

Collins, Jill

From: Scott Michaud <notifications@branchcms.com>
Sent: Thursday, April 25, 2024 9:15 PM
To: finance@boltonct.org
Subject: Email Popup Form Submission

External (notifications@branchcms.com)

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New form submission on April 25, 2024

Name: Scott Michaud

A copy of this form will be sent to your email as listed above.

Message: I was able to listen to the audio of the finance meeting on April 22, 2024 tonight. The suggestion that there will be a tax decrease for residents is a false. My assessment went up from 196700 to 285100, a 45% increase, not the average of 29% cited in the meeting. Nothing has changed about my house in the last 5 years. With a mil rate of 33.41, this will be an increase of 10.5% in my taxes this year on top of 9.6% last year. Even the numbers given by, I believe Ross Lally, stating that his assessment went from 1670000 to 250000, or an almost 50% increase would result in a 14.1% increase in his taxes this year. This is not acceptable nor sustainable. Who is getting this tax cut? They are even hinting that next year will need to be another significant increase, possibly 10% next year, as the surplus will not be available. The spending is going up 1.4 million this year.

What is the plan for the future? On election night, I spoke with Pam Sawyer and Bob Morra and they said to contact them if my taxes would increase more than a couple percent and they were even looking for a zero increase. The finance committee is saying there will in fact be a cut, but this is not true. I realize the budget needs to be approved, but this is a significant misrepresentation to residents of Bolton as I am sure I am not alone. I would appreciate a response from Mr. Morra or Ms. Sawyer as to what I am supposed to do.

Town of Bolton
Finance Communications Subcommittee
SPECIAL MEETING AGENDA
Wednesday, April 3, 2024 - 6:00 p.m.
Town Hall and Via Zoom
Call-In Number: 1-929-205-6099
Meeting ID: 848 4726 2592

Finance Communications Members Present at Town Hall: Amanda Gordon, Ashley Phelan (left at 6:25pm), Ross Lally (arrived at 6:11pm)

1. Call to Order.

Meeting called to order at 6:04pm

2. Consider and Act on Choosing Subcommittee Chair (Assuming we have to?)

Per town officials, choosing officers was not necessary and thus this was skipped.

3. Work on Finance Committee Presentation for Public Hearing.

A. Gordon shared a draft presentation on the screen for discussion with subcommittee members. Feedback was provided. Plan to share with full Finance Committee at 4/3/24 7:15pm meeting.

4. Consider and Potentially Work on a Budget On-Pager for Distribution.

A. Gordon pulled up sample one-pager from Hebron. Discussed creating one for Bolton for distribution on Bolton Bulletin, Senior Center, Library and Town Hall. Will pull snippets from presentation to include in one-pager. A. Gordon to work on draft to share with full Finance Committee at next meeting.

5. Consider Other Communications from the Finance Committee for this Budget Season.

Discussed and determined there was insufficient time to consider other potential communications. Discussed having single website page with all of the budget information and ensuring the link was included in the one-pager.

6. Adjournment.

Meeting adjourned at 6:38pm

**TOWN OF BOLTON
FINANCE COMMITTEE
REGULAR MEETING
7:15 P.M., THURSDAY, APRIL 18, 2024
TOWN HALL/ZOOM***

Finance Commission Members Present at Town Hall and Via Zoom: Chair Ross Lally, Member Robert Munroe, Member Robert Morra, Member Amanda Gordon, Member Rhea Klein, Member Ashley Phelan. Chris Connelly was absent.

Staff Present Via Zoom: Town Administrator James Rupert, Board of Education Kristen Heckt

Absent was Finance Director Jill Collins

Staff Present Via Zoom: Board Clerk Mary Johnston

Others Present Via Zoom: None

1. Call to Order

R. Lally called the meeting to order.

2. Public Participation

None.

3. Approval of Minutes

3a. April 3, 2024, Special Meeting

R. Morra MOVED to approve the April 3, 2024, Special Meeting Minutes. R. Munroe SECONDED. MOTION CARRIED 6:0:0.

4. Elected Official and Town Staff Reports

4a. Board of Education Update

K. Heckt reminded the Committee that the Board of Education has committed \$350,000 towards FY2025 budget. K. Heckt explained they continue to have unfilled positions. K. Heckt called to the Committee's attention the purchase of sonic boards in more classrooms. R. Munroe pointed out that the Board of Education's year end numbers are getting closer to actual and can support K. Heckt's conclusion. R. Munroe felt there will be more surplus money around \$100,000 and does not feel the Town is overtaxing. K. Heckt pointed out she feels there will be additional savings if positions cannot be filled. R. Lally stated the report is through the end of March and there are three months left in the fiscal year. A. Gordon suggested it might be helpful to provide the remaining balance until the end of the year to also include a percentage of the remaining budget. R. Lally also suggested that the Town provide the same information by month.

4b. Tax Collection Summary

J. Rupert reported that the information has not changed for the last couple of meetings as tax collections are on point and meet expectations. The Committee would like J. Collins to

update the monthly revenue statement to include the revised revenues discussed at the last meeting. R. Munroe asked K. Heckt if the ECS monies are on target, to which she replied it is the number. R. Munroe expressed caution budgeting income interest for next year's budget due to the economic situation and suggested a \$460,000 budget amount. The Committee asked J. Collins for a copy of the contract that the Town has with the partner bank so the Committee can understand what the projected interest amounts are going to be next fiscal year. R. Lally suggested the banking partner could attend a future meeting to get their idea of the forecast of interest rates.

4c. Town Update

J. Rupert reported the only account of concern at this point is waste collection and the Committee will see that money has been moved around in next month's meeting. R. Lally reported there will be an increase in the Registrar's budget due to early voting. R. Munroe asked J. Rupert if they will be able to still cover waste collection fees after moving money around. J. Rupert replied yes.

4d. Other

None.

5. Ongoing Business

5a. Discussion of FY2024 Budgets (expenditures & revenues)

R. Lally announced the FY2025 Budget must be filed with the Town Clerk by April 26, 2024.

5b. Discussion of FY2025 Budgets (expenditures & revenues)

A. Gordon discussed her attempt to determine the mill rate for the next fiscal year and displayed her spreadsheet. K. Heckt shared Board of Education's budget could be reduced \$30,563 that the Committee could reduce their budget right now. The Committee discussed the FY2025 revenue budget and inserted projected revenue amounts. A. Gordon stated she had originally projected a 36.22 mill rate for next year, but with these changes it is now a 35.20 mill rate, which is a change of 8.62. K. Heckt asked if these numbers include any estimate on the unaudited budget numbers that were given back at the end of last fiscal year. R. Munroe stated that information needs to be shared with the Committee. A. Gordon shared the additional surplus amount of \$1.157 million that can be added to the budget. R. Munroe pointed out that money is needed for construction and suggested a construction/capital improvement fund. R. Murro suggested increasing the contingency fund. R. Lally stated that the contingency fund could be tweaked to keep the mill rate stable. R. Lally announced that a Special Meeting will be held on Monday, April 22, 2024, to discuss the 2024 and 2025 Budgets. R. Lally suggested adding the contingency but remember that the Committee will need to vote on it.

5c. Discussion of Public Communication/Outreach

A. Gordon reviewed the revised budget presentation that will be used at the Public Hearing and highlighted the changes she made since the last meeting. A. Gordon discussed the One Pager information that will be shared with the community. R. Lally suggested adding

information on the mill rate on the One Pager and Presentation. R. Lally asked J. Rupert and K. Heckt if they were comfortable with the general message and approach. J. Rupert and K. Heckt replied yes. K. Heckt suggested that bullet points be added to the Board of Education's Increase Maintenance and Operations page. A. Gordon shared the Budget page on the Town's website K. Heckt asked what the plan would be if the Finance Director was unable to attend Monday's meeting. R. Lally shared his concerns about the lack of back-up when the Finance Director is not available and felt the Selectmen should consider. J. Rupert stated there is no one on staff that can fill in for the Finance Director. R. Lally stated this is a scary situation when working on the budget. J. Rupert clarified that there are staff who could fill in but might not have sufficient knowledge to aid the Committee. The committee applauded A. Gordon for her hard work on the budget and presentations.

