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January 22, 2021

Selectboard
Town of Richmond, Vermont
P.O. Box 285
Richmond, VT 05477

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Richmond, Vermont as of and for the year ended June 30, 2020 and have issued our report thereon dated January 22, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and “Government Auditing Standards”, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 9, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements, prepared or approved by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Town of Richmond, Vermont. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town of Richmond, Vermont’s compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope previously communicated to you in our engagement letter. We were not able to complete the audit according to the planned timing in the engagement letter due to concluding audit items such as the preparation of, and adjustments to, the management's discussion and analysis.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Richmond, Vermont are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Town of Richmond, Vermont during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the allowance for uncollectible accounts receivable, the useful lives of property, plant and equipment used to compute depreciation and the net pension liability and related deferred outflows and inflows of resources related to the Town's participation in VMERS.

Management's estimate of the allowance for uncollectible accounts receivable and the useful lives of property, plant and equipment used to compute depreciation are based on an analysis of the aging of receivables and the nature of the items. The estimate of the net pension liability and related deferred outflows and inflows of resources related to the Town's participation in VMERS is based on information received from the State of Vermont. We evaluated the key factors and assumptions used to develop the allowance for uncollectible accounts receivable, the useful lives of property, plant and equipment used to compute depreciation and the net pension liability and related deferred outflows and inflows of resources related to the Town's participation in VMERS in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We proposed adjustments that, in our judgement, either individually or in the aggregate, had a material effect on the financial reporting process. These audit adjustments related to receivables, property, plant and equipment, accumulated depreciation, accounts payable, unearned revenue, deferred inflows of resources, long-term debt, fund balance, revenues and expenses. These audit adjustments were caused by not reconciling the supporting documentation to the general ledger. These corrections were considered material in relation to the Governmental Activities, the Business-Type Activities, the General Fund, the Town Center Maintenance Fund, the Water Fund, the Sewer Fund and the Aggregate Remaining Fund financial statements taken as a whole. These adjustments were all posted by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 22, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

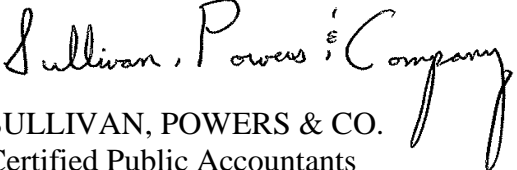
We applied certain limited procedures to the Management's Discussion and Analysis, the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis – General Fund, the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the combining schedules which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Selectboard and management of the Town of Richmond, Vermont and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,


SULLIVAN, POWERS & CO.
Certified Public Accountants