

Regular Selectboard Meeting
3 January 2024
6:00 PM
Town Office at Isle La Motte School and via Zoom

In Attendance: Mary-Catherine Graziano, Cary Sandvig, Joe Deller, Vickie Buswell, Michael Frett (*The Islander*), Erin Gilligan, Nancy Blaise, Carmine Centrella, Barbara Callahan, Debra Langlois, Peter Brzozowy, Bobby Dean (via Zoom), Cathy Tudhope (via Zoom), Mary Brennan-Centrella (via Zoom), Pat Treckman (via Zoom), Karin Ericson (via Zoom), Bev Noble (via Zoom), Steven Reeve (via Zoom), Kari Szary (via Zoom), Beth Meese (via Zoom), Andrea Carbone, and others via Zoom who did not provide full names

1. **Call to Order:** Meeting was called to order at 6:00 PM by Board Chair Mary-Catherine Graziano.
2. **Additions to Agenda:** A request was made to move the Animal Control discussion to the beginning of the meeting, as well as to add to the agenda the signing of the audit proposal, to discuss snow removal at the Town Office sidewalks, and to discuss a new Animal Control issue on New Road. A motion was made to approve the changes to the agenda by Cary Sandvig, seconded by Joe Deller, all in favor. After the motion, Barbara Callahan requested time to discuss audit expenses on behalf of Sylvia Jensen and the item was also added to the agenda.
3. **Animal Control**
 - *Vicious Dog update* - Animal Control Officer Nancy Blaise advised that she had received a satisfactory report from Joel English regarding the ongoing behavioral training for the dogs involved with the cyclist attack in August. The protective measures in place at the home comply with the required standard and the behaviorist has seen marked improvement in the temperament of both animals. A full report from the Burlington-based behaviorist is pending.
 - *New Road incident report* - Following a complaint filed by Ray Gaudette, Officer Blaise visited the home of Monica Stanley on New Road. Ms. Blaise found a number of animals left unattended on the grounds and could ascertain that dogs were inside the home which were reported to be let out only once per day; animal cruelty was evident. The conditions of the property have deteriorated to a state which has now attracted rats, which were observed by Officer Blaise; the rats have now become an irritant at neighboring homes. The Selectboard will now contact the appropriate authorities to move the issue to resolution. Ms. Graziano confirmed to Pat Treckman that she will be handling the follow-up calls to the authorities.
4. **Administration**
 - *Town Clerk - monthly update* - Town Clerk Vickie Buswell provided an update on her key tasks, which include familiarizing herself with election and Town Meeting tasks and procedures. Debra Langlois was introduced as the new Assistant Town Clerk. At this time, Barbara Callahan inquired about the production of the Town Report. Chair Graziano stated that the Town Clerk has in the past been completing the report as a courtesy, but in light of Ms. Buswell's new appointment, this would not be expected. By statute, the Selectboard is responsible for the completion of the report.
 - *Approve Selectboard Budget Meeting Minutes from 12/28* - A motion to approve the budget meeting minutes was made by Cary Sandvig, seconded by Joe Deller, all in favor.
 - *Warrants for payroll & payables* - A copy of the warrants will be included as an exhibit to the minutes.
 - 3 January 2024 payroll transfer for \$478.88 for the Internal Revenue Service and Vermont Department of Taxes; motion to approve was made by Cary Sandvig, seconded by Joe Deller, all in favor.
 - 3 January 2024 payroll for \$2,182.77; motion to approve was made by Cary Sandvig, seconded by Joe Deller, all in favor.
5. **Town Business**
 - *Alburgh Transfer Station - discuss rising costs, options* - Karin Ericson was present to discuss with the Board her concerns over the increasing costs at the Alburgh Transfer Station, which were corroborated by Carmine Centrella. In light of the now doubling of all costs to non-Alburgh residents, the Board will begin to explore options to partner with the Town of Alburgh to provide a service for the residents of Isle La Motte who chose to utilize the transfer station. Peter Brzozowy noted his concern over an agreement that would ultimately come at the expense of all residents regardless of their use of the transfer station, which was also voiced by Barbara Callahan. The Board will work to find a resolution that will satisfy all residents, with Cary Sandvig to research the existence of an agreement that was formed after the Town's transfer station was shuttered.

