

Proposal for Audit Services

Town of Barrington, New Hampshire

**For the Fiscal Year Ending December 31, 2020
(with multi-year options for fiscal years 2021 – 2024)**

Submitted By

 **VACHON CLUKAY
& COMPANY PC**

Experience Counts

**608 Chestnut Street
Manchester, New Hampshire 03104**

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**Date of Submission
December 23, 2020**

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December 23, 2020

Amy Doherty, Finance Administrator
Town of Barrington
333 Calef Highway
Barrington, New Hampshire 03825

Dear Ms. Doherty:

We are pleased to respond to the Request for Proposal for Professional Auditing Services for the Town of Barrington, New Hampshire. Vachon Clukay & Company PC is a midsize local firm located in Manchester, New Hampshire and was founded in 1982. Our mailing address, phone number, and fax number can be found on the cover to our response. We feel Vachon Clukay & Company PC is the best selection to be the auditor for the Town of Barrington and that this proposal demonstrates our capability and commitment to serve.

Vachon Clukay & Company PC has provided governmental auditing services to over 100 governmental agencies on an annual basis for decades. We currently provide auditing services to numerous governments including counties, cities, towns, and special districts throughout New Hampshire.

Vachon Clukay & Company PC has devoted a substantial amount of time and resources developing our governmental practice. Our governmental clients are provided with efficient and timely audits. Our expertise in this industry has positioned us to be one of the leading firms in governmental auditing throughout New Hampshire. This investment of time and resources includes:

- Providing up to 40 hours per year of governmental continuing professional education (CPE) to our staff working on governmental audits.
- Attendance at national training sessions so that we can ask questions of leading OMB, GAO, and OIG's relating to all areas of governmental auditing.
- Investing a significant amount of time in developing our understanding of new audit requirements and new GASB pronouncements.
- We retain key staff. As a result, we can provide our clients with unmatched staffing consistency and well-trained personnel.
- Researching new professional pronouncements, so that we are at the leading edge in preparing our clients to respond to all new requirements.
- Devoting resources to a strict quality control program.

Our staff, who will be assigned to the Town of Barrington's audit, are experienced governmental professionals that have managed numerous audits. Each of our staff has extensive experience that allows for a new outlook to the audit with innovative suggestions to improve quality and efficiency. Our references will show that we are the best selection to remain the auditors for the Town of Barrington.

We have an extremely low percentage of employee turnover and are confident that we will provide the Town of Barrington with consistent staff over the contract period. We are committed to the Town of Barrington and believe our audit team to be the best selection for the Town.

We hope that as you read through this proposal, you recognize the philosophy of our firm which is to provide each of our clients with exceptional service, experienced staff, and an audit approach that will fit your needs. Vachon Clukay & Company PC is an Equal Opportunity Employer. Our dedication to quality, professional standards, and service are unmatched in the industry. Thank you for providing our firm the opportunity to present our proposal. Should you have any questions, please feel free to call Jarad J. Vartanian, President, who is authorized to make representations on behalf of the firm at (603) 622-7070 or email at jvartanian@vachonclukay.com.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J.J.V.', with a long horizontal flourish extending to the right.

Jarad J. Vartanian, President
Vachon Clukay & Company PC

Section 1 – Company Profile

1. Vachon Clukay & Company PC is a Properly Licensed Certified Public Accounting Firm According to U.S. Government Accountability Office’s (GAO) Government Auditing Standards

Vachon Clukay & Company PC is licensed to practice public accounting in the State of New Hampshire and has complied with all applicable New Hampshire State Board of Accountancy requirements. In addition, all key professional staff that will be assigned to the audit are also licensed to practice in the State of New Hampshire and have complied with all applicable State Board of Accountancy standards.

2. Vachon Clukay & Company PC Meets the Independence Standards of the GAO

Vachon Clukay & Company PC is independent of the Town of Barrington and its component units as defined by auditing standards generally accepted in the United States of America, the U.S. Government Accountability Office (GAO) and *Government Auditing Standards*.

3. Overview of Vachon Clukay & Company PC

Vachon Clukay & Company PC is a leader in providing audit, consulting, and tax services to various industries including but not limited to local governments of all sizes, corporations, not for profit corporations, and individuals. As governmental auditing is our primary practice, we do not use governmental clients to fill our down time. Our governmental audit and governmental practices provide a year-round client base for Vachon Clukay & Company PC.

