

Town of Richmond, Vermont

Audit Services performed by
Telling & Hillman, P.C.
5 Park Street
Middlebury, VT 05753
(802) 388-3311

For the Years Ended
June 30, 2022, 2023, and 2024

TELLING & HILLMAN, P.C.

ACCOUNTANTS • AUDITORS
5 PARK STREET – MIDDLEBURY, VT 05753

PHONE: (802) 388-3311
WEB: WWW.TELLINGANDHILLMAN.CPA

February 28, 2022

Select Board
Town of Richmond, Vermont
203 Bridge Street
P.O. Box 285
Richmond, Vermont, 05477

Thank You for inviting us to submit this proposal to perform audit services for the Town of Richmond, Vermont. The purpose of the enclosed presentation is to describe to you our qualifications under the following categories:

Technical Proposal:

1. Profile of Telling & Hillman, P.C.
2. Scope of the Engagement
3. Our Approach to the Engagement
4. Biographies of the Engagement Team
5. Our Qualifications
6. Peer Review Report

Cost Proposal:

7. Fee Estimate

Your selection of an independent auditor is an important decision. We believe our proposal will demonstrate that we are well qualified to serve the Town of Richmond, Vermont.

Telling & Hillman, P.C.'s principal service to the Town will be the annual audit which leads to an opinion on the Town's financial statements. We will perform this audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States which includes Uniform Guidance.

We will also prepare a letter delineating weaknesses, if any, that we find in the Town's system of internal control and include recommendations for improvements, where applicable.

We believe that communication is an important process that needs to be done throughout the year rather than just during the audit. Consequently, we will be informing management and members of the Select Board throughout the year of significant events affecting either governmental accounting profession in general as it relates to the Town of Richmond, Vermont.

We sincerely appreciate the opportunity to propose on this engagement and trust that this statement of our qualifications is responsive to your requirements. Should you wish additional information, please contact Samantha Hillman or me at 802-388-3311.

Very truly yours,



Thomas Telling
Telling & Hillman, P.C.

PROFILE OF TELLING & HILLMAN, P.C.

Our Firm

We are a full-service public accounting firm in that we offer services in the areas of auditing, accounting, and tax. We serve dozens of clients in both the public and private sector. It is our philosophy to be unique by providing the broad range of service and in-depth industry experience our clients expect; and, at the same time, retain the personal service and responsiveness which has contributed to our growth.

Quality Control

Quality control has always been a prime concern of public accountants.

We at Telling & Hillman, P.C. are proud of the reputation we have achieved for high quality work – our clients and the public expect nothing less.

Quality is not the product of just one department or a number of control procedures, but rather a basic professional attitude to which we have long been dedicated and which continues to permeate our firm.

Our Office

Our office has a staff of five professionals, with a wide range of experience and expertise. All of our staff members have college degrees, some have or are pursuing advanced degrees. All of our professional staff receive intensive training in all areas of auditing and accounting.

Resumes of the specific individuals who would be assigned to the Town of Richmond, Vermont's engagement is contained in a later section of this proposal.

There are no conflicts of interest between our firm and the Town of Richmond, Vermont.

SCOPE OF THE ENGAGEMENT

We propose to perform an audit of the financial statements of Town of Richmond, Vermont in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States which includes Uniform Guidance, if applicable.

We will prepare schedules and work papers required by Auditing Standards Generally Accepted in the United States of America as applied to government units. In addition to the audits, we will provide copies of all final trial balances, including adjusting journal entries for each fund.

At the conclusion of the audit, a representative from our firm will appear before the Select Board or representative committee to discuss the findings resulting from the audit.

OUR APPROACH TO THE ENGAGEMENT

Assign Experienced Personnel

The key personnel we would assign to this audit have significant experience in auditing governmental organizations. It is our firm's policy to assign the same key staff members to an engagement each year in order to provide a more efficient and in-depth audit.

Schedule Work Efficiently

We will review our engagement plan which specifies the timing and extent of our audit procedures with the appropriate Town's personnel.

Utilize Town's Personnel

We plan to use Town's staff to prepare schedules, statements, and worksheets to help minimize the cost of the audit.

In addition, we will, to the maximum extent practicable, utilize the services of the Town's personnel in the performance of certain routine administrative tasks that would otherwise have to be performed by our staff. In accomplishing this, we must, of course, consider limitations on available time of the personnel involved

Timing Considerations

We will review our engagement plan which specifies the timing and extent of our audit procedures with the appropriate Town's personnel.

