

**PROPOSAL FOR AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDING JUNE 30, 2018, 2019 & 2020**

Submitted To:

TOWN OF GRAND ISLE, VERMONT

July 13, 2021

PREPARED FOR:

Jeff Parizo, Selectboard Chair

PRESENTED BY:

Bonnie K. Batchelder, CPA
Batchelder Associates, PC
1 Conti Circle
Barre, VT 05641
(802) 476-9490

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Batchelder Associates, PC

July 13, 2021

Town of Grand Isle
Jeff Parizo, Selectboard Chair
4 Parizo Lane
Grand Isle, Vermont 05458

Dear Mr. Parizo

Please consider this Batchelder Associates, P.C.'s proposal to provide the Town of Grand Isle, Vermont with an audit of the financial statements for the fiscal years ending June 30, 2018, 2019, and 2020 and if necessary up to three fiscal years prior to 2018. The audit will be completed in a timely manner, based on your requested schedule, providing the Town of Grand Isle, Vermont is able to supply necessary information required by the American Institute of Certified Public Accountant's Audit Regulations, and as specified in Section Two of this proposal. The audit will be in compliance with the "Government Auditing Standards" and the "AICPA's Audits of State and Local Government Units". The included cost proposal will remain in effect for a period of thirty (30) days.

Batchelder Associates, P.C. is wholly owned by Bonnie K. Batchelder, CPA and is legally certified in the State of Vermont, New Hampshire, and Massachusetts. Batchelder Associates, P.C. has been qualified as a Women Owned Business (DBE) by the Vermont Agency of Transportation.

As outlined in the General Accounting Office's Government Auditing Standards, the firm and the employees of the firm do not have a personal impairment that will bias or otherwise effect the audit engagement. In addition, all required licenses are in place on required personnel along with the firm. Neither Batchelder Associates, P.C nor anyone of the staff at the firm have any conflicts of interest which will impact the engagement.

We have extensive experience in government, non-profit and municipality accounting. We can begin preparation immediately to meet your deadlines. Thank you for your consideration of our proposal.

Sincerely,

Bonnie K. Batchelder, CPA

Bonnie K. Batchelder, CPA

SECTION 1 – TECHNICAL PROPOSAL

A). Firm Profile and Professional Experience

BATCHELDER ASSOCIATES COMPANY PROFILE

Established August 1, 1991

Batchelder Associates, P.C. is a qualified and client oriented resource for your Auditing, Accounting, Tax and Management Advisory Business needs. Batchelder Associates, P.C. goal is to provide you with services which will aid your company in attaining maximum efficiency during a period of changing economic times. We provide each organization with a skilled staff best suited for our client's needs, always maintaining the highest level of customer service, quality and professionalism.

Batchelder Associates, P.C. has been in business for twenty-five (25) years with staff and ownership of over thirty (30) years of experience. The firm is diversified in many areas of business to include Non-Profits, governmental agencies, homeowner's associations, retail and service industries, manufacturing, small to large for profit business and local government facilities.

In addition to the detailed members of the auditing team outlined below, Batchelder Associates, P.C. has a strong administrative and accounting staff of seven (7) who will be involved as needed.

Batchelder Associates, P.C. certify the firm's independence with respect to the Town of Grand Isle, Vermont.

The audit team assigned to complete the audit for the Town of Grand Isle, Vermont, is duly licensed and properly registered to practice in the state of Vermont.

Our team is anxious to meet any and all work assignments with enthusiasm and professionalism. We are dedicated to beginning and completing each assignment with the greatest of efficiency and auditing techniques. The option to hire additional staff is always available should we have an extensive number of work assignments.

Each member of the team will be assigned to specific audit tasks depending on the outcome of the preliminary audit planning and analytical review.

Audit Team:

- Bonnie K. Batchelder, CPA
- Vincent Milano, Staff Accountant

Technical Capabilities Batchelder Associates, P.C. provides:

Accounting and Auditing Services:

- Audited, reviewed and compiled financial statements
- Governmental Uniform Guidance Audits and 501(c)(3) Audits
- Internal control analysis and management
- Financial projections
- Personal financial statements
- Establishment of Non-Profit Status
- Purchase and sale of businesses
- Financing packages prepared and negotiated with banking institutions

Tax Services:

- Corporate, Partnership, Trust and Individual tax preparation
- Tax planning and consultation
- Tax research
- Negotiation with Federal and State Departments regarding outstanding tax issues