Our Professional Staff

Vachon Clukay & Company PC has a low percentage of turnover in professional staff. Thus, our staff has a unique blend of experience, technical knowledge, and management expertise which can only be found in a firm that has maintained consistency of staff. We continually strive to provide a work environment that encourages our staff to develop and grow their professional career at Vachon Clukay & Company PC. We feel this is an important aspect of our practice that enables us to provide our clients with the highest quality service available.

Section 1 – Company Profile

3. Overview of Vachon Clukay & Company PC (Continued)

Professional Associations

We are members of the American Institute of Certified Public Accountants (AICPA) and the New Hampshire Society of Certified Public Accountants (NHSCPA). In addition, our firm is the oldest member in New Hampshire of the AICPA's Governmental Audit Quality Center (GAQC).

We are active members in the NH Governmental Finance Officers Association (NHGFOA) and attend training seminars provided by NHGFOA.

The Firm has a staff of 12, consisting of 2 shareholders, 3 managers, and staff from the senior level to entry level.

The range of activities performed by our firm include:

- *Governmental auditing and consulting* - Vachon Clukay & Company PC currently provides services to more than 100 governmental agencies, throughout New Hampshire.
- *Commercial* - Vachon Clukay & Company PC provides auditing and consulting services to commercial companies. Companies choose Vachon Clukay & Company PC for professional services from inception to maturity.
- *Tax* - Vachon Clukay & Company PC has a commitment to serve all clients. Our commitment to our clients includes offering professional tax preparation and planning services.
- *Not for Profit* - Vachon Clukay & Company PC provides services to numerous not for profit entities throughout New Hampshire.

Company Officers

The firm is structured as a corporation comprised of 2 shareholders.

President

Mr. Jarad J. Vartanian, CPA

Shareholder

Mr. Gary G. Boisvert, CPA

Section 1 – Company Profile

4. Descriptions of Work Performed for Other Agencies with Similar Services

Vachon Clukay & Company PC has provided similar services for several other jurisdictions with work that is similar to that which is requested by the Town of Barrington. Below is a listing of governmental entities served. Specific contact information for certain entities is located in the References section.

Cities/Towns

Town of Albany
 Town of Alstead
 Town of Antrim
 Town of Auburn
 Town of Belmont
 Town of Bennington
 City of Berlin
 Town of Campton
 Town of Canaan
 Town of Chesterfield
 City of Claremont
 Town of Fitzwilliam
 Town of Freedom
 Town Gilford
 Town of Hampstead
 Town of Harrisville
 Town of Haverhill
 Town of Hill
 Town of Hooksett (new)
 Town of Kensington
 Town of Kingston
 Town of Lincoln
 Town of Littleton
 Town of Lyme
 Town of Marlborough
 Town of Middleton
 Town of Milford
 Town of Mont Vernon
 Town of Moultonborough
 Town of New Hampton
 Town of New Ipswich
 Town of Newington
 Town of Newton
 Town of Pembroke
 Town of Richmond

Cities/Towns (Continued)

Town of Rindge
 Town of Sanbornton
 Town of Sandwich
 Town of Springfield
 Town of Stratham
 Town of Swanzey
 Town of Wakefield
 Town of Walpole
 Town of Warner
 Town of Winchester

Counties

Cheshire County
 Coös County (new)
 Hillsborough County
 Strafford County

Special Utilities Districts

Androscoggin Valley Regional Disposal District
 Conway Village Fire District
 Lamprey Regional Cooperative
 Mountain Lakes District
 North Walpole Village District
 Penacook and Boscawen Water District
 Souhegan Regional Landfill District
 Village District of Eastman

Other

Gunstock Area Commission
 Londonderry Housing & Redevelopment Authority
 Nashua Airport Authority
 Southern NH Planning Commission

Section 1 – Company Profile

5. Our Experience

As we have noted, Vachon Clukay & Company PC has extensive experience with local New Hampshire municipal governments. The key components to our success include properly trained staff, assignment of staff with experience, timely communication in all aspects of the audit, planning, and understanding how to structure each audit to ensure efficiencies are achieved.