6. New Business

6a. Discussion and Action: Annual Transfer to Suspense

R. Munroe MOVED to approve the annual transfer of funds to Suspense as requested. A. Gordon SECONDED. MOTION CARRIED 6:0:0.

6. Adjournment: R. Morra MOVED to adjourn the meeting at 8:48 p.m. A. Gordon SECONDED. MOTION CARRIED 6:0:0.

Respectfully submitted by Mary J. Johnston

Mary J. Johnston

PLEASE SEE THE MINUTES OF SUBSEQUENT MEETINGS FOR CORRECTIONS TO THESE MINUTES AND ANY CORRECTIONS HERETO.

SEE ATTACHMENTS UNDER SEPARATE COVER.

**Town of Bolton, Connecticut
Finance Committee
Budget Calendar
FY2025 Budget Calendar**

- 3/15/24 Board of Education and Board of Selectmen Budgets Due to Finance Committee**
- 3/21/24 Finance Committee Regular Meeting – Including Board of Education presentation on FY2025 Budget and Board of Selectmen presentation FY2025 General Government, Capital & Debt Budgets Budget – Location Town Hall 7:15 PM
- 4/3/23 Finance Committee Special Meeting – Budget Discussion (If necessary) **(THIS IS A WEDNESDAY)**
Location: Town Hall 7:15 PM
- 4/8-4/12/24 Bolton Public Schools Spring Recess
- 4/18/24 Finance Committee Regular Meeting – Including Budget Discussion – Location: Town Hall 7:15 PM
- 4/22/24 **Finance Committee Meeting (if needed) – Budget Discussion– Location: Town Hall 7:15 PM**
- 4/26/24 **Budget Filed with Town Clerk (5 days prior to Public Hearing)**
- 4/26/24 **Public Notice Issued (5 days prior to Public Hearing)**
- 4/30/24 **Public Hearing/Finance Committee Special Meeting (if necessary)**
Time: 7:15 PM (THIS IS A TUESDAY) (Must be completed by May 1, 2024 by Charter)
Location: Town Hall
- 5/2/24 **Finance Committee Special Meeting – Budget Adoption (Must adopt the budget on or before 5/10/24 by Charter)**
- 5/16/24 Finance Committee Regular Meeting
- 5/17/24 **Budget Filed with Town Clerk (5 days Prior to Referendum)**
- 5/17/24 **Budget Question Due to Town Clerk (5 days prior referendum)**
- 5/21/24 **Budget Referendum**

Town of Bolton

RFP for Audit Services

April 26, 2024
11:05 am

In attendance: Ross Lally, Kathy McCavanagh

1. Town Audit by Stephen Hopkins

FY: 2024	\$25,000
FY: 2025	\$25,000
FY 2026:	\$27,500
FY:2027	\$27,500

2. BLRWPCA Audit by Stephen Hopkins

FY: 2024	\$5,500
FY: 2025	\$5,500
FY 2026:	\$6,000
FY:2027	\$6,000

Town of Bolton, Connecticut

Proposal for Annual
Financial Statement Audits

Stephen T. Hopkins, CPA, PC

Auditing , Accounting , and Consulting Services

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Stephen T. Hopkins, CPA, PC

Auditing, Accounting, and Consulting Services

214 Holmes Road / Scarborough, Maine 04074 / Phone: (207) 885 - 5038 / Fax: (207) 470 - 5050

March 27, 2024

Town of Bolton
Mr. Ross Lally, Chairman
Finance Committee
Town of Bolton
c/o Mr. James Rupert
Town Administrator
Town of Bolton
222 Bolton Center Road
Bolton, Connecticut 06043

Dear Mr. Lally:

In response to your recent request for proposal for the annual audits of the financial statements of the Town of Bolton for the fiscal years ending June 30, 2024 through 2027, please find enclosed my proposal as outlined in the table of contents. My total proposed auditing fee for the aforementioned fiscal year ends can be found in total on page 2 and as broken out in more detail on page 8. Based on the information available for the Town in relation to its level of federal funding and in turn federal expenditures, it is not anticipated that a federal single audit will be required for the Town for each of the fiscal year ends covered by this proposal. As such, the cost for a federal single audit has not been included in the total auditing fees shown on page 2. However, an amount has been included on page 8 if a federal single audit should become necessary for any of the fiscal years covered by this proposal.

My firm is small but I pride myself on the quality of work performed and the level of customer service I provide. I believe that my municipal experience and municipal references as shown on page 3 of this proposal as well as my specialized knowledge of municipal audit reporting requirements also described on page 3 make me an excellent choice. In addition to my qualifications, I assure the Town that I can meet the deadline requirements as set forth within this proposal given that accurate and timely information is provided by the Town as requested. Within a very competitive auditing industry, I believe that the above mentioned experience and references along with the detailed audit plan described on pages 10 and 11 make my proposal the best for the Town of Bolton.

If you have any questions regarding any of the items contained within this proposal or if you need any additional information, please do not hesitate to call.

I would like to thank you for your consideration and I look forward to the opportunity of continuing to serve as the auditor for the Town of Bolton and performing any other related services which may be necessary.

Sincerely,

Stephen T. Hopkins

Stephen T. Hopkins, CPA
President

TOWN OF BOLTON, CONNECTICUT
REQUEST FOR PROPOSALS

Town Audit Services
Fiscal Year 2024, 2025, 2026 and 2027

BID FORM

Name of accounting firm: Stephen T. Hopkins, CPA, PC

Address. 214 Holmes Road
Scarborough, Maine 04074

Telephone: (207) 885 - 5038

The following bid is submitted in response to the request for proposals for the (4) year audit period as follows. Additional work outside of the scope of the audit would be performed at \$125 per hour plus lodging if necessary and travel time at one half this hourly rate. Please note that the bid form including more detailed information can be found on page 8 of this proposal.

Bid Amount FY 2024: \$25,000

Bid Amount FY 2025: \$25,000

Bid Amount FY 2026: \$27,500

Bid Amount FY 2027: \$27,500

Signature: *Stephen J. Hopkins*

Printed name of above: Stephen T. Hopkins, CPA

Date: 03/27/24

Stephen T. Hopkins

Certified Public Accountant, PC

Municipal audit experience

The firm of Stephen T. Hopkins, CPA, PC (the firm) was established by Stephen T. Hopkins, CPA in June of 2000. The firm specializes in auditing and accounting services for governmental and nonprofit organizations. Prior to the establishment of my own firm, I worked for five years at a firm which also specialized in auditing and accounting services for governmental and nonprofit organizations. The following is a partial list of governmental organizations and the level of responsibility committed to each organization by myself for the years listed:

Full responsibility for all auditing and financial statement procedures and preparation:

Town of Bolton, Connecticut (6/30)	2008 through 2023
Town of Hampton, Connecticut (6/30)	2015 through 2023
Town of Machiasport, Maine (6/30)	2000 through 2023
AOS 96 (6/30)	2011 through 2023
Town of Eastford, Connecticut (6/30)	2023

Governmental references:

Town of Bolton, Connecticut Ms. Jill Collins <i>Finance Director</i>	Telephone: (860) 649 - 7780
Town of Hampton, Connecticut Mr. Allan Cahill <i>First Selectman</i>	Telephone: (860) 455 - 9132
Town of Machiasport, Maine Ms. Marcia Hayward <i>Town Clerk</i>	Telephone: (207) 255 - 4516
AOS 96 Ms. Amanda Sprague <i>Business Manager</i>	Telephone: (207) 255 - 6585
Town of Eastford, Connecticut Ms. Deb Richards <i>First Selectman</i>	Telephone: (860) 974 - 0133

Specialized knowledge of municipal audit reporting requirements:

The firm has been a Member of the Special Review Committee of the Government Finance Officers Association which awards governmental organizations with certificates of achievement for reporting excellence through their preparation of a Comprehensive Annual Financial Report (CAFR). Through this review process it is determine whether the governmental organization has prepared it's audited financial statements in accordance with generally accepted accounting principles. We believe that this position has benefitted us in assisting in the preparation of the most comprehensive and accurate audited financial statements as required for our clients.