For fiscal years ending June 30, 2022, 2023, and 2024, audit fieldwork will be scheduled and completed in one mutually agreeable contiguous block in September each year. A draft of the audit will be sent to the Town by the end of October each year. Audit reports will be published and a presentation will be made to the Select Board at the conclusion of the audit but no later than January 1 unless otherwise mutually agreed upon.

Record Retention

We will retain the audit work papers for a minimum of three years. The work papers can be made available upon proper authorization from an official of the Town of Richmond, Vermont.

Emphasize Communication

We have found that frequent, open communication often results in a better understanding of the Town's financial affairs. Accordingly, we would hold periodic progress meetings to discuss the status of the audit work. We would also discuss the audit and highlights of the financial statements with the Select Board.

ENGAGEMENT SERVICE TEAM

We have selected a team to provide the needed combination of talents required by this engagement. In addition, experienced staff auditors will be assigned, as appropriate.

Engagement Organization

Engagement Partner – Thomas Telling

As engagement partner, Tom will have the following responsibilities:

- Overall direction of the audit engagement
- Selection and focusing of the resources of the firm necessary for the success of the assignment
- Assurance of technical quality of the final report

Audit Manager/In-charge Accountant – Samantha Hillman

Working with the Engagement Partner as the primary contact for the audit team

- On-site coordination of the audit team
- Direct participation in the execution of audit objectives

Audit Assistance

The engagement staffing will be completed with professionals trained in governmental auditing as needed in order to complete the engagement in a timely fashion.

BIOGRAPHIES

Resumes of engagement team members are presented below.

The following paragraphs summarize our qualifications in the terms of personnel and experience to perform services for you.

Thomas Telling - engagement partner, is a graduate of the University of Illinois Champaign Urbana. He began his career in Bloomington Illinois with the firm Henning, Strouse, Jordan and Sulaski CPAs. He moved to Plattsburgh, New York and joined the firm Telling & Potter, P.C. He opened a CPA office in Middlebury Vermont in 2001.

Tom maintains his CPA license in New York and Vermont. He is a member of the American Institute of CPAs and is a registered peer reviewer. Tom has worked over forty years in public accounting. Tom's experience includes audits of healthcare and eldercare organizations, non-profit organizations, school Towns, and municipalities.

Tom has served as a volunteer and consultant for local non-profit organizations. He lives in Bristol, Vermont with his wife Jenny and enjoys following his favorite sports teams, outdoor activities, spending time with his grandchildren, and traveling with his family.

Samantha Hillman – in-charge accountant, will be directly responsible for the supervision of the personnel performing the detailed auditing procedures, planning the engagement in cooperation with the Town personnel and the audit engagement partner, and supervision of the successful performance of the service plan.

Samantha is a graduate of Castleton University with a Bachelor of Science degree in business administration with a concentration in accounting. With over ten years of audit experience, she is well versed in auditing municipalities, school districts, and a wide variety of non-profit organizations.

Samantha resides in Salisbury, Vermont with her husband and two children.

Phillip Turner – senior accountant, may assist in audit field work and financial statement preparation.

Phillip is a graduate of Norwich University with a Bachelor of Science degree in management and a Bachelor of Science degree in accounting. His audit experience includes non-profit organizations, municipalities, and school districts.

Phillip resides in Vergennes, Vermont and enjoys hiking, traveling, and volunteering.

Kyle Lussier – staff accountant, may assist in audit field work and financial statement preparation.

Kyle is a graduate of Southern New Hampshire University with a Bachelor of Science degree in Accounting. His audit experience includes non-profit organizations, municipalities, and school districts. He lives in East Middlebury with his wife and two children.

These professionals offer a wealth of professional knowledge and auditing experience, which cannot be duplicated. We are very pleased to provide such high quality personnel to this engagement.

OUR QUALIFICATIONS

The following paragraphs summarize our qualifications in terms of personnel and experience to perform services to you.

Qualified Personnel

A firm's performance is largely dependent on the specific individuals assigned to an engagement. We can select a team which will provide you with a breadth of experience combined with specific expertise in governmental operations.