Vachon Clukay & Company PC's success in retaining our clients, including our city and town governments, is due to our commitment to outstanding quality, timely completion of work, and our ability to retain key staff. Each of the elements allows Vachon Clukay & Company PC to be a leader in providing services to our local governments.

The Town will not have to train our audit team. Each of the auditors also has a detailed understanding of the interaction of different internal control systems and the timelines that are required to complete each aspect of the audit.

Vachon Clukay & Company PC staff also take continuing education seminars, either locally or nationally, so that all of the key staff assigned to the Town's audit understands both local, as well as, national trends and issues.

Our commitment to client service

Vachon Clukay & Company PC will not add clients that cannot be properly served. We have managed our growth. To accomplish this, Vachon Clukay & Company PC only proposes on clients when key staff have been trained, possess on-the-job experience to act as the in-charge auditor, and when staffing levels allow for the addition of the new work. We are extremely confident that all of our references will note that their service level has not diminished over the life of the contract.

Vachon Clukay & Company PC has reviewed the requirements of the Town of Barrington and determined that your Town will be properly served with experienced and well-trained staff. We have also determined that our staffing schedule allows for Vachon Clukay & Company PC to meet and/or exceed all timelines as established in the request for proposal. We are also confident that the Town of Barrington will be able to act as a reference for Vachon Clukay & Company PC stating that the auditors were experienced, and all aspects of the audit were professionally handled.

Section 1 – Company Profile

5. Our Experience (Continued)

Conducting single audits

Vachon Clukay & Company PC performs more than fifteen (15) single audits annually within its governmental practice. Our experience with single audits for our clients is vast. Our single audits range from \$750,000 to over \$10 million in federal expenditures.

Section 2 – The Work Plan and Timetables

1. Complete Work Plan/Project Description

Scheduling

Dates to provide Town the Schedule of Items and Reports needed to perform preliminary work:	December-January
Dates for the preliminary audit work:	January-February
Dates to perform the annual audit:	by March 31 st
Date to provide draft report:	by May 1 st *

* Provided availability of all information required for reporting purposes.

Breakdown of estimated audit hours by staff

	Pre-Audit Planning	Interim Audit	Final Audit	Total
Shareholder	2		14	16
Manager	3	3	36	42
Senior	3	6	36	45
Staff	1	12	36	49
Clerical			2	2
	9	21	124	154

Level of staff and number of estimated hours assigned to each segment

	Shareholder	Manager	Senior	Staff	Clerical	Total
Town Audit and Related Reports	12	38	38	49		137
Preparation of Financial Statements	4	4	7		2	17
Totals	16	42	45	49	2	154

Section 2 – The Work Plan and Timetables

2. Our Proposed Audit Plan

Our audit plan for each of the fiscal years involves six (6) stages for each audit. These stages are:

- Stage 1, Planning
- Stage 2, Risk Assessment
- Stage 3, Preparation of the Overall Audit Plan
- Stage 4, Conducting the Interim Audit
- Stage 5, Conducting the Final Audit
- Stage 6, Reporting

Stage 1, Planning

Vachon Clukay & Company PC will meet with key staff to plan the audit services for the year. These meetings will discuss all audit issues and the proposed interim work plan. During this phase, we will accomplish:

- Identifying the key personnel and contacts in the Finance Department and other departments.
- Identify the Town's significant classes of transactions and business processes.
- Obtain an understanding of the risk areas.
- Developing an understanding of unusual transactions or events that have occurred during the fiscal year.
- Formalizing logistics.
- Finalizing the timeframes for interim fieldwork.

Stage 2, Risk Assessment

Based upon the information obtained in the planning meetings, Vachon Clukay & Company PC will perform a risk assessment as required by Statements on Auditing Standards (SAS) to be used in the preparation of the overall audit plan. As part of this risk assessment we will perform the following:

1. Obtain an understanding of the entity and its environment and its risk.
2. Obtain an understanding of the entity's internal controls.
3. Preliminary analytical review, determination of preliminary materiality levels.
4. Analysis of known misstatements, if any.

Section 2 – The Work Plan and Timetables

2. Our Proposed Audit Plan (Continued)

Stage 2, Risk Assessment, (Continued)

5. Consideration of risk of material misstatement at the individual account balance, class of transactions and disclosure level.
6. Assess the risks of material misstatement at both the financial statement and relevant assertion levels.