Stephen T. Hopkins

Certified Public Accountant, PC

Staffing and qualifications

Audit staffing:

The audit will be staffed by Stephen T. Hopkins, CPA. The qualifications of Stephen T. Hopkins, CPA are as follows.

Staff qualifications:

License: Licensed Certified Public Accountant - State of Maine - License # CP2718
Licenced Certified Public Accountant - State of Connecticut - Licence # 10837

Education: B.S. in Business Administration, May 1993
Concentration in Accounting
University of Maine

Related experience:

06/00 - Present **Stephen T. Hopkins, CPA, PC** Scarborough, Maine **President**

- Responsible for all aspects of the operation of the accounting firm including compliance with state and federal regulations, generally accepted accounting principles issued by the Government Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB) and all other authoritative branches thereof as well as standards and regulations issued by the Comptroller General of the United States and the U.S. Office of Management and Budget (OMB).
- Responsible for the audit and preparation of financial statements in accordance with the above mentioned rules, regulations and standards.
- Responsible for accounting and consulting services for governmental, nonprofit and for profit clients.

1997 - 05/00 **Ron L. Beaulieu & Company** Portland, Maine **Manager - Senior Accountant**

- Responsible for the preparation of audited financial statements in accordance with Generally Accepted Accounting Principles.
- Responsible for specific accounting and consulting services for governmental and nonprofit clients.
- Responsible for managing the audits and reviewing the final audited financial statements for governmental and nonprofit clients with annual budgets ranging from \$3 - \$50 million.
- Responsible for reviewing the annual year end financial reports submitted to the State of Maine for several School Districts as well as School Departments.
- Responsible for the study and implementation of Government Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".
- Responsible for overseeing compliance requirements of governmental and nonprofit clients in accordance with OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" as well as the Single Audit Act Amendments of 1996.

1996 - 1997 **Ron L. Beaulieu & Company** Portland, Maine **Staff Accountant**

- Responsible for all aspects of financial statement audits including but not limited to the following :
 - Planning audit procedures as well as preparing audit programs.
 - Tying out client balance sheet accounts as well as preparing necessary year end adjustments as well as other necessary audit adjustments.
 - All aspects of compliance in accordance with OMB Circular A-133.

Stephen T. Hopkins

Certified Public Accountant, PC

Staffing and qualifications (continued)

Computer experience:

- Accounting software programs - Advanced Data, Phoenix systems, TRIO, Quickbooks and Quicken.
- Word processing and spreadsheet programs - Corel Wordperfect 9.0, Microsoft Word 2003, Microsoft Excel 2003, AICPA - Automated Trial Balance.

Professional associations:

- Member of the American Institute of Certified Public Accountants.

Continuing professional education:

- All continuing professional education requirements as prescribed by the State of Maine Board of Accountancy, the State of Connecticut Board of Accountancy, the American Institute of Certified Public Accountants and as contained in *Government Auditing Standards* issued by the Comptroller General of the United States are met on an annual basis.

Service capabilities:

The firm has performed auditing, accounting and consulting services for governmental and nonprofit organizations as well as individuals and corporations. A more specific description of the major types of services provided for the aforementioned client types is as follows:

- The firm has performed the following types of engagements on financial statements:
 - Audits, reviews, and compilations.
- The firm assists with the preparation of the financial statements for the above mentioned types of engagements.
- The firm performs compliance testing in accordance with the following federal and state guidelines:
 - *Government Auditing Standards*.
 - Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
 - State of Connecticut - State Single Audit Act (C.G.S Sections 4-230 to 236).
- The firm has performed a number of different types of accounting services including but not limited to the following:
 - Account reconciliations.
 - Assistance with the development and implementation of chart of accounts.
 - Assistance with the development and implementation of internal control policies and procedures.
- The firm has prepared and/or assists in the preparation of the following special reports and/or returns:
 - State of Connecticut form EFS/ED001 report and review package as required by State Statute.
 - State of Connecticut Office of Policy and Management Municipal Audit Questionnaire as required by State Statute.
 - State of Maine Department of Audit Governmental Audit Procedural Form as required by State Statute.
 - State of Maine Department of Education Private School Audit Procedural Form as required by State Statute.
 - Nonprofit tax reporting forms including but not limited to Form 990 and Form 990-T.
 - Indirect cost proposals as prescribed by U.S. Office of Management and Budget Circular A-122.

Stephen T. Hopkins

Certified Public Accountant, PC

Firm profile

History:

The firm of Stephen T. Hopkins, CPA, PC (the firm) was established by Stephen T. Hopkins, CPA in June of 2000. The firm is licensed by the State of Maine Department of Professional & Financial Regulation Board of Accountancy to practice in the State of Maine. The Maine firm licence number is FM10000808. The firm is also licensed by the State of Connecticut Board of Accountancy to practice in the State of Connecticut. The Connecticut firm licence number is # 3697.

Organizational structure:

The firm was established and operates as a professional corporation. Audit opinions are issued by Stephen T. Hopkins, CPA. Professional auditing, accounting and consulting services are provided by Stephen T. Hopkins, CPA. Office support is provided at this time by one part time secretary as needed.

Organizational size:

The firm is considered a small business firm as defined by the Small Business Administration. The intention of the firm is to continue it's status as a small business in order to continue to better serve the smaller businesses and communities throughout Maine and Connecticut.

Quality control:

As a member of the American Institute of Certified Public Accountants (AICPA) the firm has chosen to enroll in the AICPA Peer Review Program. The firm is a member of the New England Peer Review (NEPR) which is a consortium of the four states of Maine, New Hampshire, Rhode Island and Vermont that have joined together in an effort to administer the AICPA Peer Review Program on a regional basis. NEPR currently has a membership in excess of 650 firms. Under this program the firm is required to be audited at least once every three years by another firm of similar size, and who is independent of the firm. Our most recent peer review report was issued for the firm year ended May 31, 2021 and received a peer review rating of pass.

The firm requires that all audits be performed in accordance with generally accepted auditing standards and, when applicable, with *Government Auditing Standards* as well as the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as well as the *OMB Compliance Supplement*. The firm also requires that all financial statements for which assistance is provided be prepared in accordance with generally accepted accounting principles. Once assistance has been provided with the preparation of a set of financial statements, the completed set of financial statements is reviewed using the Practitioners Publishing Company disclosure checklist for Governmental audit engagements to ensure the financial statements contain all of the information required for them to be in accordance with generally accepted accounting principles. Reference is also made to the AICPA quality review checklist for Governmental audit engagements when deemed necessary.

Firm insurance:

The office of the firm is covered by insurance as well as professional liability insurance for any damages which may result from the performance of professional services. The firm also meets the requirements of workers compensation insurance coverage as may be required by state and federal regulations. A copy of the current firm professional liability insurance binder will be supplied upon request. Individual clients of the firm are not named as additionally insured on any of the aforementioned forms of insurance due to the fact that it has not been deemed necessary or required by any applicable laws, rules or regulations.

Stephen T. Hopkins

Certified Public Accountant, PC

Auditing timetable

Engagement fieldwork:

The first week of the engagement fieldwork for the first fiscal year covered by this proposal to be completed at the clients office would be scheduled for approximately the week of September 30, 2024 or any week thereafter agreeable with the client and the firm. A final adjusted summary and detail trial balance from the Town and the School must be received at least two weeks prior to scheduling the first week of the engagement fieldwork. The firm may request items other than the final adjusted trial balances prior to the first week of engagement fieldwork in order to have adequate backup documentation for activities and balances contained on the final adjusted trial balances which may have occurred or were present prior to the first fiscal year covered by this proposal. Preliminary fieldwork at the clients office may be completed prior to this date upon the mutual agreement and scheduling of the firm and the client. A second week of the engagement fieldwork will be scheduled, if necessary, after the completion of the first week based on the amount of work remaining and the schedule of the firm and the client. The engagement fieldwork to be completed at the firms office will be completed during the weeks following the completion of fieldwork at the clients office. Subsequent fiscal year engagements will include similar scheduling dates as agreed upon with the firm and the client.

