

Minutes
Special Town Board Meeting
Town of Paonia, Colorado
September 15, 2022

RECORD OF PROCEEDINGS

Roll Call

PRESENT

Mayor Mary Bachran - Virtual
Trustee Paige Smith
Trustee John Valentine
Trustee Thomas Markle
Trustee Rick Stelter - Virtual

ABSENT

Trustee Dave Knutson
Trustee Dave Weber

Approval of Agenda

No approval of agenda motion or vote was taken.

Announcements

No announcements were offered.

New Business

2021 Audit Presentation - Chadwick, Stienkirchner, Davis
Lisa Hemann, Managing Principal and Director of Audit Services with Chadwick, Steinkirchner, Davis, and Co. was available via virtual attendance to present the final 2021 Town of Paonia Audit.

Ms. Hemann provided an overview of the complete audit process.

- No gray areas were found throughout the audit process.
- No questionable practices were found throughout the audit process.
- No disagreements with management occurred throughout the audit process.
- The Finance Department continues make great strides each year and continues to improve.

An unmodified opinion (clean) from the auditing team was provided with additional information at the beginning of the audit.

Mayor Pro-Tem Markle opened the floor for Trustees questions and comments regarding the 2021 audit.

Questions asked were:

Definition of unmodified opinion

New bullet point list included in the findings letter.

Explanation of the columns in the audit document regarding enterprise funds.

How final numbers in the 2021 audit show in the 2022 budget as beginning reserves.

Risk to small towns without risk rate policy.

Mayor Pro-Tem Markle opened the floor for community questions regarding the 2021 audit.

Public Questions asked were:

What types of opinions can be reached other than unmodified opinion
What is a franchise tax?

Trustee questions continued.

Ms. Hemann will provide information regarding software tools that could address the material weakness. She added that the cost-benefit analysis should be reviewed, as it is common for the auditor or an outside firm to complete the financial statement.

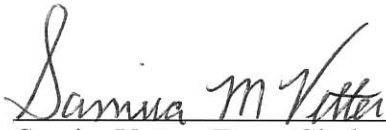
The audit presentation ended and Trustee Smith was given the opportunity to ask questions regarding the Management's Discussion and Analysis (MD&A).

The questions included topics regarding restricted vs unrestricted loans and Rural Utilities Loan (USDA) refinanced through AMKO.

Trustee Smith asked if Finance Director could direct the Board to the audit references in the next budget to actual.


Adjournment

5:50 pm



Samira Vetter, Town Clerk





Mary Bachran, Mayor