Stage 3, Preparation of the Overall Audit Plan

Once the planning and risk assessment processes are complete, an overall audit plan will be prepared. The plan will specify each audit task, staffing assignments, timelines, and due dates. The plan will also break down the work assignments between interim and final audit timelines. The audit plan will include the transaction cycles which have been selected for internal control testing and those for which only the detailed walk through will be performed.

Once the audit plan has been completed, the prepared by client (PBC) requirements and the responsibilities of the auditor document will be prepared. The document listing will be detailed by specific task and will include the due dates and names of the persons responsible for each task.

We will also prepare:

The preliminary materiality guidelines, the audit programs, including consideration of:

- Identification of areas where special audit considerations are necessary.
- Design of further audit procedures to reduce risk if considered necessary.
- The development of expectations for analytical procedures, timelines, and assignment of all audit responsibilities.

Once these tasks have been completed, we will meet with the Town to ensure that all dates and requirements have been met and to schedule the interim and final work with the various departments and agencies of the Town.

Section 2 – The Work Plan and Timetables

2. Our Proposed Audit Plan (Continued)

Stage 4, the Interim Audit

Our interim fieldwork dates will occur during January-February. The specific weeks will be determined during the planning meeting and preparation of the audit plan process. Our interim work will include the following:

We will renew our understanding of the Town's internal control structure starting with:

1. Defining the Town's objectives and strategies and related business risks.
2. Obtaining an understanding of the Town's internal control environment (tone at the top):
 - Communication and enforcement of integrity and ethical values
 - Commitment to competence
 - Participation of those charged with governance
 - Management's philosophy and operation style
 - Organizational structure
 - Assignment of authority and responsibility
 - Human resource policies and practices
3. The Town's risk assessment process.
4. Internal control communication process.
5. Internal control monitoring process.
6. Any industry, regulatory or other factors.

This understanding will be accomplished by:

1. Inquiry of management and others within the Town.
2. Observation and inspection.
3. Review of external information from rating agencies, and other external sources.

Section 2 – The Work Plan and Timetables

2. Our Proposed Audit Plan (Continued)

Stage 4, the Interim Audit, (Continued)

We will also obtain an understanding of the design and implementation of the financial reporting system to understand the following information for:

1. Each class of transactions that is significant to the financial statements.
2. The procedures within both automated and manual systems, by which those transactions are initiated, authorized, recorded, processed, and reported in the financial statements.
3. The related accounting records, whether in electronic or manual supporting information, and specific accounts in the financial statements involved in initiating, authorizing, recording, processing, and reporting transactions.
4. How the information systems capture events and conditions other than classes of transactions that are significant to the financial statements.
5. The financial reporting process used to prepare the Town's financial statements, including significant accounting estimates and disclosures.

Our focus will also involve:

- Understanding and documenting the financial reporting process.
- Documenting information systems and related computerized data processing controls.
- Identifying the flow of information and internal control involved in various key processes including, investment management, procurement, disbursements, payroll, treasury operations, debt and capital management, and cash receipts. To accomplish these tasks, we will use client accounting manuals, inquiry, observation, checklists, and internal control questionnaires. During the interim timeframe, each of the significant internal control systems will be evaluated to obtain sufficient knowledge of the design and implementation of key controls and to determine if a test of controls will result in the audit efficiencies.

Section 2 – The Work Plan and Timetables

2. Our Proposed Audit Plan (Continued)

Stage 4, the Interim Audit, (Continued)

- Planning of the Single Audit (if needed) including the distribution of questionnaires, conducting inquiries, reviewing documentation, and determining major programs. In addition, in order to assist the Town in achieving its Single Audit reporting timeline, we will begin conducting fieldwork for those federal programs identified as major as a result of our preliminary risk assessment.
- Identifying laws and regulations that are applicable to the Town of Barrington. To accomplish these tasks, we will use client documents, inquiry, observation, checklists, and internal control questionnaires.
- Providing the parameters required to commence analyzing financial fluctuations in the operating results of the Town of Barrington.
- Formulating audit procedures and related audit programs that will be used during the final segment of the audit process.

Testing the effectiveness of internal controls will be accomplished for the significant internal controls systems for which we plan to place reliance. To gain efficiencies, our control testing will be structured so that it can be used for each of the audits we will perform, to gain efficiencies.

Other areas to be completed at the interim audit include SAS No. 99 interviews and documentation.