All accounting staff, who participate in audits of governmental municipalities, school districts, and non-profit entities receive a minimum of 80 hours of continuing professional education (CPE) every two years of which a minimum of 24 hours is in subjects directly related to Government Auditing Standards.

We have satisfied the 24-hour requirement by attending a variety of Governmental programs. We receive a minimum 40 hours of governmental and auditing continuing professional education per year.

Related Experience

- **Town of Ludlow, Vermont**
P.O. Box 359
37 Depot Street
Ludlow, VT, 05149
Contact: Pam Cruickshank, Municipal Office Manager
Phone: (802) 228-2841
Scope of work: Government Auditing Standards and the Single Audit Act

- **Town of Newport**
P.O. Box 85
Newport, VT 05857
Contact: Denise Daigle, Town Clerk and Treasurer
Phone: (802) 334-6442
Scope of work: Government Auditing Standards

- **Lake Placid Central School District**
50 Cummings Road
Lake Placid, NY 12946
Contact: Dana Wood, Asst. Superintendent for Business, Finance and Support Services
Phone: (518) 523-2475
Scope of work: Government Auditing Standards and the Single Audit Act

- **Ticonderoga Central School District**
5 Calkins Place
Ticonderoga, NY 12883
Contact: Laurie Cossey, Business Administrator
Phone: (518) 585-7400
Scope of work: Government Auditing Standards and the Single Audit Act

- **Orleans Southwest Supervisory Union**
157 Daniels Road
Hardwick, VT 05843
Contact: Brittany Currie, Director of Finance
Phone: (802) 472-6531
Scope of work: Government Auditing Standards and the Single Audit Act

- **Central Vermont Supervisory Union**
111B Brush Hill Road
Williamstown, VT 05679
Contact: Chris Locarno, Director of Finance & Facilities
Phone: (802) 433-5818
Scope of work: Government Auditing Standards and the Single Audit Act



Report on the Firm's System of Quality Control

December 8, 2020

To the Owners of Telling & Hillman, P.C.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Telling & Hillman, P.C. (the firm) in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

The firm is responsible for designing 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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Telling & Hillman, P.C. in effect for the year ended June 30, 2020, 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*. Telling & Hillman, P.C. has received a peer review rating of *pass*.

Love, Cody & Company, CPAs, P.C.

115 Elm Street • P.O. Box 319 • Bennington, Vermont 05201-0319
(802) 442-5552 • (800) 894-5511
Facsimile: (802) 442-7314 • e-mail: mail@lovecody.com
www.lovecody.com

FEE ESTIMATE

Our fees are based on the amount of time required to complete the assignment and the level of personnel assigned. We render interim billings as work progresses and a final billing at the conclusion of each engagement.

Our fees are based on anticipated cooperation from your personnel in the preparation of detailed analyses, workpapers, etc., including trial balances or schedules prepared in the normal course of business and the assumption that unexpected circumstances will not be encountered during the audit.

Estimated Fees

Our total all-inclusive maximum price for the year ending June 30, 2022 and for each of the two subsequent engagement years for which the Town has the option of continuing in this contract is \$28,000, \$28,000, and \$28,000, respectively.

The total all-inclusive maximum price, including out of pocket expenses, based on partner (principal), supervisory, and staff level for the year ending June 30, 2022 and for each of the two subsequent engagement years for which the Town has the option of continuing in this contract is as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Engagement Partner	\$ 6,000	\$ 6,000	\$ 6,000
Audit Manager	11,200	11,200	11,200
Audit staff support	<u>10,800</u>	<u>10,800</u>	<u>10,800</u>
	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 28,000</u>
 Single audit (if required)	 \$ 4,000	 \$ 4,000	 \$ 4,000

Fees are difficult to estimate because they are dependent upon the number of hours required, which can vary for many reasons. Accordingly, in the event our estimate is out-of-line with comparable proposals or with your expectations, we would be pleased to discuss it further with you.



National Peer
Review Committee

March 01, 2021

Thomas Telling
Telling & Hillman, P.C.
5 Park St Ste 2
Middlebury, VT 05753-1169

Dear Thomas Telling:

It is my pleasure to notify you that on February 24, 2021, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Fawley". The signature is written in a cursive, flowing style.

Michael Fawley
Chair, National PRC
+1.919.402.4502

cc: Stephen Love

Firm Number: 900004703191

Review Number: 577916