Accounting and Business Software:

- Analysis of existing accounting system and recommendations
- Installation and Training
- Continued Support of Accounting and Business Software
- Implementation of systems designed for unique business requirements

Human Resource Capabilities:

- Payroll processing
- Payroll tax processing and payment assistance
- Establishment of all required identification numbers with federal and state agencies
- Cobra administration
- Employee handbooks
- Labor law issues
- Direct deposit, retirement and insurance management as it relates to employee benefits

SECTION 1 – TECHNICAL PROPOSAL

B). Individual Professional Qualifications for Personnel

BONNIE K. BATCHELDER, CPA
PRINCIPAL
CERTIFIED DISADVANTAGED BUSINESS ENTERPRISE

EDUCATION:

The University of Vermont, Bachelor of Science Degree in Business Administration-
Accounting, May 1985

PROFESSIONAL CERTIFICATIONS AND MEMBERSHIPS:

Certified Public Accountant Massachusetts (1988), Vermont (1991) and New Hampshire (2016)
Certified as Disadvantaged Business Enterprise (DBE), 100% Women Owned Business
Member American Institute of Certified Public Accountants
Member Vermont Society of Certified Public Accountants
President of Barre Rotary Club (1996-1997)

EXPERIENCE:

Years of Expertise	36
Years with Batchelder Associates, P.C.	30
Experience with governmental, federal and state funding, to include 501(c)(3) and Uniform Guidance Audits.	36

Bonnie K. Batchelder, CPA - Bonnie is a licensed Certified Public Accountant in the State of Vermont, New Hampshire and Massachusetts. Bonnie is the sole owner of Batchelder Associates, P.C. which is also registered and licensed in the State of Vermont. The firm is registered with the State of Vermont as a DBE and maintains this certification annually. Batchelder Associates, P.C. and Bonnie are qualified to conduct all audits in accordance with Government Auditing Standards. All continuing professional education requirements have been met and continue to be updated on a regular basis. Bonnie has extensive experience with the state and federal funding and the Code of Federal Regulations (CFR).

Prior to starting Batchelder Associates, P.C., Bonnie worked for a CPA firm in Massachusetts where she gained experience working with the Federal government and the DCAA. Her work with Federal and State regulations as it relates to the DCAA, the Vermont Agency of Transportation, Federal cognizant agencies and non-profit organizations is extensive. Bonnie maintains up to date knowledge of VTrans and CFR Part 26.

Since owning and operating under Batchelder Associates, P.C., Bonnie has had and continues to have several clients funded via federal and state funds, all of whom are required to follow the CFR and State regulations. She has performed as a Government Contract Auditor, working with the Federal and State Governments closely. Bonnie has extensive experience working with contractors using overhead fee schedules prescribed by Federal and State agencies. Specifically her experience working with various size businesses in the areas of fiscal management, auditing, financial planning, tax planning, research preparation, DBE certification, job costing, bidding, computer implementation and training.

Bonnie continues to work with all her clients to achieve the highest standards of quality in the field. This is possible through her continued management consulting, financing, and strengthening of internal controls for contract management, accounting procedures and daily operations.

Bonnie is responsible for the oversight of Batchelder Associates, P.C., a staff of seven (7) employees and management of multiple clients diversified in many areas. The services which are offered and maintained require a strong understanding of tax laws, auditing standards, current technology in the areas of computer software and hardware and client issues and needs. Included is a partial list of Bonnies' specific areas of expertise:

- ✓ Non-Profits 501(c)(3) and Uniform Guidance Audits clients
- ✓ State and Federal Contractors with VTrans, State of Massachusetts, Defense Contractors
- ✓ Condominium Associations
- ✓ Government Funded Facilities
- ✓ Construction
- ✓ Retail
- ✓ Service
- ✓ Manufacturing

Statement of Compliance

This statement certifies that Batchelder Associates complies with all equal opportunity, civil rights and other federal requirements incorporated in the request for bid by the Town of Grand Isle, Vermont.

Bonnie K. Batchelder, CPA
Bonnie K. Batchelder, CPA

07/14/2021
Date

SECTION 1 – TECHNICAL PROPOSAL

C). Scope of Services and Approach to Audit

SCOPE OF SERVICES AND APPROACH TO THE AUDIT

Batchelder Associates, P.C. is responding to the Town of Grand Isle, Vermont, Request for Proposal, based on the understanding of the Scope of Work to be performed. Batchelder Associates, P.C. has extensive experience with the auditing and consultation of non-profit, municipality, federal and state funded organizations.