Discuss workable solutions for potential findings that have been identified and communicated to the Town during the audit.

Stage 5, the Final Audit

We will commence our final fieldwork as soon as the Town of Barrington has sufficiently closed their accounting records.

During this phase, we will perform substantive audit procedures on the year-end basic financial statements. We will use a variety of audit procedures which may include outside confirmations, statistical sampling, and detailed testing of schedules, analytical review, inquiry, and observation.

Section 2 – The Work Plan and Timetables

2. Our Proposed Audit Plan (Continued)

Stage 6, the Reporting Phase

At the end of the audit process, we will meet with key staff to cover the following:

- Discuss improvements for subsequent years audit plan,
- Meet with the Audit Committee/Town Administrator to present the results of the audit,
- Communicate with those charged with Governance.

We do not believe in surprises. Although the reporting phase involves a recap of the process, we will be in constant communication regarding each aspect of the audit throughout the entire process. You will not have any surprises at the end of the audit.

Individual or unique aspects that apply to each of the required audits and/or services will be described within the next section.

We have also prepared a time schedule for each of the components of the audit that is structured to meet and/or exceed all time requirements of the Town of Barrington.

3. Plan for the Audit of the Town’s Basic Financial Statements

Town of Barrington

As noted above, the six-phase audit process will be used for conducting the audit of the Town’s basic financial statements.

Meetings will be scheduled with the key contacts in each department, to allow for questions from the departments, provide for a summary of the overall audit process, and cover key dates to ensure all Town timelines are met. The meetings will also provide each department with a listing of interviews that will be necessary so that each can be scheduled. Discussions will also include key audit areas, risks, and any other known issues relating to the audit. We anticipate conducting these meetings with the:

Town Administrator	Procurement
Finance Administrator	Risk Management
Human Resource/Payroll	Information Technology

Section 2 – The Work Plan and Timetables

3. Plan for the Audit of the Town's Basic Financial Statements (Continued)

As noted in the audit plan, we will obtain documentation of the understanding of the Town and its environment, including the internal controls. Testing will be accomplished for the internal controls systems for which we plan to place reliance. These internal control systems and key processes include, but are not limited to:

- The revenue collection cycle
- Cash disbursements
- Payroll
- Investment management
- Debt management
- Financial reporting
 - Year-end closing
- Budgeting
- Risk management
- Human resource, payment of employees
- IT controls, relating to all aspects of the audit
 - User access
 - Security
 - Backup and recovery
 - System interfaces
- Fraud prevention
- Others that will be identified during our audits

Other items that will be considered include:

- Testing of the Town's key internal control system.
- Interaction and coordination between key Town Departments.
- Analysis of the Town's fraud prevention program.
- And proactive discussions regarding upcoming professional pronouncements and standards.

We will meet with the Town as a final wrap up to cover any outstanding items and prepare the appropriate presentations.

Section 2 – The Work Plan and Timetables

4. The Single Audit, as needed

We will use the audit plan methodology as previously noted.

We will renew our understanding of the Town's procedures for compiling and testing the Schedule of Expenditures of Federal Awards (SEFA). Vachon Clukay & Company PC will use the Town's prior single audits to assist in the determination of the December 31, 2020 major programs, where applicable.

A risk assessment will be performed in accordance with OMB's Uniform Guidance.

Each applicable compliance requirement of the major programs will be tested as required by OMB's Uniform Guidance. These include testing of the required internal control systems and compliance testing of the applicable 14 compliance requirements as summarized in the single audit compliance supplements.

The final phase of the single audit involves the audit of the Schedule of Expenditures of Federal Awards (SEFA) and the preparation of the Auditor portion of the Data Collection Form.

Vachon Clukay & Company PC will conduct meetings with each applicable department when their segment of the audit testing has been completed. All proposed findings will be reviewed with the appropriate departments.

5. Sample Sizes and Use of Statistical Sampling Techniques

Sample sizes will differ depending upon the area under audit. Generally, a sample size of 40-60 will be used for areas where we plan on placing reliance on the internal control structure.

6. Extent of Use of EDP in Engagement

EDP software will be used in the analysis of the Town's transaction activity, including, but not limited to disbursements, payroll, utility billings, inventory, capital asset depreciation, etc. In addition, audit software will be utilized for work paper storage.

