this letter I am submitting a proposal for my firm, FredrickZink & Associates, PC, to perform the audit of your 2014 financial statements, with the opportunity to extend that to 2015 and 2016. We hope you will find us to be your best choice.

Our firm has been a fixture in southwest Colorado for many years. It has been very positive to see the collaboration among governmental entities that has taken the form of the Southwest Colorado Council of Governments. Thanks to our long history here we already have familiarity with the issues and the players. We believe that gives us a significant advantage over firms from outside the area.

When I came to southwest Colorado in 1990, I soon became acquainted with Hutchison, Hugins & Fredrick, the predecessor to FZA. The firm had been started by Bill Hutchison in Cortez, and expanded to Durango by Jim Hugins. When I joined the firm as the audit manager, I soon became familiar with clients in Cortez, Durango, Mancos, and Dove Creek. Over the years I have had occasion to work with governmental and non-governmental entities in several area counties. Southwest Colorado is a special place; a place with great character.

I have also seen government work from the inside as a past City Councilor and Mayor of Durango. Last August I was appointed to a four year term on the Colorado Transportation Commission, where I represent thirteen counties comprising District 8. That Transportation District includes all of the counties in the SWCCOG.

Our firm would be proud to be associated the Southwest Colorado Council of Governments. We know we have the technical expertise to complete the assignment. We know we have a reputation for excellence. Now we want you to know we are your best choice to serve as your independent auditor.

Please consider our qualifications and the audit plan we have described in our proposal. If you have questions, or need further information, please contact me at 970-247-0506 or szink@durangocpas.com. You might also want to visit our website at www.durangocpas.com.

Sincerely,



Sidny K. Zink, CPA

Attachment: FredrickZink & Associates Audit Proposal 2014 (2158 : Auditor Selection)

SWCCOG

Proposal for Professional Services

Submitted by:

FredrickZink & Associates, PC
954 East Second Avenue, Suite 201
Durango, CO 81301
970.247.0506

Contact authorized to make representations: Sidney K. Zink, CPA, Owner
szink@durangocpas.com

October 28, 2014

FIRM PROFILE

FredrickZink & Associates, PC and its predecessors have been serving the southwest Colorado community since 1958. While our clients are primarily located in southwest Colorado, we reach from Window Rock to Fort Collins and from Cortez to Lamar. We are a full service local **public accounting firm, licensed in the states of Colorado and New Mexico**, and fully qualified to perform independent financial statement audits of all kinds.

FredrickZink & Associates is a firm with two owners, operating out of a single office in Durango, Colorado. **Our staff of 15 includes six full time CPAs**, one more working toward certification, and two CPAs who are primarily seasonal. All of our CPAs are licensed to practice in Colorado. Four staff members are primarily devoted to financial statement audits and reviews. That group includes an owner, a manager, and two experienced staff accountants, none with less than three years in public accounting. The rest of our CPAs work primarily in our tax practice. In addition, we have a sizeable complement of qualified accountants and support staff. **Our size provides us with versatility as well as an excellent depth of knowledge and experience to call upon, while still providing you and your staff with a comfortable working relationship among peers.**

We pride ourselves on our **commitment to maintaining the highest of professional standards** in a local practice environment. FredrickZink & Associates maintains membership in the American Institute of Certified Public Accountants, the Colorado Society of CPAs and the New Mexico Society of CPAs. Our owners and staff serve on a variety of technical committees at both the state and national levels. Sidny Zink recently completed a term as chair of the 8,600-member Colorado Society of Certified Public Accountants. She has also served as chair of the audit committee, chair of the non-profit committee, and chair of the Continuing Education Board of the Colorado Society and has served on its Board of Directors. Chuck Fredrick is also a past board member and chair. Both are currently serving on national committees for the American Institute of Certified Public Accountants.

As required by our professional licensing standards, all of our professional staff members complete a minimum of forty hours of continuing education each year. Course selections are directed to best suit the nature of our work and the types of clients we serve. We also maintain Yellow Book credentials for governmental work.

While our practice focuses on traditional audit and tax services, the professional services we offer and have provided in the past are quite varied. We provide monthly accounting services to a broad spectrum of clients. Current and recent projects include consultation, receivership, fraud investigations, analysis of internal controls, and application of agreed upon procedures.

FredrickZink & Associates participates in our profession's **peer review program**, a program designed to monitor quality control systems of CPA firms. Our most recent evaluation was completed in 2014 and resulted in a rating of "pass" with no deficiencies. A copy of the report is included in this proposal package.

We are not aware of any conflicts of interest that would impair our independence under the AICPA Code of Professional Conduct or under Government Auditing Standards.

RELEVANT EXPERIENCE

FredrickZink & Associates has a very long history of high quality audit work, although the firm does not specialize in governmental auditing. Our experience, however, is of a nature and depth that we are confident that we can meet the needs of SWCCOG.

A list of references appears in a later section of this proposal.

Our engagement as the independent auditor for the Pine River Public Library District has given us the opportunity for, and necessity of, updating our knowledge of the latest requirements in governmental reporting. We also have a policy in place to engage a "concurring reviewer" who has an even greater depth of government reporting experience to assure complete compliance. We stay current with regular updates of the AICPA Audit Guide for Audits of State and Local Governments and have long subscribed to the Practitioners Publishing Company technical and reference materials for governmental audits.

It is also important to recognize that SWCCOG, in spite of being a governmental entity, is not subject to certain aspects of government management, accounting, and reporting because of its limited scope and powers. Perhaps most notable is that the Taxpayer Bill of Rights (TABOR) and its unique requirements for Colorado governmental units do not apply to SWCCOG.

Because of our extensive background working with the Single Audit Act and the provisions of OMB Circular A-133 for recipients of federal awards, we are well equipped to design and carry out appropriate tests of accounting records and contract compliance with regard to your state funded grant contracts. Clearly, grant compliance is at the heart of your audit.

Working with many different clients has exposed us to a variety of software packages, including multiple versions of QuickBooks. The audit software we use is Excel based so all of our staff members are proficient in creating and managing spreadsheets.

The partial list of clients below will give you a more complete picture of the engagements that round out our diverse experience. Many of these organizations will be familiar to you. Confidentiality considerations prevent us from sharing more detailed information.