Audited financial statements:

A draft copy of the audited financial statements will be delivered to the client no later than Friday November 29, 2024. It will be the responsibility of the client to review these financial statements and accept them by signing a draft acceptance letter along with an audit adjustment acceptance letter and a grouping schedules acceptance letter. The final copies of the audited financial statements will be delivered to the client no later than Friday December 20, 2024 upon receipt of a signed copy of the draft acceptance letter, audit adjustment acceptance letter, grouping schedules acceptance letter and management representation letter all signed by authorized officials of the Town and School as applicable and any other outstanding audit related items. The following items and quantities will be provided to the client upon the completion of the above mentioned items. It will be the responsibility of the client to distribute the appropriate copies of the items listed below to the appropriate parties.

- 1 - State compliance audit - 25 bound copies and 1 electronic Adobe PDF format copy
- 2 - Management letter (if applicable) - 15 copies
- 3 - EFS review report to the Board of Education - 10 copies
- 4 - Connecticut State municipal audit questionnaire - 1 copy

The above mentioned due dates are contingent on the fact that the clients books (Town and School) will be in order and that the internal accounts will be complete and in balance. Any delay in receiving accurate data from the client may affect and modify the above due dates and a new set of due dates will need to be agreed upon by the client and the firm. The firm will not be held liable for any delay caused by the client. It is understood that this proposal is for a four year period, however, the audit engagement (once accepted) may be terminated by either party upon submitting a certified written notice dated and mailed within 30 days of the completion of any fiscal year engagement covered by this proposal. It is also understood that the engagement as described in this proposal will not be deemed to have been accepted by the firm until a firm completed engagement letter (covering the first fiscal year of this proposal) is signed and accepted by an authorized official of the client and received by the firm. The firm also reserves the right to withdraw this proposal at any time and for any reason prior to the acceptance of this engagement as described in this proposal. This withdrawal may either be via phone, fax, or written letter as deemed appropriate by the firm.

Additional services:

A draft management letter (if deemed necessary) will be completed and delivered to the client within one month of the completion and acceptance of the final audited financial statements. Within one week of the delivery of a draft management letter (if deemed necessary) a final copy will be sent to the client unless said client contacts the firm with any proposed changes. Since the management letter is a set of opinions of the firm as to perceived benefits to the client, any proposed changes will be discussed by the firm and the client with the final decision being made by the firm as to which comments will or will not be included in the letter. Any additional accounting, consulting and/or other services performed which fall beyond the scope of the audit will be billed at a rate of \$125 per hour. If additional travel is necessary in relation to additional services, travel time will be billed at one-half the aforementioned hourly rate plus any lodging expenses, if necessary. There will never be a charge for simple accounting questions directed by phone. Examples of items that will be considered unrelated to the audit and in turn billed separately from the audit include but are not limited to attendance at any Town related meetings and agreed upon accounting services when requested.

Stephen T. Hopkins

Certified Public Accountant, PC

Auditing costs

Audited financial statements:

The following is a list of the steps that will be taken and the estimated hours and costs necessary for these steps in order to complete your audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 236) as well as to assist in the preparation of your audited financial statements in accordance with generally accepted accounting principles. The steps, estimated hours and an amount have **not** been included in the total auditing fees shown on page 2 or within the detailed break-down shown below for the costs associated with the audit of any determined component units of the Town as a review of the financial statements for the fiscal year ended June 30, 2023 disclosed that the Town had determined that there were no component units present at this time. If an audit of any determined component unit information is requested to be included as part of this auditing engagement, an additional fee estimate for these services would need to be agreed upon by the firm and the client. Based on the information available for the Town in relation to its level of federal funding and in turn federal expenditures, it is not anticipated that a federal single audit will be required for the Town for all of the fiscal year ends covered by this proposal. Therefore, the steps, estimated hours and an amount associated with a federal single audit have **not** been included in the total auditing fees shown on page 2 or within the detailed break-down shown below. However, an amount has been included separately below for the costs that would be associated with a federal single audit should one become necessary for any of the fiscal years covered by this proposal. The following steps will all be performed or supervised and reviewed by Stephen T. Hopkins, CPA.

• Engagement planning	8 hours
• Internal control testing and documentation	14 hours
• Audit of the financial statements	80 hours
• Assisting in the preparation of the financial statements including all required statements and schedules all required note disclosures	45 hours
• Compliance services including required state compliance	16 hours
• Preparation of the EFS report and review package	14 hours
• Completion of quality control review of engagement	<u>8 hours</u>
Total estimated engagement hours	<u><u>185 hours</u></u>

<u>Total proposed auditing fees:</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Town audit	\$ 16,500	\$ 16,500	\$ 18,000	\$ 18,000
Board of Education audit	8,500	8,500	9,500	9,500
Total	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 27,500</u>	<u>\$ 27,500</u>

Additional services if necessary:

Federal single audit (see below)	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
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If a Federal Single Audit in accordance with the Single Audit Act Amendments of 1996, the Uniform Guidance and all other Federal Single Audit guidelines, rules and regulations becomes necessary, a new fee estimate will need to be agreed upon between the firm and the client. The estimated costs of a Federal Single Audit will depend on the number of federal programs which need to be tested and reported within the financial statements. The estimated costs of a Federal Single Audit will at no time be less than \$2,500.

Stephen T. Hopkins

Certified Public Accountant, PC

Auditing costs (continued)

Billing schedule:

Our invoices for these fees will be rendered as work progresses no more frequently than on a biweekly basis and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. All outstanding progress bills must be paid by the client before a draft copy of the audited financial statements as well as the final copies of the audited financial statements are forwarded to the client by the firm. Exceptions to this policy may be made by the firm at the discretion of the firm. The firm will not be held liable if any deadlines are not met due to non payment by the client.

Significant adjustments and changes in the reporting entity and the proposed fees:

The estimated hours and costs as listed on the previous page are based on the fact that the clients books (Town and School) will be in order and that the internal accounts will be complete and in balance as of the end of each fiscal year covered by this proposal. If a significant number of adjustments are necessary in order for the financial statements to present fairly, in all material respects, the financial position of the client in conformity with generally accepted accounting principles, the Town will be informed of the need for these additional adjustments and given the opportunity to perform the research to determine the adjustments necessary to correct the applicable balances. The firm can perform the necessary research and determine the adjustments necessary upon the request of the client. These additional services would be charged for at the firms standard hourly rate of \$125 per hour. No additional fees for these additional services would be incurred by the firm without a request and the prior approval of the client.

The estimated hours and costs as listed on the previous page are based on the reporting entity and its' specific departments as of June 30, 2023 per the audited financial statements as filed on the State of Connecticut Office of Policy and Management Electronic Audit Reporting System. If significant changes in the reporting structure were to occur subsequent to the submission and or acceptance of this proposal which causes additional work to become necessary, a new estimate would be prepared by the firm and resubmitted to the client. For any change to be deemed significant, it must cause additional statements, schedules and or special reporting requirements to become necessary whether as a result of changes by the client or reporting changes made necessary by either the Government Accounting Standards Board or the State of Connecticut.

Additional services:

The firm will prepare a management letter (if deemed necessary) outlining certain items of perceived benefit in regard to operational and administrative efficiencies which go beyond the scope and requirements of the audit at no additional fee.

Miscellaneous items:

The audit documentation for this engagement would be the property of Stephen T. Hopkins, CPA, PC and constitutes confidential information. However, pursuant to authority given by laws or regulations, we may be requested to make certain audit documentation available to the Town's cognizant, grantor, or other oversight agencies or its designee, a federal agency providing direct or indirect funding, the U.S. Government Accountability Office or other regulatory agency for the purposes of a quality or peer review of the audit engagement, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under the supervision of Stephen T. Hopkins, CPA, PC personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies. Copies of any audit documentation that constitutes source documentation of the accounts and balances of the Town will be made available to the Town upon request. Upon completion of this auditing engagement and the selection of a subsequent auditor by the Town, the firm will prepare an audit documentation binder relating to the most recent audited fiscal year financial statements. This audit documentation binder will include listings and schedules tying out selected balances within the aforementioned financial statements. In addition, copies of accepted audit adjustments and grouping schedules will be included for the aforementioned fiscal year. Access to internal firm documentation including but not limited to risk assessment workpapers, internal control documentation and audit programs will not be provided. References made within this proposal to the firm are referring to Stephen T. Hopkins, CPA, PC while references made within this proposal to the client are referring to the proposed client relationship between the firm and the Town of Bolton, Connecticut.