Section 2 – The Work Plan and Timetables

7. Type and Extent of Analytical Procedures to be Used in Engagement

Analytical procedures are an important part of the audit process. Analytical procedures will be used in several areas including but not limited to audit planning, testing of year end balances such as depreciation expense, revenue analysis, expense/expenditure analysis, internal service fund charges, etc.

8. Approach to be Taken in Determining Laws and Regulation that will be Subject to Test Work

We will review the laws and regulations covering the Town's grants and major programs, as part of the Single Audit testing. Based upon our inquiry with Town staff, review of the Town's municipal code, review of administrative policies, etc., we will determine the relevant laws and regulations that will be subject to additional test work.

9. Approach to be Taken to Gain and Document an Understanding of the Town's Internal Control

Our approach to gain an understanding of the Town's internal control structure will be obtained by reviewing the Town's policy and procedures handbooks, review of the Town's municipal code, review of administrative policies and procedures, and based upon our inquiry with Town staff. In addition, we will use governmental internal control questionnaires to assist in our documentation of the internal control structure. Further, we will conduct a walk-through and observe the work flow as it relates to key business processes including but not limited to: payroll, budgeting, financial management and investments, revenue management and cash receipts, procurement and disbursements, information technology, risk management and capital asset management.

10. Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

Auditor judgment will be used in selecting our audit samples for test of compliance work. The majority of the testing of compliance will be centered around the single audit testing of the direct and material elements for the major programs.

Section 2 – The Work Plan and Timetables

11. Meetings

Vachon Clukay & Company PC shall conduct regular progress report meetings with the Town Administrator or Finance Administrator on the conduct of the work required under this contract as deemed appropriate. The Town Administrator/Finance Administrator or Vachon Clukay & Company PC may request a meeting at any time during the term of this contract.

Also, the Firm shall meet with the Town staff as appropriate to include final report presentation to the Town Selectboard and follow up meeting with Town staff (if necessary) to review audit figures prior to tax rate setting (with DRA).

12. Implementation of New Accounting Standards

Vachon Clukay & Company PC shall work with the Town Administrator and Finance Administrator to educate those individuals on upcoming accounting standards which may have a financial reporting impact on the Town. This approach includes identifying potential future accounting standards, relevant reports and documentation required for implementation and information required for recognition and disclosure within the Town's financial statements.

Section 3 – Experience

Engagement Team

All of our audit staff have significant experience in performing governmental audits. If the Town wishes to keep current personnel or change to new personnel on the engagement, our firm will gladly accommodate such a request.

Organization Resumes

President: Jarad J. Vartanian, CPA
Quality Control Director

Education:

Bachelor of Science in Business Administration - Major: Accounting
Stonehill College, Easton, Massachusetts

Clients Served

Counties

- Coös County (New)
- Hillsborough County

Cities/Towns

- Town of Alstead
- Town of Auburn
- Town of Barrington
- Town of Belmont
- City of Berlin
- Town of Campton
- Town of Chesterfield
- Town of Gilford
- Town of Hill
- Town of Hooksett
- Town of Kingston
- Town of Littleton
- Town of Milford

Cities/Towns (Continued)

- Town of Mont Vernon
- Town of Moultonborough
- Town of New Ipswich
- Town of Sandwich

Special Districts and Other Governmental Agencies

- Littleton Water & Light
- Mountain Lakes District
- Nashua Airport Authority
- North Swanzey Water and Fire Precinct
- North Walpole Village District
- Penacook & Boscawen Water Precinct
- Souhegan Regional Landfill District

Section 3 – Experience

Organization Resumes (Continued)

President: Jarad J. Vartanian, CPA
Quality Control Director (Continued)

Training:

- GASB 68
- Audit Documentation
- AuditSense - Audit Efficiency & Effectiveness Training
- Governmental GAAP Update
- Single Audit Compliance Testing
- Government Audit Standards - UFG
- Governmental Accounting & Auditing Update
- Yellow Book Update
- Uniform Guidance Internal Controls
- Professional Ethics
- Single Audit Sampling
- Audit Deficiencies
- Governmental Audit Quality Control Update
- Attendance at the AICPA National Peer Review Conference
- Attendance at the NH Government Finance Officers Association Conference

Experience in governmental accounting/auditing

Mr. Vartanian joined the firm in 2003 as an audit staff member. In 2009, Mr. Vartanian became a manager and in 2016, he became a shareholder of the firm. In January 2020, Mr. Vartanian was selected to become the President of Vachon Clukay & Company PC. Mr. Vartanian has conducted single audits and the audits of basic financial statements for numerous local governments. He has over 25,000 hours experience in auditing governmental entities.