Animas-La Plata Operation, Maintenance & Replacement Association, Durango
 Animas Water Company, Durango
 Christian Discipleship Center, Cortez
 Community Connections, Inc., Durango
 Developmental Opportunities, Inc. dba Starpoint, Canon City (Single Audit)
 Four Corners Office for Resource Efficiency, dba 4CORE, Durango (Single Audit)
 Fort Lewis College Foundation, Durango
 La Plata Archuleta Water District, Durango
 Loma Linda Sanitation District, Durango
 Pine River Public Library District, Bayfield
 Regional Substance Abuse Prevention Partners, Durango
 San Juan Basin Area Agency on Aging, Pagosa Springs (Single Audit)
 South Durango Sanitation District, Durango
 Southeastern Developmental Services, Inc., Lamar
 The Pinon Project, Inc., Cortez (Single Audit)

SCOPE OF WORK

We will **audit the financial statements of Southwest Colorado Council of Governments**, which comprise the statement of net position, statement of activities, governmental fund balance sheet, statement of revenue, expenditures and changes in fund balance as of December 31, 2014, and the related notes to the financial statements.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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.

As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Upon approval of assignment as your independent auditor, **we will provide a written engagement letter establishing responsibilities and time lines.**

We will schedule time as early as possible to review preliminary internal financial statements and to talk with your staff to establish our understanding of the accounting system and the internal controls that surround it in order to design the rest of our testing.

Following year end, we will need to have your preliminary trial balance available at least a week before beginning on-site work. **The timing of the audit work is primarily dependent on when your staff can be ready and your preferred delivery date.** We propose the majority of the work be scheduled for late **April or early May**, with a final **delivery date in early June.**

The AICPA "risk standards" add a significant number of hours to every audit, especially in the first year. That time is spent understanding the environment in which your organization operates, the internal controls in place, the level of participation by board members, plans and expectations for the future, opportunities that might allow fraud to take place, and finally, how our audit plan will address each of those considerations. In succeeding years, our updating process will include interviews of staff and step-by-step analysis of transaction cycles to identify any changes.

SCOPE OF WORK

Our audit procedures will also include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. The nature and extent of these procedures will be based on the results of our risk assessment that lead to tailored written audit programs unique to your audit. Analytical procedures, including budget comparisons, comparisons to data from prior years, and development of expectations for certain ratios and relationships, are applied at the beginning of the engagement. Near the end of the engagement, all of those are considered again in light of what was learned through transaction and balance testing. Resolution of unexpected variations is a critical part of completing the audit.

In the planning phase between initial internal control analysis and primary on-site work, we will provide your staff with a list of documents, schedules and analyses that we will need during the audit. **Preparation on the part of your staff is critical to enhance efficiency on the part of our staff.** We will rely on your staff to prepare confirmation letters we may request, retrieve supporting documentation for specified transactions and balances, analyze any variances identified during the audit, and approve any proposed adjusting journal entries.

We are flexible in scheduling time on site, but prefer to identify blocks of time during which we are dedicated to this job alone. Coordination with your staff is a key element since it is essential that they be available during these times. Having adequate workspace on site is also a key to efficiency. While we supply all of the hardware and software needed, we rely on you for workspace and accessibility to records and people.

As a standard part of our engagement, we will request written representations from management about the financial statements and related matters and we may request written representations from your attorney with regard to contingencies, depending on the circumstances. **At the end of the engagement, we will provide a report stating findings of matters referred to as "significant deficiencies," if any are identified.** Prior to issuance we will discuss any such findings with management, providing an opportunity for clarification and a response. Responses from management may be incorporated into that report should you choose.

Audit committees have become much more important in recent times. We request that there be two meetings between auditors and the audit committee (finance committee or other designated small group). One meeting would take place prior to, or as we start fieldwork. A second meeting, the **exit conference**, will occur late in the process, to review draft financial statements and discuss other findings. We will work with the chair of that committee to determine the time and format for those meetings.

We will be pleased to make a presentation to the full board of directors if you wish. At that meeting we would respond to any questions, as well as identify the key financial points and operational issues facing the organization. We have found that Board members appreciate an outside view from an informed professional.

When the audit is done and the financial statements delivered, FredrickZink & Associates, PC will still be a resource, close by and available to you. As an FZA client, we welcome you to pick up the phone and call us any time. The rewards of addressing an issue when it first comes up and not waiting until the end of the next year can be substantial for you, and for us as your continuing auditor. If your questions are of a nature that can be answered without research (of more than 30 minutes), we are happy to respond at no additional cost to you.

COST ESTIMATE

Our fees are based on hourly rates that vary with the level of experience and responsibility. This engagement will be staffed with **an owner (required on every audit), a manager, and an experienced audit staff member**. Standard billing rates for a professional staff vary from \$75 to \$205 per hour and typically average between \$110 and \$120 per hour for an audit engagement after the first year.

Our estimate of the hours we will incur and the related costs are in the table below. The estimate is based primarily on reading your audited statements for 2013. The estimate is also based on many years of auditing experience.

Developing a fee estimate for a new audit client is challenging. We tend to assume the best from our potential new client. That is, that there will be few, if any, adjusting journal entries required as a result of our procedures, that schedules and analyses provided to us will be comprehensive and timely, that knowledgeable staff will be available to answer questions, and that compliance testing will not uncover system breakdowns. If we have overestimated our time, and actual time incurred is less, we will bill you less. Likewise, if unexpected problems are encountered and more time is required, you may be billed more.

Critical assumptions are that there will be few, if any, adjusting journal entries required as a result of our examination, that schedules and analyses provided to us will be comprehensive and timely, that knowledgeable staff will be available to answer questions, and that compliance testing will not uncover system breakdowns.

A first year audit, even in the best of circumstances, always requires an extra investment of time and more time at the upper levels of experience. From learning your system and the people who run it, to auditing opening balances, to recognizing a natural learning curve, the first year of an audit generally runs approximately 30% higher than later years, proportionally higher for very small organizations. As an investment in what we hope will be a long-term relationship **we are willing to absorb that cost.**

With those factors in mind, our proposed fee for 2014 is as follows:

	<u>Hours</u>	<u>Hourly Rate</u>	<u>Cost Components</u>	<u>Net Cost</u>
<u>Audit team:</u>				
Staff auditor	22	\$ 85	\$ 1,870	
Audit manager, CPA	24	105	2,520	
Audit director, Owner CPA	10	200	2,000	
Concurring reviewer, CPA	2	200	400	
Support staff	<u>2</u>	55	<u>110</u>	
Total audit at standard rates	60		6,900	\$ 6,900
First year start-up costs	18		2,500	
Our investment			<u>(2,500)</u>	
Auditor transition cost to you			<u>-0-</u>	<u>-0-</u>
	<u>78</u>			<u>\$ 6,900</u>

Our invoices for these fees will be rendered monthly as work progresses and are payable upon presentation. Typical out-of-pocket costs such as report reproduction are covered in the fee for services. **Travel costs are nonexistent.**

Attachment: FredrickZink & Associates Audit Proposal 2014 (2158 : Auditor Selection)

COST ESTIMATE

Future years

Unless your reporting requirements change or your programs or funding change dramatically, we expect the estimate of time for the 2014 audit, excluding first year start-up costs, will remain fairly constant. We consider rate increases on an annual basis as our personnel costs climb. **However, with a three-year understanding, we will agree to keep our rates the same during that period.**

As reasonable, prudent business people, we reserve the right to renegotiate future fees if the scope of the audit or other circumstances change.