- *Emergency Management Department - update* - The Red Cross conducted an emergency shelter survey in November and were satisfied with the building and status. While the final report and agreement is pending delivery to the Selectboard, it is anticipated that the Red Cross will agree to run the emergency shelter when necessary. There will be no cost to the Town, and all necessary food and equipment will be arranged and provided by the Red Cross. Director Centrella noted that a dozen cots for use during emergencies had been relocated from the Fire Department to the Town Office now that the building is under management by the Town. Mr. Centrella is also in the process of updating the emergency management plan from a short format to long format to better serve the needs of the Town in a time of crisis.
- *Town Planning Commission - update* - The Commission met briefly in December to discuss the survey results and will meet in January to discuss how the information will be disseminated in light of grievances that were conveyed through the survey.
- *Snow Removal at Town Office Sidewalks* - Keith Bonneville has historically shoveled the sidewalks at the office since the Town's relocation from Main Street. The scope of work will change this year due to the expanded use of the building, and the changes will be discussed with Mr. Bonneville prior to the Selectboard signing the agreement.
- *2023 Audit Services* - As noted at the prior budget meeting, RHR Smith will be awarded the audit services for the past year. Prior to the Selectboard executing the agreements for service, Barbara Callahan, on behalf of Sylvia Jensen, requested the Board consider reviving a Town Board of Auditors who would complete the work at a fraction of the cost, benefitting from and assisted by the onsite NEMRC bookkeeper. A discussion of the disbandment of the prior Board was held, and it was decided to table the discussion until the next meeting as the NEMRC bookkeeper is not a long-term assignment. Cary Sandvig motioned to execute the agreements, seconded by Joe Deller, all in favor. A copy of the agreements will be included as an exhibit to the minutes.

6. Budget Review

- *Progress Update* - The Selectboard Chair requested that all members continue to review the budget in detail in preparation for a meeting next week, now that the deadline for completion is approaching. While no definitive number has been provided, an Alburgh Selectboard Member discussed with Mary-Catherine Graziano his understanding that the Alburgh Rescue figure for Isle La Motte would be \$70,000 for the upcoming year.
- *Staffing Model Review* - A discussion of the staffing models was conducted and focused on an expansion of the Selectboard and the possibility of raising Town Office salaries. An expanded Selectboard would allow for increased productivity, as two members would be able to meet under open meeting laws and move projects forward, currently not possible as two members constitute a quorum. With an increase in members would come an increase in perspectives on topics at hand. With regards to salaries, an increase to the key position rates may be considered, with Peter Brzozowy and Barbara Callahan joining the conversation regarding pay rates at neighboring towns and the benefits of a combined Clerk/Treasurer position which provides a more viable living wage. In light of the anticipated cost for rescue/emergency medical services, there is not an appetite for significantly increasing the payroll. Barbara Callahan inquired if Isle La Motte volunteer firemen could step in for rescue, and the idea was deemed not a feasible solution.
- *Revenues* - The Board reviewed revenues year to date December and preliminarily established budgets for 2024. Delinquent Tax revenue will be discussed for input with Mary LaBrecque. Net metering credits from the solar panels on the Town Office will be tracked as a credit to expenses, rather than revenue.
- *Meeting Warning + Articles of Business Preparation* - The Selectboard reviewed the articles as included in the 2022 Annual Report, the majority of which are not applicable to 2023. Articles approving the slate of officers to be elected, the general fund budget, and the highway budget will remain. The final article to be included by the Selectboard will consider the expansion of the Board from three to five members. A discussion of how to address any budget surplus was had, and it was ultimately decided that in any capacity, a surplus would be used to reduce taxes. A 2023 surplus, if realized, will be used to pay the Trustees for the balance due on the sale of the Sunset View lots. A discussion of creating a reserve fund was held during this time and a line item has been added to the budget to establish an annual reserve for future projects.
- *Calendar Review + Next Meeting Scheduling* - It was noted that the Town Report will be reduced in size, with appropriations annual report letters provided online and at the Town Office; the report will focus on the key elements impacting residents and include a guide for navigating the report. All departments will be reminded that their annual reports must be submitted by mid-January for inclusion in the report.