Affiliations

Member of the American Institute of Certified Public Accountants (AICPA) and the New Hampshire Society of Certified Public Accountants. Mr. Vartanian is an AICPA Peer Reviewer and a member of the Board for New England Peer Review. Mr. Vartanian also serves as Treasurer and Chair of Finance Committee for the Granite State Children's Alliance, a non-profit organization which is dedicated to providing services to victims of child abuse in New Hampshire.

Section 3 – Experience

Organization Resumes (Continued)

Cory A. Philbrick, CPA
Senior Team Leader of Audit Assurance Services
Manager for the Engagement

Education:

Bachelor of Science in Accounting
Master of Science in Accounting
Southern New Hampshire University, Manchester, New Hampshire

Clients Served

Cites/Towns

- Town of Alstead
- Town of Antrim
- Town of Auburn
- Town of Barrington
- Town of Belmont
- City of Berlin
- Town of Campton
- Town of Harrisville
- Town of Kensington
- Town of Kingston
- Town of Lincoln

- Town of Littleton
- Town of Mont Vernon
- Town of Moultonborough
- Town of New Ipswich
- Town of Newington
- Town of Rindge
- City of Somersworth
- Town of Springfield

Cites/Towns (Continued)

- Town of Swanzey
- Town of Weare
- Town of Winchester

Counties

- Cheshire County
- Hillsborough County

Special Districts and Other Governmental

Agencies

- Androscoggin Valley Regional Refuse Disposal
- Berlin Water Works
- Conway Village Fire District
- Littleton Water & Light
- Mountain Lake District
- North Swanzey Water and Fire Precinct
- Souhegan Regional Landfill District

Section 3 – Experience

Organization Resumes (Continued)

Cory A. Philbrick, CPA
Senior Team Leader of Audit Assurance Services
Manager for the Engagement (Continued)

Training

- AuditSense - Audit Efficiency and Effectiveness Training
- Applying Uniform Guidance for Financial Audits
- OMB Compliance & Single Audit
- Governmental Accounting & Reporting
- IDEA General Ledger
- Compliance Audits Uniform Guidance
- Risk Assessment
- Government Reporting
- Annual GAAP Update
- Testing Internal Control and Compliance

Experience in governmental accounting/auditing

Mr. Philbrick joined the firm in 2013. He received his CPA certificate from the State of New Hampshire in 2016. His experience includes acting as the audit manager for a variety of governments ranging from school districts, counties, cities, towns to small entities.

Experience in conducting single audits and audits of the basic financial statements for state or large local governments.

Mr. Philbrick has participated and/or has acted as lead on basic financial statements and single audit engagements for numerous counties, towns, districts and not for profit entities.

Other Assurance Team Members

Other team members with relevant experience and CPE, as required by generally accepted government auditing standards, will be assigned, as necessary.

Section 4 – References

Clients with Similar Engagements

Please feel free to call the following clients of our firm as a step in your decision process. Each of these individuals has agreed to serve as a reference and we encourage you to ask them about the quality and timeliness of our service. We currently serve over fifty New Hampshire local municipal governments. We will provide additional references upon request.

- **Town of Sandwich**

Jarad J. Vartanian, Engagement Director
Financial Audit

Contact: Catherine Graham, Administrator
Telephone: 284-7701

- **County of Hillsborough**

Jarad J. Vartanian, Engagement Director
Financial and Compliance Audit

Contact: Chad Monier, Finance Director
Telephone: 627-5602

- **Town of Milford**

Jarad J. Vartanian, Engagement Director
Financial Audit

Contact: Paul Calabria
Telephone: 249-0642

Please Note:

Our clients and their financial matters are confidential. We recognize the sensitive and confidential nature of financial information.

Section 5 – Professional Fee Schedule

Audit Work Cost Proposal Form

We are firmly committed to provide the Town with the superior level of professional services that the Town expects from its auditors. We strive to provide exceptional staff, quality, and value at the lowest possible fees consistent with the expectations of the Town. Our rates are competitive, even with our depth of experience and commitment to quality.