PEOPLE

The people you will be working with are the key ingredient to a successful engagement. We have a group of outstanding professionals who possess a desire to provide outstanding service. Their **resumes are included** with the proposal, but here is a thumbnail sketch. Barring unforeseen circumstances, **we plan for these individuals to be assigned to this engagement.**

Sidny K. Zink, CPA

Sidny Zink is the audit director and an owner of the firm. She is the person who will coordinate all services provided to SWCOG by FredrickZink & Associates, PC. She takes ultimate responsibility for the engagement by signing the audit opinion and other reports and letters. She will participate in planning, be available for technical support, review the audit results, and communicate with management and the audit committee.

Sid has more than thirty-five years of audit experience. She spent twelve years with a national firm (Grant Thornton) in Denver and been practicing in Durango since then. Her depth of knowledge and experience will benefit you in terms of her effectiveness as an auditor and an advisor.

As a speaker at seminars and an instructor of auditing for two years at Fort Lewis College, Sid has enjoyed sharing her insights on accounting, financial reporting, and auditing. Her audiences have often included executive officers and board members, as well as accountants and bookkeepers.

Michelle Sainio, CPA, CGMA

Michelle Sainio will be the CPA assigned to carry out your audit. With more than eight years of auditing experience, Michelle will assume a high level of responsibility on this engagement, performing much of the work herself while supervising an assistant. She has planned and supervised many audit engagements, including Single Audits, and has prepared the tax returns on Form 990 for several years. That familiarity will improve our efficiency and make the process easier for you.

Zebulon Smith, CPA

Zeb Smith will assist in execution of the audit. Zeb will perform much of the account analysis and tests of transactions during the audit field work. With a CPA certificate and three years of public accounting experience, he is a capable auditor who strives to work efficiently with client staff members.

REFERENCES

We welcome you to contact the following as references:

Amy Dodson, Library Director
Valerie Borge, Board Treasurer
Pine River Public Library District
395 Bayfield Center Drive
Bayfield, CO 81122
970-884-2222

Four Corners Office for Resource Efficiency, 4CORE
Gregg Dubit, Executive Director
835 E. 2nd Avenue, #440
Durango, CO 81301
970-259-1916

The Pinon Project
Kellie Willis, Executive Director
300 North Elm Street
Cortez, CO 81321
970-564-1195

San Juan Basin Area Agency on Aging, Inc.
Christina Knoell, Executive Director
451 Hot Springs Blvd.
Pagosa Springs, CO 81147
970-264-0501

RESUMES

FREDRICKZINK & Associates

A professional corporation. | CPAs

Sidny K. Zink, CPA



Sidny K. Zink, CPA, is an owner of FredrickZink & Associates, PC, and leads the firm's audit practice. Sid is the firm's Quality Control director with the responsibility for the design and maintenance of the quality control system over FredrickZink & Associates' audit and accounting practice. She participates in some capacity in all attestation engagements (audits, reviews, projections) undertaken by the firm. This opportunity to read and analyze the financial statements of many different operations enhances Sid's ability to evaluate a businesses' financial condition and advise its owners and managers.

A graduate of the University of Nebraska, Sid has been a practicing CPA since 1978. Prior to joining FredrickZink & Associates, PC in 1991, she was a senior audit manager in the Denver office of a national public accounting firm. She has a broad industry background with a strong emphasis on the not-for-profit segment as well as the construction and contracting industry.

For three years, Sid was Chair of the Not-for-Profit Committee of the Colorado Society of CPAs. The committee addressed new and controversial issues facing non-profits, and monitored and advised both public and private accountants working with them. Sid's link to this committee is a valuable and immediate resource for the non-profits she services.

Recognizing the growing number of organizations seeking A-133 "Single" audits, Sid has met the Continuing Professional Education (CPE) requirements of the Office of Management and Budget, qualifying her to perform A-133 audits. She is also qualified to perform audits under specialized HUD and FHA audit guides and has extensive experience with IRS Form 990 for nonprofit organizations.

In April 2011 Sidny completed a term as chair of the Colorado Society of Certified Public Accountants. As chair, and now immediate past chair, of this 8,800-member organization she works with CPAs throughout the state, speaking for the profession in legislative and regulatory matters, and representing Colorado as a Member of Council of the American Institute of Certified Public Accountants.

Sid has long been a member of the American Institute of Certified Public Accountants and the Colorado Society of Certified Public Accountants where she has served as a director and chair of the audit committee. She is licensed to practice in Colorado and New Mexico. Sid enjoys participating in Toastmasters, and is an active member of the business and political community. Sid is a former Durango mayor and city councilor, past board member of the Home Builders Association of Southwest Colorado, and is a member of the Colorado Forum.

FREDRICKZINK & Associates

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Michelle L. Sainio, CPA, CMGA



Michelle Sainio, CPA, CMGA is Audit Manager for FredrickZink & Associates, PC, and assists in the areas of audit, tax and accounting services. She joined the firm in 2006 as an intern, became a full staff member in 2007, and attained her CPA license in 2010. Michelle has developed expertise in working with construction contractors, long-term care facilities and nonprofit organizations in Durango, and across the state.

Michelle is a member of the Colorado Society of Certified Public Accountants (COCPA), a statewide nonprofit comprised of over 8,500 members. Formerly the Treasurer, Michelle currently serves as the President of the Four Corners Chapter of the Colorado Society of CPAs. Michelle is also a Chartered Global Management Accountant and member of the American Institute of CPAs (AICPA), the world's largest member association representing the accounting profession with more than 400,000 members in 145 countries.

Michelle grew up in Ridgway, CO where she helped out the family excavation business by providing bookkeeping services and operating heavy equipment. Michelle moved to Durango in 2002 to attend Fort Lewis College.