Stephen T. Hopkins

Certified Public Accountant, PC

Audit engagement

Audit Scope:

The audit engagement will include the following:

- 1) A pre audit conference by video or by phone with the individual (s) responsible for the accounting records of the Town if deemed necessary or requested by the client.
- 2) The audit of the financial statements in accordance with generally accepted auditing standards.
- 3) The audit of the financial statements in accordance with the provisions of *Government Auditing Standards* and the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) as well as the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) when applicable.
- 4) A post audit conference at the end of the fieldwork or by video or by phone with the individual (s) responsible for the accounting records of the Town if deemed necessary or requested by the client.
- 5) Assistance with the preparation of the financial statements in accordance with generally accepted accounting principles.
- 6) Assistance with the preparation of the required financial statements and preparation of the required reports in accordance with the provisions of *Government Auditing Standards* and the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) as well as the audit requirements of the Uniform Guidance when applicable.
- 7) Preparation of a management letter (if deemed necessary) outlining certain items of perceived benefit in regard to operational and administrative efficiencies which go beyond the scope and requirements of the audit.

Audit Procedures:

The following is a list of the major procedures which will be followed to complete the audit of and assistance with the preparation of the financial statements as listed above in items 2, 3, 5 and 6.

- 2) The audit of the financial statements in accordance with generally accepted auditing standards.
- 3) The audit of the financial statements in accordance with the provisions of *Government Auditing Standards* and the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) as well as the audit requirements of the Uniform Guidance when applicable.

Those standards, as applicable, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Our procedures, as applicable, will include tests of compliance with certain laws, regulations, contracts and grants (major programs), noncompliance with which could have a direct and material effect on the recording and presentation of financial statement amounts and disclosures as required and as deemed necessary. Our procedures will also include tests of the internal control structure over financial reporting as required and as deemed necessary.

Our procedures will also include direct confirmation of certain assets, liabilities and other financial statement information as required and as deemed necessary with selected individuals, creditors, banks, and any other necessary parties. We may request written representations from your attorneys as part of the engagement. At the conclusion of the audit, we will also request certain written representations from you about the financial statements, note disclosures and other related matters in the form of a management representation letter which will be required to be signed by authorized officials of the Town and the School. A separate management representation letter will be required in relation to the School EFS agreed upon procedures engagement.

Stephen T. Hopkins

Certified Public Accountant, PC

Audit engagement (continued)

Audit Procedures (continued):

The standard procedures which will be performed during the audit engagement include but are not limited to the following:

- The determination of a materiality level.
- Obtain and document the internal control structure.
- Performance of required risk assessments.
- Documentation of the evidential matter substantiating the asset and liability balances.
- Confirmation of certain asset and liability balances as deemed necessary.
- Testing of the evidential matter substantiating certain revenue and expenditure/expense balances.
- Testing of certain transactions making up asset, liability, revenue and expenditure/expense balances as deemed necessary.
- Review of the provisions of any contracts which may be present.
- Analytical review procedures as well as the formulation of certain audit conclusions.

The above mentioned procedures are broad and the specific procedures which will be followed are found in the audit programs and checklists utilized by the firm. These audit programs and checklists are supplied and updated for the firm from the Practitioners Publishing Company.

- 5) Assistance in the preparation of the financial statements in accordance with generally accepted accounting principles.
- 6) Preparation of the financial statements in accordance with the provisions of *Government Auditing Standards* and the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) as well as the Single Audit Act Amendments of 1996 and the Uniform Guidance when applicable.

Assistance will be provided to ensure that the financial statements and any supplemental information are prepared from the internal financial statements as of the end of each fiscal year covered by this proposal. The financial statements will be prepared in accordance with generally accepted accounting principles and will include all required reports and footnote disclosures. Should any required information or necessary proposed adjustments be excluded based on a decision made by management or a scope limitation, then the auditors report may be adjusted or modified as deemed necessary to reflect this or these exclusions.

The financial statements will contain all of the reports and supplemental schedules as required by *Government Auditing Standards* and the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236). If a federal single audit is deemed necessary, the financial statements will also contain all of the reports and supplemental schedules as required by the Single Audit Act Amendments of 1996 and the Uniform Guidance as applicable.

Once the financial statements have been completed, Practitioners Publishing Company disclosure checklist for Governmental audit engagements will be completed to determine whether the financial statements contain all of the information required in accordance with generally accepted accounting principles.

Audit Sampling:

Audit sampling will be performed in accordance with the applicable Statements of Auditing Standards as issued by the AICPA which establishes several specific requirements that apply whenever an auditor uses audit sampling, statistical or non statistical. Audit sampling is defined as the application of an audit procedure to less than 100 percent of the items within an account balance or class of transactions for the purpose of evaluating some characteristic of the balance or class.

The firm utilizes standardized forms as provided by the Practitioners Publishing Company to determine the extent of sampling which is necessary in the certain situation as well as the appropriate sample size to be used to be representative of the population. Once the appropriate sampling size has been determined, the firm will use either the haphazard, random or systematic approach to select the transactions for testing.

*Bolton Lakes Regional
Water Pollution Control Authority*

Proposal for Annual
Financial Statement Audits

Stephen T. Hopkins, CPA, PC

Auditing , Accounting , and Consulting Services

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Stephen T. Hopkins, CPA, PC

Auditing, Accounting, and Consulting Services

214 Holmes Road / Scarborough, Maine 04074 / Phone: (207) 885 - 5038 / Fax: (207) 470 - 5050

March 27, 2024

Bolton Lakes Regional Water
Pollution Control Authority
Mr. Ross Lally, Chairman
Finance Committee
Town of Bolton
c/o Mr. James Rupert
Town Administrator
Town of Bolton
222 Bolton Center Road
Bolton, Connecticut 06043

Dear Mr. Lally:

In response to your recent request for proposal for the annual audits of the financial statements of the Bolton Lakes Regional Water Pollution Control Authority (the Authority) for the fiscal years ending June 30, 2024 through 2027, please find enclosed my proposal as outlined in the table of contents. My total proposed auditing fee for the aforementioned fiscal year ends can be found in total on page 2 and as broken out in more detail on page 8. Based on the information available for the Authority in relation to its level of state and federal funding and in turn state and federal expenditures, it is not anticipated that either a state or federal single audit will be required for the Authority for any of the fiscal year ends covered by this proposal. As such, the cost for a state and federal single audit has not been included in the total auditing fees shown on page 2. However, amounts have been included on page 8 if either a state or federal single audit should become necessary for any of the fiscal years covered by this proposal.

My firm is small but I pride myself on the quality of work performed and the level of customer service I provide. I believe that my municipal experience and municipal references as shown on page 3 of this proposal as well as my specialized knowledge of municipal audit reporting requirements also described on page 3 make me an excellent choice. In addition to my qualifications, I assure the Authority that I can meet the deadline requirements as set forth within this proposal given that accurate and timely information is provided by the Authority as requested. Within a very competitive auditing industry, I believe that the above mentioned experience and references along with the detailed audit plan described on pages 10 and 11 make my proposal the best for the Authority.

If you have any questions regarding any of the items contained within this proposal or if you need any additional information, please do not hesitate to call.

I would like to thank you for your consideration and I look forward to the opportunity of continuing to serve as the auditor for the Authority and performing any other related services which may be necessary.