Town of Barrington, New Hampshire
 Request for Proposals
 Financial and Compliance (if required) Audit
 Schedule of Professional Fees and Expenses

	2020	2021 (extension)	2022 (extension)	2023 (extension)	2024 (extension)
Financial Statement Audit	\$ 17,000	\$ 17,500	\$ 18,000	\$ 18,000	\$ 18,000
Hourly Rate for Additional Services**	\$105 - 185 hr	\$105 - 185 hr	\$105 - 185 hr	\$105 - 185 hr	\$105 - 185 hr

** Dependent upon level of staff desired or assigned to work on additional services ranging from staff to partner level.

	Partner	Manager	Senior	Staff
Hourly Rate	\$ 185	\$ 150	\$ 120	\$ 105

The undersigned proposes to provide the Town of Barrington with an independent audit of its financial accounts and records, as outlined in the accompanying specifications and for the sums indicated on this schedule.

Signature of Official:  _____

Name (typed): Jarad J. Vartanian

Title: Shareholder/Director

Firm: Vachon Clukay & Company PC

Date: December 22, 2020

Section 6 – Assurances

Phone and Email Consultations

The firm is available for telephone and email consultations at no additional charge.

Work Paper Retention

All work papers and reports shall be retained for a minimum of five (5) years from submission of the final audit report. These shall be available for examination by designated parties as set forth in the Request for Proposal, upon written request.

Insurance

The Firm carries two million dollars (\$2,000,000) in professional liability insurance. Also, the Firm carries general liability insurance and worker's compensation insurance. We will provide to the Town insurance certificate copies, if requested.

Reports

Draft report

A draft report shall be submitted for review in detail by the Finance Administrator. The draft shall be submitted to the Town in time to allow ample review and corrections.

Basic Financial Statements, Supplementary Information, Compliance Reports

The firm shall provide nine (9) bound copies and one (1) PDF electronic copy of all reports and letters. These reports shall be in the format and by the prescribed due dates as determined by the State of New Hampshire.

Annual City/Town Financial Report

Vachon Clukay & Company PC shall complete the Auditor's portion of the Annual City/Town Financial Report (MS-535) for submission by the Town to the NH Department of Revenue Administration.

Section 6 – Assurances

Prompt Notification

The Firm shall make an immediate written report of irregularities and illegal acts, or indications of illegal acts of which it becomes aware, to the Town Administrator or Governing Body.

The auditor shall promptly report to the Town Administrator any conditions which impede the proper conduct or planned timetable of the audit.

Quality of Work Assurance

Vachon Clukay & Company PC does not have a record of substandard audit work.

Performance Assurance

Vachon Clukay & Company PC agrees to meet or exceed the performance specifications listed in the Town of Barrington's request for proposal for audit.

Sub-contractors

The Firm will not utilize sub-contractors.

Notification of Staffing Changes

It is the Firm's philosophy to not reassign non-management staff whenever possible. In the unlikely event that it is necessary to assign new staff, we shall consult with the Town before proceeding. The Town will retain the right to approve or reject replacements.

Peer Review

On the following pages, you will find the Firm's peer review. This review included government engagements and Single Audits.

Section 7 – Peer Review Report



Report on the Firm's System of Quality Control

January 16, 2018

To the Principals of Vachon Clukay & Company PC
and the Executive Committee of New England Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Vachon Clukay & Company PC (the firm) in effect for the year ended July 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

As 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.



Section 7 – Peer Review Report (Continued)

Opinion

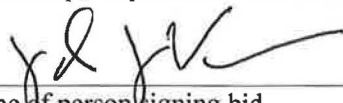
In our opinion, the system of quality control for the accounting and auditing practice of Vachon Clukay & Company PC in effect for the year ended July 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vachon Clukay & Company PC has received a peer review rating of *pass*.

Marcum LLP

Marcum LLP

Section 8 – Non-collusion Clause

The undersigned certified under penalties of perjury that this bid is in all respects bona fide, fair and made without collusion or fraud with any other person. As use in this section the word 'person' means any natural person, joint venture, partnership, corporation or other business or legal entity.



Name of person signing bid

12/23/20

Date

Vachon Clukay + Company PC

Company