While attending college, she worked in the Office of Institutional Research assisting in data collection, entry, editing, analysis, and reporting. She was a member of two honor societies, Beta Gamma Sigma and Beta Alpha Psi, in which she was the reporting secretary for Beta Alpha Psi for a year. Through Beta Alpha Psi, she volunteered preparing tax returns in Durango. Michelle graduated in 2006, Magna Cum Laude, with a BA degree in Accounting.

Actively involved in the community, Michelle serves as Treasurer of the Women's Resource Center, Finance Committee Co-Chair for La Plata County American Cancer Society, and formerly volunteered as a BIG for the Big Brothers Big Sisters of Southwest Colorado. She enjoys mountaineering, rock and ice climbing, backpacking, and mountain and road biking with her husband, Kevin, and daughter Aubrey.

FREDRICKZINK & Associates

A professional corporation. | CPAs

Zebulon Smith, CPA



Zebulon Smith, CPA is a Senior Accountant with FredrickZink & Associates specializing in audit and accounting services. Zeb joined the firm in 2014, when he relocated to Durango.

Zeb most recently worked in Denver, for RubinBrown, LLP, where he was a staff accountant for two and half years. Zeb attained his CPA license in 2013. His primary service groups encompass real estate, manufacturing and distribution, governmental and nonprofit. Zeb served as the recruiting liaison for the University of Northern Colorado, attended firm-wide technology round tables, and was published in Horizons, RubinBrown's quarterly publication, in an article focused on using data analysis tools to assist public sector clients monitor spending.

Zeb is a member of the Colorado Society of Certified Public Accountants (COCPA), a statewide nonprofit comprised of over 8,500 members. Zeb is also a member of the American Institute of CPAs (AICPA), the world's largest member association representing the accounting profession with more than 400,000 members in 145 countries.

A Gunnison native, Zeb graduated from Drury University in Springfield, Missouri, where he obtained a Bachelor's degree in Business Administration with an emphasis in Accounting. During college, Zeb was involved in Enactus United States (formerly SIFE), Lambda Chi Alpha Fraternity, and worked for the Office for International Programs as an assistant to the Associate Dean.

A Young Professional of Durango (YPOD) member, Zeb looks forward to being part of the Durango community and is enthused to engage with local organizations. Zeb enjoys all aspects of the outdoors, regularly participating in hiking, camping, fishing and hunting during the summer and fall and snowboarding during the winter. Zeb completed the Chicago Marathon in 2013 and continues to run throughout the year.

PEER REVIEW



System Review Report

To the Owners of
FredrickZink & Associates, P.C.
and the Peer Review Board of the Colorado Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of FredrickZink & Associates, P.C., in effect for the year ended December 31, 2013. 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. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an audit of an employee benefit plan and an engagement performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of FredrickZink & Associates, P.C. in effect for the year ended December 31, 2013, 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*. FredrickZink & Associates, P.C. has received a peer review rating of *pass*.

Anderson & Whitney, P.C.

June 12, 2014

CERTIFICATIONS

Attachment: FredrickZink & Associates Audit Proposal 2014 (2158 : Auditor Selection)

CERTIFICATIONS

On behalf of the CPA Firm:

The individual signing certifies that he/she is authorized to contract on behalf of the CPA Firm.

The individual signing certifies that the CPA Firm is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the CPA Firm.

The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.

The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the CPA Firm from submitting a proposal.

The individual signing certifies that there has been no attempt by the CPA Firm to discourage any potential CPA Firm from submitting a proposal.

The individual signing certifies that the CPA Firm meets all of the general standards concerning qualifications, independence, due professional care and quality control as required by Government Auditing Standards, including the requirements for continuing professional education and external peer reviews.

The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.

The individual signing certifies that the CPA Firm, and any individuals to be assigned to the audit, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state or local government. (If the CPA Firm or any individual to be assigned to the audit has been found in violation of any state of AICPA professional standards, this information must be disclosed.)

Dated this 28th day of October 2014

Fredrick Zink & Associates, PC

CPA Firm's Name

Sidny K. Zink

Signature of CPA Firm's Representative

Sidny K. Zink, Shareholder

Printed Name and Title of Individual Signing

Attachment: FredrickZink & Associates Audit Proposal 2014 (2158 : Auditor Selection)

PROFESSIONAL AUDITING PROPOSAL

Southwest Colorado Council of
Governments (SWCCOG)
October 29, 2014

PREPARED BY:
PARTNER: CHAD B. ATKINSON, CPA
chad@hintonburdick.com
PHONE: 435.628.3663 EXT 207
FAX: 435.628.3668

Attachment: HintonBurdick Audit Proposal 2014 (2158 : Auditor Selection)



HINTONBURDICK

CPAs & ADVISORS



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

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PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

Transmittal Letter

October 24, 2014

Sara Truillo
SWCCOG Accountant
P.O. Box 963
Durango, CO 80451

RE: Request for Proposal for Auditing Services

It is with great pleasure that we present this **Summary of Qualifications and Firm Profile for Southwest Colorado Council of Governments (SWCCOG)** to provide auditing services as outlined in your request for proposals.

HintonBurdick provides services of the highest quality and value. Our assigned audit team consists of a **Partner and Senior Staff with over 20 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 SWCCOG.

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 Organization. We are dedicated to providing you with **prompt and effective services** that are not only responsive to, but anticipate your needs. We foresee no problems in meeting the deadlines as specified in your request for proposals.

Our firm currently provides audit services for more than 130 clients. Our **specialization in auditing** has allowed us to develop techniques and procedures which are highly efficient and enable us to provide **the most effective audit services available**. Clients frequently tell us that the **character and personality of our staff** is one of our firm's best qualities and strengths and make it enjoyable to work with them. 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 selected, we will complete our audit services timely and **deliver our reports on/or before the specified deadlines**. 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 fees.