Sincerely,

Stephen T. Hopkins

Stephen T. Hopkins, CPA
President

**BOLTON LAKES REGIONAL WATER POLLUTION CONTROL AUTHORITY
REQUEST FOR PROPOSALS**

**Authority Audit Services
Fiscal Year 2024, 2025, 2026 and 2027**

BID FORM

Name of accounting firm: Stephen T. Hopkins, CPA, PC

Address. 214 Holmes Road
Scarborough, Maine 04074

Telephone: (207) 885 - 5038

The following bid is submitted in response to the request for proposals for the (4) year audit period as follows. Additional work outside of the scope of the audit would be performed at \$125 per hour plus lodging if necessary and travel time at one half this hourly rate. Please note that the bid form including more detailed information can be found on page 8 of this proposal.

Bid Amount FY 2024: \$5,500

Bid Amount FY 2025: \$5,500

Bid Amount FY 2026: \$6,000

Bid Amount FY 2027: \$6,000

Signature: *Stephen J. Hopkins*

Printed name of above: Stephen T. Hopkins, CPA

Date: 03/27/24

Stephen T. Hopkins

Certified Public Accountant, PC

Municipal audit experience

The firm of Stephen T. Hopkins, CPA, PC (the firm) was established by Stephen T. Hopkins, CPA in June of 2000. The firm specializes in auditing and accounting services for governmental and nonprofit organizations. Prior to the establishment of my own firm, I worked for five years at a firm which also specialized in auditing and accounting services for governmental and nonprofit organizations. The following is a partial list of governmental organizations and the level of responsibility committed to each organization by myself for the years listed:

Full responsibility for all auditing and financial statement procedures and preparation:

Town of Bolton, Connecticut (6/30)	2008 through 2023
Town of Hampton, Connecticut (6/30)	2015 through 2023
Town of Machiasport, Maine (6/30)	2000 through 2023
AOS 96 (6/30)	2011 through 2023
Town of Eastford, Connecticut (6/30)	2023

Governmental references:

Town of Bolton, Connecticut Ms. Jill Collins <i>Finance Director</i>	Telephone: (860) 649 - 7780
Town of Hampton, Connecticut Mr. Allan Cahill <i>First Selectman</i>	Telephone: (860) 455 - 9132
Town of Machiasport, Maine Ms. Marcia Hayward <i>Town Clerk</i>	Telephone: (207) 255 - 4516
AOS 96 Ms. Amanda Sprague <i>Business Manager</i>	Telephone: (207) 255 - 6585
Town of Eastford, Connecticut Ms. Deb Richards <i>First Selectman</i>	Telephone: (860) 974 - 0133

Specialized knowledge of municipal audit reporting requirements:

The firm has been a Member of the Special Review Committee of the Government Finance Officers Association which awards governmental organizations with certificates of achievement for reporting excellence through their preparation of an Annual Comprehensive Financial Report. Through this review process it is determine whether the governmental organization has prepared it's audited financial statements in accordance with generally accepted accounting principles. We believe that this position has benefitted us in assisting in the preparation of the most comprehensive and accurate audited financial statements as required for our clients.

Stephen T. Hopkins

Certified Public Accountant, PC

Staffing and qualifications

Audit staffing:

The audit will be staffed by Stephen T. Hopkins, CPA. The qualifications of Stephen T. Hopkins, CPA are as follows.

Staff qualifications:

License: Licensed Certified Public Accountant - State of Maine - License # CP2718
Licenced Certified Public Accountant - State of Connecticut - Licence # 10837

Education: B.S. in Business Administration, May 1993
Concentration in Accounting
University of Maine

Related experience:

06/00 - Present **Stephen T. Hopkins, CPA, PC** Scarborough, Maine **President**

- Responsible for all aspects of the operation of the accounting firm including compliance with state and federal regulations, generally accepted accounting principles issued by the Government Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB) and all other authoritative branches thereof as well as standards and regulations issued by the Comptroller General of the United States and the U.S. Office of Management and Budget (OMB).
- Responsible for the audit and preparation of financial statements in accordance with the above mentioned rules, regulations and standards.
- Responsible for accounting and consulting services for governmental, nonprofit and for profit clients.

1997 - 05/00 **Ron L. Beaulieu & Company** Portland, Maine **Manager - Senior Accountant**

- Responsible for the preparation of audited financial statements in accordance with Generally Accepted Accounting Principles.
- Responsible for specific accounting and consulting services for governmental and nonprofit clients.
- Responsible for managing the audits and reviewing the final audited financial statements for governmental and nonprofit clients with annual budgets ranging from \$3 - \$50 million.
- Responsible for reviewing the annual year end financial reports submitted to the State of Maine for several School Districts as well as School Departments.
- Responsible for the study and implementation of Government Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".
- Responsible for overseeing compliance requirements of governmental and nonprofit clients in accordance with OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" as well as the Single Audit Act Amendments of 1996.

1996 - 1997 **Ron L. Beaulieu & Company** Portland, Maine **Staff Accountant**

- Responsible for all aspects of financial statement audits including but not limited to the following :
 - Planning audit procedures as well as preparing audit programs.
 - Tying out client balance sheet accounts as well as preparing necessary year end adjustments as well as other necessary audit adjustments.
 - All aspects of compliance in accordance with OMB Circular A-133.

Stephen T. Hopkins

Certified Public Accountant, PC

Staffing and qualifications (continued)

Computer experience:

- Accounting software programs - Advanced Data, Phoenix systems, TRIO, Quickbooks and Quicken.
- Word processing and spreadsheet programs - Corel Wordperfect 9.0, Microsoft Word 2003, Microsoft Excel 2003, AICPA - Automated Trial Balance.

Professional associations:

- Member of the American Institute of Certified Public Accountants.

Continuing professional education:

- All continuing professional education requirements as prescribed by the State of Maine Board of Accountancy, the State of Connecticut Board of Accountancy, the American Institute of Certified Public Accountants and as contained in *Government Auditing Standards* issued by the Comptroller General of the United States are met on an annual basis.

Service capabilities:

The firm has performed auditing, accounting and consulting services for governmental and nonprofit organizations as well as individuals and corporations. A more specific description of the major types of services provided for the aforementioned client types is as follows:

- The firm has performed the following types of engagements on financial statements:
 - Audits, reviews, and compilations.
- The firm assists with the preparation of the financial statements for the above mentioned types of engagements.
- The firm performs compliance testing in accordance with the following federal and state guidelines:
 - *Government Auditing Standards*.
 - Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
 - State of Connecticut - State Single Audit Act (C.G.S Sections 4-230 to 236).
- The firm has performed a number of different types of accounting services including but not limited to the following:
 - Account reconciliations.
 - Assistance with the development and implementation of chart of accounts.
 - Assistance with the development and implementation of internal control policies and procedures.
- The firm has prepared and/or assists in the preparation of the following special reports and/or returns:
 - State of Connecticut form EFS/ED001 report and review package as required by State Statute.
 - State of Connecticut Office of Policy and Management Municipal Audit Questionnaire as required by State Statute.
 - State of Maine Department of Audit Governmental Audit Procedural Form as required by State Statute.
 - State of Maine Department of Education Private School Audit Procedural Form as required by State Statute.
 - Nonprofit tax reporting forms including but not limited to Form 990 and Form 990-T.
 - Indirect cost proposals as prescribed by U.S. Office of Management and Budget Circular A-122.

Stephen T. Hopkins

Certified Public Accountant, PC

Firm profile

History:

The firm of Stephen T. Hopkins, CPA, PC (the firm) was established by Stephen T. Hopkins, CPA in June of 2000. The firm is licensed by the State of Maine Department of Professional & Financial Regulation Board of Accountancy to practice in the State of Maine. The Maine firm licence number is FM10000808. The firm is also licensed by the State of Connecticut Board of Accountancy to practice in the State of Connecticut. The Connecticut firm licence number is # 3697.

Organizational structure:

The firm was established and operates as a professional corporation. Audit opinions are issued by Stephen T. Hopkins, CPA. Professional auditing, accounting and consulting services are provided by Stephen T. Hopkins, CPA. Office support is provided at this time by one part time secretary as needed.

Organizational size:

The firm is considered a small business firm as defined by the Small Business Administration. The intention of the firm is to continue it's status as a small business in order to continue to better serve the smaller businesses and communities throughout Maine and Connecticut.