The Selectboard reviewed the calendar of important upcoming dates, noting that the key date of January 20, 2024 will be held to have all information prepared for the Town Report, including the budget. It was noted that the municipal calendar dates still need to be added to the Selectboard's calendar of important dates. The informational meeting has been set for Saturday, March 2, 2024 at 9:00 AM to be moderated by Rusty Spaulding. The next budget meeting was scheduled for 6:00 PM on January 10, but has since been moved to January 11, 2024. Ms. Graziano stated the Board would be prepared to fine tune all line items and finalize the staffing model to include in the budget.

7. Other Business:

- *Public Works Department* - Sylvia Jensen has approached the Selectboard to consider establishing a public works department in Isle La Motte. Ms. Graziano stated that several years ago she undertook a study and found that Isle La Motte has the highest per mile cost of the surrounding towns, but that the initial capital infusion required for a public works department would likely approach \$1.0 million. With less than nineteen miles of roads and a maintenance system that is currently working, this discussion will be reviewed in the future. It was stated that other towns have a much larger inventory of roads, which helps lower their cost per mile, and Peter Brzozowy noted that large sections of neighboring towns also contain State maintained roads.
- *Sandy Bottom Farm Vandalization* - Mary-Catherine Graziano made a statement regarding the recent vandalism which took place at her home and business, recapping incidents which occurred in late 2022 under similar circumstances. Ms. Graziano noted that such incidents raise concern over personal safety, and that we must strive to maintain a society where we may disagree without destruction of property. Debra Langlois questioned whether an increased presence in law enforcement would be forthcoming, and Chair Graziano stated that there was unlikely the manpower available for an increase in hours, but that canvassing will possibly be expanded. Ms. Graziano informed Barbara Callahan, when asked, that a community meeting would likely not be called, and that the Sheriff's office could be contacted for more information. Erin Gilligan closed the conversation stating that disagreement is understandable, but respect for one another despite differences in opinion is essential.
- *Island Entrance* - Debra Langlois questioned the status of the replacement of the fencing at the Island entrance and Ms. Callahan advised that she would update Ms. Langlois as to the status after the meeting.
- *Road Repairs* - Debra Langlois inquired as to the status of pot hole repairs around the Island, as a number of calls have been reported to the Town Clerk. Acting Road Commissioner Mary-Catherine Graziano stated that all calls or road issues submitted are logged and pot hole repairs will resume in the spring. It was further noted that if a road closure is announced or requested that Ms. Graziano and Emergency Management Director Centrella must be immediately notified in order to alert various local agencies.

8. Adjourn: The meeting was adjourned at 8:42 PM, motioned by Cary Sandvig, seconded by Joe Deller, all in favor.

Respectfully submitted on 6 January 2024 -
Andrea Carbone

Mary-Catherine Graziano

Cary Sandvig

Joe Deller

01/03/24
10:23 am

Town of Isle La Motte Accounts Payable
Check Warrant Report # Current Prior Next FY Invoices
All Manual\Direct Pays For Check Acct 01(General Fund) 01/03/24 To 01/03/24

Vendor	Invoice	Invoice Description	Purchase Amount	Discount Amount	Amount Paid	Check Number	Check Date
IRS	INTERNAL REVENUE SERVICE	PR-01/03/24 Payroll Transfer	444.37	0.00	444.37 E	10019	01/03/24
VTTAXES	VERMONT DEPARTMENT OF TAXES	PR-01/03/24 Payroll Transfer	34.51	0.00	34.51 E	10020	01/03/24
Report Total			478.88	0.00	478.88		

Selectboard

To the Treasurer of Town of Isle La Motte, We Hereby certify that there is due to the several persons whose names are listed hereon the sum against each name and that there are good and sufficient vouchers supporting the payments aggregating \$ *****478.88
Let this be your order for the payments of these amounts.