Very truly yours,
HintonBurdick, CPAs & Advisors

Chad B. Atkinson, CPA
Audit Partner

Attachment: HintonBurdick Audit Proposal 2014 (2158 : Auditor Selection)

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PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

Value Proposition

- HintonBurdick is an active member of the AIPCA Government Audit Quality Center.
- Services performed by a highly trained, experienced governmental auditing staff. The individuals who work in our audit department specialize in local government audits and perform more than 65 of these type of audits all year round not just as “filler work” in the off – tax season.
- Our assigned audit team consists of a Partner and Senior Certified Accounting staff that has over 20 years of combined experience. We do not assign a team of lower level staff who need to be “trained” by your staff and have a proven track record for quality audit work and meeting deadlines.
- The character and personality of our staff is one of our biggest strengths. We always receive positive feedback from client's they work with. Our trained specialists provide services to meet your specific needs. You will receive more value for the dollar spent.
- All of our staff that will work on your engagement receive 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.
- Staff are experienced with *QuickBooks* accounting software.
- Experience assisting local governments in obtaining the GFOA Certificate of Achievement for Excellence in financial Reporting. Michael Spilker, one of our audit partners, is a member of the GFOA Special Review Committee which provides him exposure to numerous local government financial statements.
- 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.
- Receive constructive, practical recommendations for strengthening over-all management and internal controls of the Organization. Audit techniques consistently identify areas of significant cost savings for our clients.
- Our audit presentations highlight key financial trends and are easy to understand.



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

Technical Proposal

Independence

HintonBurdick is independent of SWCCOG as defined by auditing standards generally accepted in the U.S. and the U.S. General Accounting Office's *Government Auditing Standards* (1994). HintonBurdick meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards*. We are an equal opportunity employer and does not discriminate against any individual for any reason, and has not previously been engaged to provide professional services for SWCCOG.

License to Practice in Colorado

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

Firm Qualifications and Experience

For more than 30 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, a broad spectrum of consulting, analysis, and negotiation services are offered. HintonBurdick was recently listed as Utah's fifth largest Certified Public Accounting firm. Our Cedar City, Flagstaff, Hurricane, Mesquite, Phoenix, Richfield, and St. George offices employ approximately 100 associates, which includes numerous CPA's and professional staff trained to audit both manual and computerized accounting systems. We will primarily service the needs of the Organization from our St. George office which has partners, managers, supervising seniors, senior accountants, staff accountants and various paraprofessional and support staff.

HintonBurdick is currently engaged and has recently performed audits for more than 65 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 Circular A-133 and the Single Audit Act Amendments of 1996. HintonBurdick is an active member of the AICPA Government Audit Quality Center.

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.



PROFESSIONAL AUDITING SERVICES PROPOSAL

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HintonBurdick has assisted local governments such as St. George City, Utah, City of Page, AZ, Town of Pinetop, AZ, City of Safford, AZ, City of Sedona, AZ, City of Show Low, AZ, Town of Snowflake, AZ, and City of Williams, AZ, in obtaining the GFOA Certificate of Achievement in Financial Reporting for several years. We have experience performing agreed-upon procedures engagements for solid waste disposal sites and facilities in relation to local government financial tests for various local governments in various states.

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

Our facilities, equipment, software, and training are state-of-the-art. A commitment to being technologically current has enabled us to provide the highest level of professional service at the lowest possible price.

We understand that while management is responsible for the success of the organization, independent accounting professionals can provide valuable resources to support their 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.

Non-discrimination Clause

HintonBurdick does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these shall not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

External Quality Control Review

HintonBurdick has never received any disciplinary actions from any federal, state, or other agency. The firm has undergone two external quality control reviews conducted by the Utah State Auditor's office within the last eight years. Both of the reviews were conducted at our request, 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.



PROFESSIONAL AUDITING SERVICES PROPOSAL

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Evans & Poulsen P.A.
Certified Public Accountants

Members of the American Institute of CPA's
 and the Idaho Society of CPA's
 Edward G. Evans, CPA
 Jeffrey D. Poulsen, CPA

System Review Report

June 18, 2014

To the Owners of
 Hinton Burdick CPA's & 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 CPA's & Advisors (the firm) in effect for the year ended March 31, 2014. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Hinton Burdick CPA's & Advisors in effect for the year ended March 31, 2014, 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 CPA's & Advisors has received a peer review rating of *pass*.

Evans & Poulsen

Evans & Poulsen, P.A.

1360 Albion Avenue • Burley, Idaho 83318 • (208) 678-1300 • Fax (208) 678-1301 • evanscpa@pmt.org



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

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 65 local government audits, all year round, not just as "filler work" in the off – tax season.

The assigned audit team will include the partner and senior staff as listed below who are full-time certified public accountants and one or more full-time administrative staff. All Certified Public Accountants listed as key staff assigned to your engagement are properly licensed to practice in the state of Colorado. All members of the assigned team have several years of audit experience. Collectively they have over 20 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 every two years and those who plan and/or conduct a substantial portion of the field work or reporting on the audit attend 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. Our staff has extensive experience in assisting and training local governments with their financial accounting and fiscal responsibilities. We hold educational seminars every year that provide training to elected officials and government accounting staff on accounting, internal control, and compliance issues. All staff assigned to the engagement are experienced in the use of various accounting software systems, including *QuickBooks*.

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 and carry out the audit. 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 professional staff from the St. George office:

Planned key staff members are as follows:

Engagement Partner: Chad B. Atkinson, CPA
Audit Senior: Kelli Jones, CPA



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC



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 15 years of audit experience**, Mr. Atkinson serves as the **Audit Committee Chairman** for the firm's audit committee. Mr. Atkinson has **specialized in audit services** and has extensive experience in providing financial and compliance audits for non-profit organizations and local

governments. In addition to his auditing 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 including, not-for-profit organizations, municipalities, cities, counties, **schools**, districts, special service districts, courts, utilities, construction and development companies and other business entities. A **selected list of** entities served by him in the last five years includes:

- Town of Ignacio, CO
- Town of Bayfield, CO
- Hurricane City, UT
- Emergency Telephone Service Association of La Plata County, CO
- City of Somerton, AZ
- City of West Wendover, NV
- City of Tolleson, AZ
- White Pine County, NV

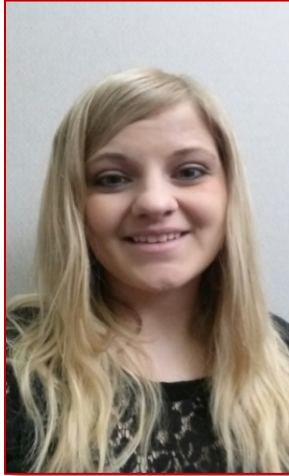
Mr. Atkinson has received 80 hours audit and accounting continuing professional education (CPE). **Relevant CPE courses** attended over the last three years includes training on government and non-profit accounting and auditing, single audits, new statements on auditing standards suite, preparing a CAFR, FASB standards codification, internal control, risk assessment, fraud risks, ethics and numerous other courses.