Quality control:

As a member of the American Institute of Certified Public Accountants (AICPA) the firm has chosen to enroll in the AICPA Peer Review Program. The firm is a member of the New England Peer Review (NEPR) which is a consortium of the four states of Maine, New Hampshire, Rhode Island and Vermont that have joined together in an effort to administer the AICPA Peer Review Program on a regional basis. NEPR currently has a membership in excess of 650 firms. Under this program the firm is required to be audited at least once every three years by another firm of similar size, and who is independent of the firm. Our most recent peer review report was issued for the firm year ended May 31, 2021 and received a peer review rating of pass.

The firm requires that all audits be performed in accordance with generally accepted auditing standards and, when applicable, with *Government Auditing Standards* as well as the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as well as the *OMB Compliance Supplement*. The firm also requires that all financial statements for which assistance is provided be prepared in accordance with generally accepted accounting principles. Once assistance has been provided with the preparation of a set of financial statements, the completed set of financial statements is reviewed using the Practitioners Publishing Company disclosure checklist for Governmental audit engagements to ensure the financial statements contain all of the information required for them to be in accordance with generally accepted accounting principles. Reference is also made to the AICPA quality review checklist for Governmental audit engagements when deemed necessary.

Firm insurance:

The office of the firm is covered by insurance as well as professional liability insurance for any damages which may result from the performance of professional services. The firm also meets the requirements of workers compensation insurance coverage as may be required by state and federal regulations. A copy of the current firm professional liability insurance binder will be supplied upon request. Individual clients of the firm are not named as additionally insured on any of the aforementioned forms of insurance due to the fact that it has not been deemed necessary or required by any applicable laws, rules or regulations.

Stephen T. Hopkins

Certified Public Accountant, PC

Auditing timetable

Engagement fieldwork:

The first week of the engagement fieldwork for the first fiscal year covered by this proposal to be completed at the clients office would be scheduled for approximately the week of **September 30, 2024** or any week thereafter agreeable with the client and the firm. A final adjusted summary and detail trial balance from the Authority must be received at least two weeks prior to scheduling the first week of the engagement fieldwork. The firm may request items other than the final adjusted trial balances prior to the first week of engagement fieldwork in order to have adequate backup documentation for activities and balances contained on the final adjusted trial balances which may have occurred or were present prior to the first fiscal year covered by this proposal. Preliminary fieldwork at the clients office may be completed prior to this date upon the mutual agreement and scheduling of the firm and the client. A second week of the engagement fieldwork will be scheduled, if necessary, after the completion of the first week based on the amount of work remaining and the schedule of the firm and the client. The engagement fieldwork to be completed at the firms office will be completed during the weeks following the completion of fieldwork at the clients office. Subsequent fiscal year engagements will include similar scheduling dates as agreed upon with the firm and the client.

Audited financial statements:

A draft copy of the audited financial statements will be delivered to the client no later than **Friday November 29, 2024**. It will be the responsibility of the client to review these financial statements and accept them by signing a draft acceptance letter along with an audit adjustment acceptance letter and a grouping schedules acceptance letter. The final copies of the audited financial statements will be delivered to the client no later than **Friday December 20, 2024** upon receipt of a signed copy of the draft acceptance letter, audit adjustment acceptance letter, grouping schedules acceptance letter and management representation letter all signed by authorized officials of the Authority as applicable and any other outstanding audit related items. The following items and quantities will be provided to the client upon the completion of the above mentioned items. It will be the responsibility of the client to distribute the appropriate copies of the items listed below to the appropriate parties.

- 1 - Audited Financial Statements - 10 bound copies and 1 electronic Adobe PDF format copy
- 2 - Management letter (if applicable) - 15 copies
- 3 - Connecticut State municipal audit questionnaire (if applicable) - 1 copy

The above mentioned due dates are contingent on the fact that the Authority's books will be in order and that the internal accounts will be complete and in balance. Any delay in receiving accurate data from the client may affect and modify the above due dates and a new set of due dates will need to be agreed upon by the client and the firm. The firm will not be held liable for any delay caused by the client. It is understood that this proposal is for a four year period, however, the audit engagement (once accepted) may be terminated by either party upon submitting a certified written notice dated and mailed within 30 days of the completion of any fiscal year engagement covered by this proposal. It is also understood that the engagement as described in this proposal will not be deemed to have been accepted by the firm until a firm completed engagement letter (covering the first fiscal year of this proposal) is signed and accepted by an authorized official of the client and received by the firm. The firm also reserves the right to withdraw this proposal at any time and for any reason prior to the acceptance of this engagement as described in this proposal. This withdrawal may either be via phone, fax, or written letter as deemed appropriate by the firm.

Additional services:

A draft management letter (if deemed necessary) will be completed and delivered to the client within one month of the completion and acceptance of the final audited financial statements. Within one week of the delivery of a draft management letter (if deemed necessary) a final copy will be sent to the client unless said client contacts the firm with any proposed changes. Since the management letter is a set of opinions of the firm as to perceived benefits to the client, any proposed changes will be discussed by the firm and the client with the final decision being made by the firm as to which comments will or will not be included in the letter. Any additional accounting, consulting and/or other services performed which fall beyond the scope of the audit will be billed at a rate of \$125 per hour. If additional travel is necessary in relation to additional services, travel time will be billed at one-half the aforementioned hourly rate plus any lodging expenses, if necessary. There will never be a charge for simple accounting questions directed by phone. Examples of items that will be considered unrelated to the audit and in turn billed separately from the audit include but are not limited to attendance at any Authority related meetings and agreed upon accounting services when requested.

Stephen T. Hopkins

Certified Public Accountant, PC

Auditing costs

Audited financial statements:

The following is a list of the steps that will be taken and the estimated hours and costs necessary for these steps in order to complete your audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 236) as well as to assist in the preparation of your audited financial statements in accordance with generally accepted accounting principles. The steps, estimated hours and an amount have **not** been included in the total auditing fees shown on page 2 or within the detailed break-down shown below for the costs associated with the audit of any determined component units of the Authority as a review of the financial statements for the fiscal year ended June 30, 2023 disclosed that the Authority had determined that there were no component units present at this time. If an audit of any determined component unit information is requested to be included as part of this auditing engagement, an additional fee estimate for these services would need to be agreed upon by the firm and the client. Based on the information available for the Authority in relation to its level of state and federal funding and in turn state and federal expenditures, it is not anticipated that either a state or federal single audit will be required for the Authority for any of the fiscal year ends covered by this proposal. Therefore, the steps, estimated hours and amounts associated with either a state or federal single audit have **not** been included in the total auditing fees shown on page 2 or within the detailed break-down shown below. However, amounts have been included separately below for the costs that would be associated with either a state or federal single audit should one become necessary for any of the fiscal years covered by this proposal. The following steps will all be performed or supervised and reviewed by Stephen T. Hopkins, CPA.

• Engagement planning	5 hours
• Internal control testing and documentation	10 hours
• Audit of the financial statements	20 hours
• Assisting in the preparation of the financial statements including all required statements and schedules all required note disclosures	10 hours
• Compliance services including required state compliance (when applicable) required federal compliance (when applicable)	10 hours
• Completion of quality control review of engagement	5 hours
Total estimated engagement hours	60 hours

Total proposed auditing fees:	2024	2025	2026	2027
Financial statement audit	\$ 5,500	\$ 5,500	\$ 6,000	\$ 6,000

Additional services if necessary:

State single audit (see below)	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Federal single audit (see below)	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500

If a state single audit in accordance with the State Single Audit Act or a federal single audit in accordance with the Single Audit Act Amendments of 1996, the Uniform Guidance and all other Federal Single Audit guidelines, rules and regulations become necessary, a new fee estimate will need to be agreed upon between the firm and the client. The estimated costs of either a state or federal single audit will depend on the number of state or federal programs which need to be tested and reported within the financial statements. The estimated costs of either a state or federal single audit will at no time be less than \$1,500 or \$2,500, respectively.

Stephen T. Hopkins

Certified Public Accountant, PC

Auditing costs (continued)

Billing schedule:

Our invoices for these fees will be rendered as work progresses no more frequently than on a biweekly basis and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. All outstanding progress bills must be paid by the client before a draft copy of the audited financial statements as well as the final copies of the audited financial statements are forwarded to the client by the firm. Exceptions to this policy may be made by the firm at the discretion of the firm. The firm will not be held liable if any deadlines are not met due to non payment by the client.