Cary Sandvig


Mary Catherine Graziano


Joseph Deller

01/03/24
10:18 am

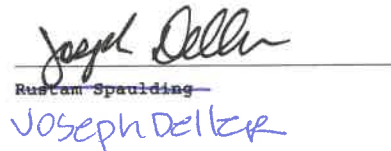
Town of Isle La Motte Payroll
Check Warrant Report #18099
Check date 01/03/24 to 01/03/24

Employee	Gross	Fringes	Reimburse	FWT	FICA	MEDI	SWT	SDI	Local	Oth Dedu	Net Amt	Elec Amt	Check No
BUSWELL, VICKIE L.	719.23	0.00	0.00	0.00	44.59	10.43	0.00	0.00	0.00	0.00	664.21	0.00	5657
CARBONE, ANDREA M.	300.00	0.00	0.00	0.00	18.60	4.35	0.00	0.00	0.00	0.00	277.05	0.00	5658
LABRECQUE, MARY E.	1021.28	0.00	0.00	66.09	63.32	14.81	24.23	0.00	0.00	0.00	852.83	0.00	5659
LANGLOIS, DEBRA J.	432.00	0.00	0.00	0.00	26.78	6.26	10.28	0.00	0.00	0.00	388.68	0.00	5660
	2472.51	0.00	0.00	66.09	153.29	35.85	34.51	0.00	0.00	0.00	2182.77	0.00	

To the Treasurer of Town of Isle La Motte
we hereby certify that there is due to the several persons whose
names are listed hereon the sum against each name and that
there are good and sufficient vouchers supporting the payments
aggregating \$ ***2,182.77
Let this be your order for the payments of these amounts.


Cary Sandvig


Mary Catherine Graziano


~~Rustam Spaulding~~
Joseph Deller



Proven Expertise & Integrity

January 2, 2024

Mr. Rusty Spaulding, Selectboard, Chair
Town of Isle La Motte
2272 Main Street
Isle La Motte, Vermont 05463

Dear Mr. Spaulding,

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide the Town of Isle La Motte for the fiscal year ended 2023.

We will apply the agreed-upon procedures which the Town of Isle La Motte has specified, indicated below, to provide for Fixed Assets services for the fiscal year ended 2023.

Our Responsibilities and Services to be Performed:

- Maintain a list of the Town of Isle La Motte's fixed assets as they have been provided and updated annually by the Town of Isle La Motte.
- Classify and identify the useful lives of those fixed assets in accordance with IRS standards and other applicable regulatory authority guidelines, using information provided by the Town of Isle La Motte.
- Provide annual depreciation amounts in accordance with IRS standards and other applicable regulatory authority guidelines for the preparation of the Town of Isle La Motte's financial statements.
- Provide a listing of the Town of Isle La Motte's fixed assets report on an annual basis for the Town of Isle La Motte's review and use for the preparation of the Town of Isle La Motte's financial statements.

This engagement is solely to assist the Town of Isle La Motte with the above-mentioned Fixed Asset services. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified above. Consequently, we make no representation regarding the sufficiency of the procedures described above for any purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in a report or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed above do not constitute an examination, we will not express an opinion on Fixed Asset services. In addition, we have no obligation to perform any procedures beyond those listed above.

*The contents included are only valid for 30 days from the date of this contract.
If contract is not executed within the 30-day period, terms and conditions, including pricing, may be subject to change.*

Ron Smith is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Town of Isle La Motte's Responsibilities:

During our engagement, the Town of Isle La Motte's management is responsible to provide us with annual additions and deletions to the fixed asset database in compliance with the Town of Isle La Motte's own adopted policies and procedures, including, but not limited to:

- all required or requested documentation to verify fixed asset purchase details (including which Town of Isle La Motte account(s) were expensed for the asset in their accounting system)
- all documentation needed to appropriately identify and classify the fixed asset
- all documentation needed to verify ownership of the fixed asset
- any specific details regarding the useful life of the fixed asset (as applicable)
- specific details regarding any asset retirement obligations or restrictions on the fixed asset

Unless unforeseeable problems are encountered, the engagement should be completed by June 30, 2024.

The above-mentioned Fixed Asset services will be provided at a flat rate charge of \$375 to be billed on an annual basis. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of procedures.

RHRS/FA1/23

RESPONSE:

This letter correctly sets forth the understanding of the Town of Isle La Motte.