Mr. Atkinson is a **Certified Public Accountant** licensed to practice in Arizona and has met the requirements for practicing in the neighboring states of Utah, Colorado, and Nevada. He is a member of the American Institute of Certified Public Accountants, the Utah Association of Certified Public Accountants, and the Utah Government Finance Officers Association. He regularly provides instruction at seminars sponsored by HintonBurdick.



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HINTONBURDICK, PLLC



Kelli Jones, B.S., M.Acc., C.P.A. **Senior Accountant**

Kelli Jones graduated Summa Cum Laude from Southern Utah University, completing her Bachelor of Science degree in 2009, and her Masters 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, PLLC, Ms. Jones has served a wide variety of clientele, including cities, towns, school districts, special service districts, not-for-profit organizations, construction and development companies and other business entities.

A **selected list of entities** served by her in the last four years includes:

- Town of Bayfield, CO
- Town of Ignacio, CO
- City of Santa Clara, UT
- Emergency Telephone Service Association of La Plata County, CO
- City of St. George, UT
- Beaver County School District, UT
- White Pine County School District, NV
- City of Washington, 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, GASB 54, internal control, ethics and numerous other courses.

Ms. Jones is a Certified Public Accountant and is a member of the Utah Association of Certified Public Accountants.



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

Similar Engagements with Other Governmental Entities

HintonBurdick performs audits for more than 65 local governments on an annual basis. The following are five engagements performed in the last three years that are similar to the engagement described in SWCCOG's request for proposal.

Firm/Government Agency Name: Town of Ignacio, Colorado	
Contact Person: Lisa Rea	Phone: 970-563-9494
Title: Town Treasurer	Fax: 970-563-9498
Address: 540 Goddard Avenue Ignacio, Colorado, 81137	E-Mail Address: lrea@townofignacio.com
	Reason for including: Similar engagement, close proximity
Firm/Government Agency Name: Town of Hot Sulphur Springs, Colorado	
Contact Person: Sandy White	Phone: 970-725-3933
Title: Town Clerk	Fax: 970-725-3443
Address: 513 Aspen Street Hot Sulphur Springs, CO 80451	E-Mail Address: townofhss@comcast.net
	Reason for including: Similar engagement, Colorado entity
Firm/Government Agency Name: Town of Bayfield, Colorado	
Contact Person: Erin Dunavant	Phone: 970-884-9544
Title: Finance Director	Fax: 970-884-2195
Address: 1199 US Highway 160 B Bayfield, CO 81122	E-Mail Address: edunavant@bayfieldgov.org
	Reason for including: Similar engagement, close proximity



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Firm/Government Agency Name: Emergency Telephone Service Association of La Plata County, Colorado	
Contact Person: Geri Weber	Phone: (970) 375-4720
Title: Association Accountant	Fax: (970) 375-4718
Address: 990 E. Second Avenue Durango, CO 81301	E-Mail Address: g.weber@durangogov.org
	Reason for including: Close proximity
Firm/Government Agency Name: Five County Association of Governments	
Contact Person: Jo Seegmiller	Phone: (435) 673-3548
Title: Human Resources Director	Fax: 970-884-2195
Address: 1070 West 1600 South, Bldg. B St. George, Utah 84771	E-Mail Address: jseegmiller@fivecounty.utah.gov
	Reason for including: Similar organization



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Specific Audit Approach

Audit Approach

Because it is a common service, an audit is sometimes viewed as a commodity to be acquired at the lowest price. Many entities have learned by sad experience that this is a dangerous practice. 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 60 hours to complete the financial audit. A detailed work plan is provided on the following page.



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

Detailed Work Plan

Staff Level:	Supervisory		
	Staff	Partner	Total
Planning Stage (March):			
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			
Tests of controls and other			
Total planning stage	10	5	15
Fieldwork Stage (April):			
Testing of cash			
Testing of cutoff, current liabilities, payroll and benefits			
Detailed examination of the general fund			
Testing of grants and compliance work			
Total fieldwork stage	25	5	30
Wrap Up Stage (May):			
Review of workpapers and audit programs			
Drafting of audit reports and management letter			
Financial statements and tax return			
Final review and analytical procedures			
Total wrap up stage	5	10	15
Totals	40	20	60

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Attachment: HintonBurdick Audit Proposal 2014 (2158 : Auditor Selection)



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

Audit Objectives

The AICPA issued a **suite of auditing standards related to expanded audit procedures**, which we will be required to follow as part of our audit of your financial statements. These eight standards (SAS104 to SAS111) 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.



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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 Organization 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 Organization'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



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

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 the legal compliance audit guide for the State of Colorado which was developed by the Office of the State Auditor to test compliance with state laws. This audit guide, which is updated annually, 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 Circular A-133 Compliance Supplement 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. 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 some departments and transactions have been overlooked by prior auditors. 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.



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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 Circular A-133 requirements and firm policies. Technical partner reviews are also performed on selected engagements and when deemed appropriate.

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 30 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 proposal. The details of each segment of the audit are proposed as follows:

SEGMENT 1 – PLANNING STAGE (MARCH):

- 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 Organization along with a Prepared by Client (PBC) list.
- Obtain preliminary trial balance, select accounts to confirm 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 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 Organization audit liaison and other Organization 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.



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HINTONBURDICK, PLLC

SEGMENT 2 – FIELDWORK STAGE (MAY - JUNE – AS PER RFP):

- 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, cutoff, inter-fund transactions, current liabilities, payroll, detailed examination of all funds and related accounts, and compliance testing.
- Hold exit conference with Organization 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 Organization staff are available to provide assistance, locate supporting documentation and respond to inquiries during the scheduled field work dates.

SEGMENT 3 – WRAP UP STAGE (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, proposed financial statement grouping schedules, and draft findings and recommendations.
- Deliver final reports and communication letter to those charged with governance.
- Present the audit to the Organization or audit Board as applicable.

Client responsibilities for Segment 3:

- Review the draft financial statements, proposed audit adjustments, proposed financial statement grouping schedules, and draft findings and recommendations and comment as applicable.
- Provide signed client representation letter to the auditor.
- Coordinate the audit presentation.
- Submit financial statements and applicable reports to the state.



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HINTONBURDICK, PLLC

Additional Information

HintonBurdick has extensive experience with Governmental Accounting and Financial Reporting. We will be available to assist the Organization with any consulting services that are needed by the Organization.

HintonBurdick has 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 16 (SOC) Type I and Type II audits.

HintonBurdick provides 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 procedures for local governments as well as an in-depth knowledge of specific accounting systems

We have Experience in performing rate studies, impact fee studies and other analysis. We have also performed various ADEQ agreed-upon procedures engagements for local governments.