Significant adjustments and changes in the reporting entity and the proposed fees:

The estimated hours and costs as listed on the previous page are based on the fact that the Authority's books will be in order and that the internal accounts will be complete and in balance as of the end of each fiscal year covered by this proposal. If a significant number of adjustments are necessary in order for the financial statements to present fairly, in all material respects, the financial position of the client in conformity with generally accepted accounting principles, the Authority will be informed of the need for these additional adjustments and given the opportunity to perform the research to determine the adjustments necessary to correct the applicable balances. The firm can perform the necessary research and determine the adjustments necessary upon the request of the client. These additional services would be charged for at the firms standard hourly rate of \$125 per hour. No additional fees for these additional services would be incurred by the firm without a request and the prior approval of the client.

The estimated hours and costs as listed on the previous page are based on the reporting entity and its' specific departments as of June 30, 2023 per the audited financial statements as filed on the State of Connecticut Office of Policy and Management Electronic Audit Reporting System. If significant changes in the reporting structure were to occur subsequent to the submission and or acceptance of this proposal which causes additional work to become necessary, a new estimate would be prepared by the firm and resubmitted to the client. For any change to be deemed significant, it must cause additional statements, schedules and or special reporting requirements to become necessary whether as a result of changes by the client or reporting changes made necessary by either the Government Accounting Standards Board or the State of Connecticut.

Additional services:

The firm will prepare a management letter (if deemed necessary) outlining certain items of perceived benefit in regard to operational and administrative efficiencies which go beyond the scope and requirements of the audit at no additional fee.

Miscellaneous items:

The audit documentation for this engagement would be the property of Stephen T. Hopkins, CPA, PC and constitutes confidential information. However, pursuant to authority given by laws or regulations, we may be requested to make certain audit documentation available to the Authority's cognizant, grantor, or other oversight agencies or its designee, a federal agency providing direct or indirect funding, the U.S. Government Accountability Office or other regulatory agency for the purposes of a quality or peer review of the audit engagement, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under the supervision of Stephen T. Hopkins, CPA, PC personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies. Copies of any audit documentation that constitutes source documentation of the accounts and balances of the Authority will be made available to the Authority upon request. Upon completion of this auditing engagement and the selection of a subsequent auditor by the Authority, the firm will prepare an audit documentation binder relating to the most recent audited fiscal year financial statements. This audit documentation binder will include listings and schedules tying out selected balances within the aforementioned financial statements. In addition, copies of accepted audit adjustments and grouping schedules will be included for the aforementioned fiscal year. Access to internal firm documentation including but not limited to risk assessment workpapers, internal control documentation and audit programs will not be provided. References made within this proposal to the firm are referring to Stephen T. Hopkins, CPA, PC while references made within this proposal to the client are referring to the proposed client relationship between the firm and the Authority.

Stephen T. Hopkins

Certified Public Accountant, PC

Audit engagement

Audit Scope:

The audit engagement will include the following:

- 1) A pre audit conference by video or by phone with the individual (s) responsible for the accounting records of the Authority if deemed necessary or requested by the client.
- 2) The audit of the financial statements in accordance with generally accepted auditing standards.
- 3) The audit of the financial statements in accordance with the provisions of *Government Auditing Standards*, the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as may be applicable.
- 4) A post audit conference at the end of the fieldwork or by video or by phone with the individual (s) responsible for the accounting records of the Authority if deemed necessary or requested by the client.
- 5) Assistance with the preparation of the financial statements in accordance with generally accepted accounting principles.
- 6) Assistance with the preparation of the required financial statements and preparation of the required reports in accordance with the provisions of *Government Auditing Standards*, the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) and the Uniform Guidance as may be applicable.
- 7) Preparation of a management letter (if deemed necessary) outlining certain items of perceived benefit in regard to operational and administrative efficiencies which go beyond the scope and requirements of the audit.

Audit Procedures:

The following is a list of the major procedures which will be followed to complete the audit of and assistance with the preparation of the financial statements as listed above in items 2, 3, 5 and 6.

- 2) The audit of the financial statements in accordance with generally accepted auditing standards.
- 3) The audit of the financial statements in accordance with the provisions of *Government Auditing Standards*, the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) and the audit requirements of the Uniform Guidance as may be applicable.

Those standards, as applicable, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Our procedures, as applicable, will include tests of compliance with certain laws, regulations, contracts and grants (major programs), noncompliance with which could have a direct and material effect on the recording and presentation of financial statement amounts and disclosures as required and as deemed necessary. Our procedures will also include tests of the internal control structure over financial reporting as required and as deemed necessary.

Our procedures will also include direct confirmation of certain assets, liabilities and other financial statement information as required and as deemed necessary with selected individuals, creditors, banks, and any other necessary parties. We may request written representations from your attorneys as part of the engagement. At the conclusion of the audit, we will also request certain written representations from you about the financial statements, note disclosures and other related matters in the form of a management representation letter which will be required to be signed by authorized officials of the Authority.

Stephen T. Hopkins

Certified Public Accountant, PC

Audit engagement (continued)

Audit Procedures (continued):

The standard procedures which will be performed during the audit engagement include but are not limited to the following:

- The determination of a materiality level.
- Obtain and document the internal control structure.
- Performance of required risk assessments.
- Documentation of the evidential matter substantiating the asset and liability balances.
- Confirmation of certain asset and liability balances as deemed necessary.
- Testing of the evidential matter substantiating certain revenue and expenditure/expense balances.
- Testing of certain transactions making up asset, liability, revenue and expenditure/expense balances as deemed necessary.
- Review of the provisions of any contracts which may be present.
- Analytical review procedures as well as the formulation of certain audit conclusions.

The above mentioned procedures are broad and the specific procedures which will be followed are found in the audit programs and checklists utilized by the firm. These audit programs and checklists are supplied and updated for the firm from the Practitioners Publishing Company.

- 5) Assistance in the preparation of the financial statements in accordance with generally accepted accounting principles.
- 6) Preparation of the financial statements in accordance with the provisions of *Government Auditing Standards*, the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) and the Uniform Guidance as may be applicable.

Assistance will be provided to ensure that the financial statements and any supplemental information are prepared from the internal financial statements as of the end of each fiscal year covered by this proposal. The financial statements will be prepared in accordance with generally accepted accounting principles and will include all required reports and footnote disclosures. Should any required information or necessary proposed adjustments be excluded based on a decision made by management or a scope limitation, then the auditors report may be adjusted or modified as deemed necessary to reflect this, these or any other exclusions.

The financial statements will contain all of the reports and supplemental schedules as required by *Government Auditing Standards*, the State of Connecticut, State Single Audit Act (C.G.S. Sections 4-230 to 236) and the Uniform Guidance as may be applicable.

Once the financial statements have been completed, Practitioners Publishing Company disclosure checklist for Governmental audit engagements will be completed to determine whether the financial statements contain all of the information required in accordance with generally accepted accounting principles.

Audit Sampling:

Audit sampling will be performed in accordance with the applicable Statements of Auditing Standards as issued by the AICPA which establishes several specific requirements that apply whenever an auditor uses audit sampling, statistical or non statistical. Audit sampling is defined as the application of an audit procedure to less than 100 percent of the items within an account balance or class of transactions for the purpose of evaluating some characteristic of the balance or class.

The firm utilizes standardized forms as provided by the Practitioners Publishing Company to determine the extent of sampling which is necessary in the certain situation as well as the appropriate sample size to be used to be representative of the population. Once the appropriate sampling size has been determined, the firm will use either the haphazard, random or systematic approach to select the transactions for testing.

At its April 30, 2024 special meeting, the Finance Committee of the Town of Bolton, Connecticut voted the following:

“Shall the Annual Budget for the Town of Bolton, Connecticut for the fiscal year 2025 as recommended by the Finance Committee in the amount of \$ _____ be adopted?”

Ross Lally
Chair, Finance Committee