By: _____

Title: _____

Date: _____



Proven Expertise & Integrity

January 2, 2024

Mr. Rusty Spaulding, Selectboard, Chair
Town of Isle La Motte
2272 Main Street
Isle La Motte, Vermont 05463

Dear Mr. Spaulding,

We are pleased to confirm our understanding of the services we are to provide the Town of Isle La Motte for the year ended December 31, 2023. We will audit the financial statements of the governmental activities, any business-type activities, any aggregate discretely presented component units, each major fund, and any aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Isle La Motte of and for the year ended December 31, 2023. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the basic financial statements of the Town of Isle La Motte. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Isle La Motte RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Isle La Motte's financial statements. We will subject the supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town of Isle La Motte and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Town of Isle La Motte's financial statements. Our report will be addressed to the Selectboard of the Town of Isle La Motte. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Town of Isle La Motte is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited

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to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Isle La Motte's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist the Town of Isle La Motte in: preparing draft financial statements that are based on management's chart of accounts and trial balance and any adjusting, correcting, and closing entries that have been approved by management; preparing draft Management's Discussion and Analysis and notes to the financial statements based on information determined and approved by management; reviewing Town of Isle La Motte-maintained depreciation schedules for which management has determined the method of depreciation, rate of depreciation, and salvage value of the asset, all in conformity with U.S. generally accepted accounting principles, permissible nonattest services under the AICPA Code of Conduct and nonaudit services under *Government Auditing Standards* for attest/audit engagements. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. Management responsibilities for these services are listed below.

We will perform the nonattest/nonaudit services in accordance with applicable professional standards, including the Code of Conduct issued by the American Institute of Certified Public Accountants. These services are limited to the financial statements and depreciation schedule services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, and contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to oversight agencies; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of RHR Smith & Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of RHR Smith & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by an oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Ronald H.R. Smith is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed the amount broken down as follows:

December 31, 2023:	
Financial Statement Audit	\$11,400

Additional annual price of Single Audit (if necessary) - \$5,000 for one major program and \$3,000 for each major program thereafter

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses 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. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the

date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We appreciate the opportunity to be of service to the Town of Isle La Motte and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very Best,



RHR Smith & Company, CPAs
RHRS/YB/23

RESPONSE:

This letter correctly sets forth the understanding of the Town of Isle La Motte.

Management signature: _____

Title: _____

Date: _____

D.E. Rodrigues & Company, Inc.

Certified Public Accountants

215 Pleasant St. Fl. 4 – PO Box 3634
Fall River, Massachusetts 02722

Tel: (508)679-6079 (508)999-0020
Fax: (508)672-4938

Report on the Firm's System of Quality Control

To RHR Smith & Company, CPAs and the Peer Review Committee of New England Peer Review:

We have reviewed the system of quality control for the accounting and auditing practice of RHR Smith & Company, CPAs (the Firm) in effect for the year ended September 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included audit engagements performed under Government Auditing Standards including compliance audits under the Single Audit Act. As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Deficiency Identified in the Firm's System of Quality Control

We noted the following deficiency during our review:

1. The Firm's quality control policies and procedures with respect to engagement performance do not provide reasonable assurance that the Firm adequately performs and documents governmental audit engagements in accordance with professional standards. Consequently, on engagements performed under government auditing standards we noted that the firm's documentation incorrectly identified engagements as being low risk. On one engagement reviewed, not enough testing was done to satisfy the low risk rating. In our opinion, this matter contributed to the governmental audit engagement not being performed in accordance with professional standards in all material respects.

Opinion

In our opinion, except for the deficiency previously described, the system of quality control for the accounting and auditing practice of RHR Smith & Company, CPAs in effect for the year ended September 30, 2020 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (igs)* or *fail*. RHR Smith & Company, CPAs has received a peer review rating of *pass with deficiency*.

D.E. Rodrigues & Company, Inc.

May 27, 2021

Where Your Financial Success Begins

Member: American Institute of Certified Public Accountants - Division for Firms
Web: WWW.Rodriguesaccounting.com Email: Doug@rodriguesaccounting.com