Batchelder Associates, P.C. understands that the work needs to be planned, budgeted and performed to achieve the audit goals of the organization. Our audit plan will include all tests necessary to ensure that submitted costs are proper within the guidelines of Title 48 of the Code of Federal Regulations (CFR) and all applicable OMB Uniform Guidance and standards required by generally accepted auditing standards and Government Auditing Standards.

Batchelder Associates, P.C. will plan the audit in accordance with generally accepted auditing standards, which will include the following, but is not exhaustive:

- Initial audit planning, audit preparation and testing during fieldwork
- Submitted costs as they relate to the payroll system
- Grant, contract and taxpayer billings
- Labor distribution to time cards and payroll system
- Accumulation and allocation of expenses
- Sub-consultant costs
- Actual costs as they compare to Budget
- Internal Control System
- Compliance with all Laws and Regulations

Batchelder Associates, P.C. will plan each audit with a descriptive audit approach including staffing needs, supervision, time schedule and budget per area of audit scope. After the audit is planned, the fieldwork will be completed with the required progress reporting and drafts. The final audit report will be submitted based on the requirements of the contract and the Town of Grand Isle, Vermont.

Article I. Audit Objectives:

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, and to report on the fairness of the additional information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act of 1984 and Single Audit Act Amendments of 1996; and the provisions of OMB Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. The audit will include tests of the accounting records of the Town of Grand Isle, Vermont, and other procedures we consider necessary to enable us to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to render the required reports. If our opinion is other than unqualified, or the Single Audit compliance opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit, we will not issue a report as a result of this engagement.

Article II. Management Responsibilities:

Establishing and maintaining internal control and compliance with laws, regulations, contracts, and grants applicable to the Town of Grand Isle, Vermont and is the responsibility of the Town's management team. In fulfilling this responsibility, estimates, and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application, as well, we will assist in the preparation of your financial statements, including the schedule of expenditures of federal award. However, the responsibility for the financial statements remains with you. This responsibility includes the maintenance of adequate records and effective internal controls over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets.

Additionally, as required by OMB Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Article III. Audit Procedures-General:

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. As required by the Single Audit Act Amendments of 1996 and OMB Uniform Guidance, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations, and the provisions of contracts and agreements. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, other illegal acts, or noncompliance including fraud or defalcations, may exist and not be detected by us. We will advise you, however, of any matters of that nature that come to our attention, and we will include such matters in the reports required for a Single Audit. Our responsibility as auditor is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Article IV. Audit Procedures-Internal Control:

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinions on the Town of Grand Isle, Vermont's financial statements, and on its compliance with requirements applicable to major programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level.

As required by OMB Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider being reportable conditions under standards established by the American Institute of Certified Public Accountants.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process,

Audit Procedures-Internal Control (Continued):

summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any non-reportable conditions or other matters involving internal control, if any, as required by OMB Uniform Guidance.

Article V. Audit Procedures-Compliance:

Our audit will be conducted in accordance with the standards referred to in the section titled *Audit Objectives*. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Grand Isle, Vermont's compliance with applicable law and regulations and certain provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB Uniform Guidance Compliance Supplement for the types of compliance requirements that could have a direct and material effect of each of the Town of Grand Isle, Vermont's major programs. The purpose of these procedures will be to express an opinion on the Town of Grand Isle, Vermont, and its compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Uniform Guidance.

SECTION 2- COST PROPOSAL

A). Audit Plan and Projected Hours

As previously indicated, our audit plan will include all tests necessary to ensure that submitted costs are proper within the guidelines of Title 48 of the Code of Federal Regulations (CFR) and all applicable OMB Uniform Guidance and standards required by generally accepted auditing standards and Government Auditing Standards.

Batchelder Associates, P.C. will plan the audit with a descriptive audit approach including staffing needs, supervision, time schedule and budget per area of audit scope. After the audit is planned, the fieldwork will be completed with the required progress reporting and drafts. The final audit report will be submitted based on the requirements of the contract and the Town of Grand Isle, Vermont.

PROJECTED HOURS

2020

<u>Staff</u>	<u>Name</u>	<u>Hours</u>
CPA	Bonnie Batchelder	57
Staff Accountant	Vincent Milano	32
Administrative	Helen De Los Santos	20

The audit will be completed in a timely manner, based on your requested schedule, providing the Town of Grand Isle, Vermont is able to supply necessary information required by the American Institute of Certified Public Accountant's Audit Regulations, and as specified in Section Two of this proposal. The audit will be in compliance with the "Government Auditing Standards" and the "AICPA's Audits of State and Local Government Units".