We normally receive questions during the year from our clients. We do not bill for casual phone calls and consultations and we encourage you to call on us throughout the year. If the Organization should require extended additional services we offer competitive rates. Our rates for additional services will be performed at the same rates as set forth in the schedule of fees and expenses included in our cost proposal. In addition to the above specific services, and in addition to the audit, tax, and accounting work traditionally associated with Certified Public Accounting firms, HintonBurdick offers a broad spectrum of consulting, analysis, and negotiation services.



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC



Town of Bayfield
1199 US Highway 160B
P.O. Box 80
Bayfield, CO 81122
970-884-9544

To Whom It May Concern:

This letter is being written in support of Hinton Burdick, CPA's whom I understand are submitting a proposal to perform services for your entity. We at the Town of Bayfield have been under contract with Hinton Burdick for auditing services since 2011. We have found them to be a very diligent and thorough with our information as well as our needs and desires surrounding our audit. The group that has provided our services led by Chad Atkinson has been extremely willing to make the process as smooth as possible, working within our scheduling needs, always available to answer questions, and providing very useful and timely suggestions for improvements and adjustments. We have found over the last 3 years that our findings have dropped dramatically and that with the aid of Chad and his staff, we have added many necessary policies, procedures and tracking devices to our tools of operation here at the Town of Bayfield. We now are happy to maintain an asset tracking system, along with use of a stable purchasing policy and payroll system due to the sound advice we have received. It is with great pleasure that I would refer you to Hinton Burdick and encourage you to thoroughly review their proposal to provide you services. I have found that working with them is definitely worth the fiscal outlay. If you have further questions, I would be happy to discuss them with you.

Sincerely,

Erin Dunavant
 Finance Director
 Town of Bayfield
 (970)884-9544
 edunavant@bayfieldgov.org



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

TOWN OF IGNACIO
 P. O. Box 459 • IGNACIO, COLORADO 81137
 Phone: 970-563-9494 • Fax: 970-563-9498



August 1, 2013

To whom it may concern:

It is my pleasure to write this letter of recommendation for the auditors of HintonBurdick CPAs & Advisors.

HintonBurdick was highly recommended to us by a neighbor, and after reviewing over a dozen firms, it was an easy decision to accept their proposal. We recently completed our first audit with this firm and can honestly say that the HintonBurdick team assigned to Ignacio was professional, helpful, thorough and personable. I was impressed with the prompt assistance in the pre-site work, making the on-site work quite manageable.

HintonBurdick not only prepares financial statements and audits, but also offers education and training, confirming their dedication to helping municipalities be their best.

Our staff has great admiration and respect for HintonBurdick and would not hesitate to recommend them. The final product was exceptional and the continued support is greatly appreciated.

Sincerely,

Lisa Rea
 Town Treasurer



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

Town of Hot Sulphur Springs

C O L O R A D O

February 24, 2011

To Whom It May Concern:

The Town of Hot Sulphur Springs had the privilege of working with the accounting firm of Hinton Burdick Hall & Spilker PLLC for the first time last year. Even though they had not previously done work in Colorado, their work performance exceeded our expectations. Our audit was performed smoothly and efficiently. The preparation done via email and phone calls produced a familiarity with our Town records, and allowed for an easy and painless site visit. The auditing team was very knowledgeable and professional as they gathered their information. They were friendly and patient, in addition to offering helpful suggestions for improvement in our operations. We will be continuing our working relationship with this Firm, and are fully confident in sharing our recommendation for them.

Sincerely,

Sandy White, Town Clerk

Hot Sulphur Springs

513 Aspen Street • PO Box 116 • Hot Sulphur Springs, CO 80451
Phone (970) 725-3933 • Fax (970) 725-3443



PROFESSIONAL AUDITING SERVICES PROPOSAL

HINTONBURDICK, PLLC

Cost Proposal

Cost proposal for financial and compliance audits for the year ended December 31, 2014:

DESCRIPTION	FOR THE YEAR ENDED DECEMBER 31st
	2014
Not-to-Exceed Audit Fee	
Billable Hours	60
Billing Rate	\$ 98
Out of Pocket Expenses	\$ 400
Total Not-to-Exceed Audit Fee	\$ 6,250
Optional Items	
Consulting Services Hourly Rate	\$ 103

Our combined all-inclusive not-to-exceed fee for the financial will not exceed **\$6,250** for the year ended December 31, 2014. Assuming there are not any significant changes in the scope of the audit we anticipate that our not-to-exceed fees for the 2015 and 2016 will be increased by approximately 3%.

We anticipate the scope of the work to include an examination of the funds and activities included in SWCCOG's 2014 audit and as outlined in your request for proposal. The above fees are based upon the assumption that the SWCCOG records are in good, auditable condition and that the SWCCOG's personnel will be available to assist on a timely basis.

The fee shown above includes a limited amount of assistance with year-end closing entries and consultation throughout the year, if necessary. Other non-audit work such as assistance with bookkeeping or other accounting services necessary to bring the records and accounts into auditable condition will be approved by you before they are provided and will be billed separately at our consulting services hourly rate listed above. We do not bill for casual phone calls and consultations and we encourage you to call on us throughout the year.

We appreciate your consideration of HintonBurdick for this engagement and look forward with pleasure to a pleasant and mutually beneficial relationship. If the terms outlined above meet with your approval, please notify us.

Very truly yours,
HintonBurdick, CPAs & Advisors

Chad B. Atkinson, CPA
Audit Partner

ITEM NO. (ID # 2155)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Item

SUBJECT: Billing for Backbone Connectivity

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- Connectivity Fees Memo 7 Nov 2014 (DOC)
- Connectivity Fees Breakdown (XLSX)

Connectivity Fees

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 7 November 2014

Comments: After spending many days with headaches looking at the FastTrack billing and trying to sort out the legacy issues surrounding the initial contract between FastTrack and the SWCCOG, I might have figured out what most of the puzzle. For whatever reason, the cost of the connectivity to the Durango Hub and the transport fee between Durango and Cortez were never brought to the Board prior to initiating the contract. As a result policy was never set as to how to cover the cost of these fees. The total amount is \$650/month. In the attached spreadsheet there are 3 options to break the costs down per community. A decision will need to be made at the meeting, so it can be added budgets for 2015.