COMPENSATION SCHEDULE

Name and Address of Contractor:

Bonnie K. Batchelder, CPA
Batchelder Associates, PC
1 Conti Circle
Barre, Vermont 05641

Telephone: (802)476-9490
Fax: (802)476-7018
Email Address: bbatchelder@batcheldercpa.com
Federal ID#: 03-0337428

AUDIT COST BREAKDOWN

2020

Staff	Name	Hours	Rate	Total
CPA	Bonnie Batchelder	80	\$185.00/hr.	\$ 14,800
Staff Accountant	Vincent Milano	40	\$ 95.00/hr.	\$ 3,800
Administrative	Helen De Los Santos	40	\$ 45.00/hr.	\$ 1,800

Multiple Year Contract:

June 30, 2018	\$20,400
June 30, 2019	\$20,400
June 30, 2020	\$20,400

Rate for Bookkeeping Assistance during Audit:	\$65-\$185 per hour
Rate for Ongoing Accounting Assistance:	\$65-\$185 per hour
Rate for Consulting during the Year	\$185 per hour
Mileage	\$.56

Payment Terms:

Progress Billings are presented at periodic intervals during Audit performance. Progress billings will not exceed two a month. Bills are due within fifteen (15) days of invoice date and will accrue finance charges of 1 1/2% per month for late payments.

SECTION 2- COST PROPOSAL

B). References

References for performance of audits performed within the past three (3) years:

Municipalities:

Town of Norwich, VT (Herbert Durfee, III 802-649-1419 Ext. 101)
Town of Poultney, VT (Paul Donaldson 802-287-5761)
Colchester Fire District #2, Colchester, VT (Richard Desautels 802-862-4621)
Central VT Regional Planning Commission, Montpelier, VT (Bonnie Waninger 802-229-1977)
County of Washington, VT (Beverlee Pembroke-Hill 802-828-2091)
Town of Duxbury, Duxbury, VT (Richard Charland 802-249-2772)
Town of Plainfield, VT (Linda Wells 802-454-8461)
Rutland Regional Planning Commission (Mary Kay Skaza 802-775-0871 Ext. 201)
Town of Middlesex, VT (Patti Lewis 802-223-1192)

Federal and State Agencies:

VT Public Service Board, Montpelier, VT (Ann Bishop, Chief Economist 802-828-2358)
VT Department of Corrections, Montpelier, VT (Andy Pallito, Commissioner 802-241-4220)
 -Agreed Upon Procedures
 -Cost principles
 -Inmate collections
VTrans, Montpelier, VT (Terry Call, Audit Chief 802-828-2406)

Non-profit, 501(c)(3), Uniform Guidance and A-133:

Vermont Network, Montpelier, VT (Dana Paull 802-223-1302 ext. 101)
Addison County Community Action Group (HOPE), Middlebury, VT – (Cathy Eddy 802-388-3608)
Circle, Barre, VT (Karol Diamond 802-476-6010)
American Civil Liberties Union (Andrea Warnke 802-223-6304 Ext. 114)

Other:

Vermont Survey and Engineering, Inc. (DBE), Montpelier, VT –
 Agency of Transportation Contract (Andrew McQueeney 802-229-9138)
Quality Market, Barre, VT (Pamela Trag 802-476-3401)
Peoples United Bank, Barre, VT (Matt Plasse 802-476-0030)

SECTION 2- COST PROPOSAL

C). Contact Information

Name and Address of Contractor:

Bonnie K. Batchelder, CPA
Batchelder Associates, PC
1 Conti Circle
Barre VT 05641

Telephone: (802) 476-9490
Fax: (802) 476-7018
Email Address: bbatchelder@batcheldercpa.com
Federal ID#: 03-0337428

SECTION 2- COST PROPOSAL

D). Peer Review



Report on the Firm's System of Quality Control

March 24, 2017

To the Owner of Batchelder Associates, PC
and the Peer Review Committee of New England Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Batchelder Associates, PC (the firm) in effect for the year ended April 30, 2016. 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 an engagement performed under *Government Auditing Standards*.

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 Batchelder Associates, PC in effect for the year ended April 30, 2016, 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. Batchelder Associates, PC has received a peer review rating of pass.

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