Durango to Cortez Transport and Durango Hub Connection Fees

Transport Fee \$ 250.00

Hub Connection \$ 400.00

Total Monthly Cost \$ 650.00

Option 1

Divided by Number of Entities

Entity	Monthly Cost
Archuleta County	\$ 50.00
Bayfield	\$ 50.00
Cortez	\$ 50.00
Dolores	\$ 50.00
Dolores County	\$ 50.00
Durango	\$ 50.00
La Plata County	\$ 50.00
Ignacio	\$ 50.00
Mancos	\$ 50.00
Pagosa Springs	\$ 50.00
San Juan County	\$ 50.00
Silveton	\$ 50.00
SWCCOG	\$ 50.00

Option 2

Divided by Percentage of Population

Entity	% of Population	Monthly Cost
Archuleta County	13.6%	\$ 88.40
Bayfield	3.1%	\$ 20.15
Cortez	11.0%	\$ 71.50
Dolores	1.2%	\$ 7.80
Dolores County	1.4%	\$ 9.10
Durango	22.2%	\$ 144.30
La Plata County	40.0%	\$ 260.00
Ignacio	0.9%	\$ 5.85
Mancos	1.8%	\$ 11.70
Pagosa Springs	2.3%	\$ 14.95
San Juan County	0.1%	\$ 0.65
Silveton	0.8%	\$ 5.20
SWCCOG		\$ 10.40

Option 3

Percentage Received of Telecom Grant

Entity	% of Telecom	Monthly Cost
Archuleta County	9.1%	\$ 58.98
Bayfield	16.4%	\$ 106.18
Cortez	32.1%	\$ 208.25
Dolores	1.4%	\$ 8.58
Dolores County	4.3%	\$ 27.29
Durango	9.8%	\$ 63.43
La Plata County	9.8%	\$ 63.43
Ignacio	0.9%	\$ 5.59
Mancos	1.9%	\$ 11.77
Pagosa Springs	9.1%	\$ 58.98
San Juan County	2.9%	\$ 18.79
Silveton	2.9%	\$ 18.79
SWCCOG		-0.0381

Attachment: Connectivity Fees Breakdown (2155 : Billing for Backbone Connectivity)

ITEM NO. (ID # 2148)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Reports

SUBJECT: Director's Report

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- Director's Report 7 Nov 2014 (DOC)

Director's Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 7 November 2014

Comments: **DOLA Technical Assistance Grant**

I will report on this at the Board Meeting, we are expected to have notification early in the week.

RREO

Three of the four Saturdays in October were taken up by sorting trash in Archuleta County, Durango Recycle Center (commercial only), and Phoenix Recycling (Ignacio, Bayfield, and Phoenix's residential route). We have two more fun filled weekends in November, Nov 8th at Montezuma County Landfill, and back to the Durango Recycle Center for a residential route sort. We had one of the interns quit, but we are looking for a replacement through Fort Lewis, the other three have been fantastic workers. I also have gotten very good at driving an F250.

Telecom

As you can see, I have been busy sorting through the Telecom for billing and getting local contracts squared away. Appreciation and thanks to Cortez, Durango, and La Plata County for help from your IT Staff for answering my questions and helping the communities configure routers for connection to the SCAN.

Transportation

I will be attending a Transportation Conference in Denver in November (where I will meet with Bonnie Peterson, one on one). The Purchase Order for the Transit Council should be in by the end of November (yes, we received the award confirmation in August, CDOT is running a bit behind).

ITEM NO. (ID # 2149)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Reports

SUBJECT: AAA Report

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- AAA Report 7 Nov 2014 (DOC)

AAA Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 7 November 2014

Comments: Christina, Elyse, Michelle Haynes, and I have put together an agenda for the AAA Board retreat on Nov 14th to study the COG-AAA relationship.

I met with the AAA Service Providers to learn more about their concerns. So we could incorporate those concerns into the AAA retreat.

There is a AAA meeting on Nov 5th, I will give a verbal update if there is anything to report.

ITEM NO. (ID # 2150)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Reports

SUBJECT: Housing Report

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- Housing Report 7 November 2014 (DOC)

Housing Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 7 November 2014

Comments: The Monthly Housing Breakfast went well. The La Plata County Housing providers have an informal breakfast to share goings on. The October meeting was attended by Southwest Housing Solutions, RHA, Habitat for Humanity, La Plata County, 4CORE, and the SWCCOG.

The DOLA Technical Assistance Grant will be awarded early in the week, and if awarded will contain some funding for data gathering and reporting regarding housing for each county.

ITEM NO. (ID # 2152)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Reports

SUBJECT: Telecommunications Report

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- Telecom Memo 7 Nov 2014 (DOCX)

Telecom Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 7 November 2014

Comments: This month I have been focusing on really trying to understand all the pieces of the puzzle that was the Telecom Grant, including the current operations of the SCAN. I've met with FastTrack to help shore up some of the billing and to negotiate a better billing structure for than what was outlined initially in the contract. The FastTrack invoice was \$1250/month and is now \$1100/month.

- Reduction of transport fees for communities using less than 50Mbps, in 10Mbps amounts.
 - o 50Mbps = \$250/Month
 - o 10Mbps = \$50/Month
- Removal of the Durango to Ignacio HS transport fee, as it is not used at this time.
 - o This was costing \$250/month

Other good news is that Mancos, Dolores (almost), Bayfield, and the Bayfield office of La Plata County Clerk are hooked up and using the SCAN, and now being billed. That will help offset the FastTrack costs. We will be receiving \$716/month.

ITEM NO. (ID # 2151)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Reports

SUBJECT: Transportation Report

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION:

ATTACHMENTS:

- Transportation Memo 7 Nov 2014 (DOCX)

TPR update:

SB228 was discussed at October COG meeting where the board decided to wait for the next TPR meeting in December to hear additional thoughts and information.

Natural gas and electric charging stations are being funded through CMAC and DoLA. These funds will not pay for conversions but new fleets.

At a STAC retreat it was identified that STAC bylaws allow for tribe participation but not votes. The TPR decided to draft a letter to the STAC president in favor of tribe's having the ability to vote.

Next TPR meeting will be December 5.

Transit Update:

The next transit meeting was scheduled for November 20. Due to essential member inability to attend, this meeting date is changing to December 2 pending CDOT maintenance building availability.

ITEM NO. (ID # 2162)

DATE: 11/7/2014

AGENDA REQUEST

*

MEETING GROUP: Southwest Colorado Council of Governments

STAFF RESOURCE: Miriam Gillow-Wiles, Director

REQUESTING DEPT: Southwest Colorado Council of
Governments

TYPE: SWCCOG Item

SUBJECT: Community Updates

BACKGROUND:

FISCAL IMPACT:

RECOMMENDED ACTION: