



Request for Proposals for Audit Services



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INTRODUCTION

The Town of Underhill (“TOU”) is seeking proposals from qualified certified public accounting firms to audit its financial statements for the year ending June 30, 2024, with the options of auditing its financial statements for each of the subsequent five years. These audits are to be performed in accordance with generally accepted auditing standards, Governmental Auditing Standards and possibly federal Single Audit Act and US Office of Management and Budget (OMB) Circular A-128 Audits of State and Local Governments, if or when government funds are received.

There is no expressed or implied obligation Town of Underhill to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

All proposals submitted become the property of the Town of Underhill. The Town of Underhill is a public instrumentality and is subject to Vermont public records laws. Proprietary information, if any, should be identified in each proposal.

ISSUER OVERVIEW

Underhill, in Chittenden County, sits at the base of Mount Mansfield, opposite Stowe which is a scenic seasonal drive via Route 108 and the Mountain Road. This is a small town of just over 3000 along the Route 15 corridor, adjacent to Jericho, and a short 20–25-minute commute to Essex or Williston. A 30-minute drive will bring you to Burlington and the Lake Champlain Waterfront. With scenic vistas, ravines, and gorges cloaking the area, there is no shortage of Green Mountain beauty in Underhill. On the eastern side of town, you’ll find multiple vantage points from which to view the majestic **Mount Mansfield**. On the western side of town, the view sweeps across Lake Champlain and to the **Adirondacks** in the distance. There is little wonder why the residents covet this special region. Underhill boasts excellent schools and one of the highest-ranking schools in the state; Mt. Mansfield Union High School. Underhill State Park is located within Vermont’s 39,837-acre Mt. Mansfield State Forest, lying at about 2000 ft. elevation on the west slop of the state’s highest peak, Mt. Mansfield, at 4,393 ft. In addition to the website, you can learn more about Underhill by visiting [Front Porch Forum](#) and the [Mountain Gazette](#).

Please visit www.underhillvt.gov for more information and prior audits.

DIRECTORS & OFFICERS

The Town of Underhill is governed by a Selectboard with other appointed and elected officials as well as several office and highway personnel. For a listing of directors, officers and staff visit www.underhillvt.gov.

HISTORY

The Town of Underhill is in the northeast corner of Chittenden County. At the time when Vermont was part of the New Hampshire grants, Governor Benning Wentworth issued a charter to Joseph Sackett Jr. and sixty-four associates on June 8, 1763. The grant was for 23,040 acres. The sum paid for the charter was \$230.40, which is one cent per acre. These men were land speculators and it is not clear if any of these men ever settled in Underhill or ever set foot in the town. Although granted in 1763, settlement in Underhill was delayed by the Revolutionary War. The first settlers in Underhill were Elijah Benedict and Abner Eaton in 1786. The town is comprised of three smaller communities, Underhill Flats, Underhill Center and North Underhill. There are conflicting reports about how Underhill received its name. Most believe that Underhill received its name from Benjamin Underhill, one of the original proprietors, and not from its location under Mt. Mansfield as might be supposed.

Underhill's population was 212 in the 1800 census. It reached a high of 1,637 in 1860. The population slowly declined until the 1970's when many people wanted to escape the city and return to a more peaceful existence. Today the census estimates the population at 3,129 and 1,285 households. Today Underhill is a quiet residential community dotted with a few remaining farms. Underhill's farming population was replaced by increasing number of inhabitants whose livelihoods were oriented toward the urban culture of Burlington and its environs.

MINIMUM QUALIFICATIONS

The successful firm will be a firm with considerable experience in local government auditing. The firm will have sufficient depth of staff to provide technical expertise in related advisory areas. The firm will have the ability to provide consulting services in a variety of areas which may be arranged through separate engagements.

REQUIRED CONTRACT COMPONENTS

The Audit Firm will act in an independent capacity and not as officers or employees the Town of Underhill. The Audit Firm shall indemnify, defend, and hold harmless Town of Underhill and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the Audit Firm's acts and/or omissions in the performance of this contract.

Before commencing work on this contract, the audit firm must provide evidence of professional insurance.

RFP OBJECTIVES

The Town of Underhill is soliciting a firm to:

1. Audit the financial statements of the Town of Underhill's governmental activities and each major fund in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in Government Auditing Standards and express an opinion as to the compliance of these statements with generally accepted accounting principles.
2. Prepare, edit, and print the financial statements, notes, and all required supplementary schedules and statistical data for the Town of Underhill.
3. Issue a report in accordance with Government Auditing Standards on the Town of Underhill's internal control over financial reporting and results of testing the Town of Underhill's compliance with provisions of laws, regulations, contracts, and/or other matters.

REPORTING REQUIREMENTS

1. A report of examination of the financial statements stating the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards (or any other appropriate standards, rules, or regulations). This report must include an opinion as to whether the statements conform to generally accepted accounting principles. A signed copy of the opinion plus a signed electronic copy will be required by the Town of Underhill. (Additional bound copies of the complete report may be required.)
2. If a single audit is required, a report on internal control and compliance in accordance with the standards for financial and compliance audits contained in the Standards of Audits of Government Organizations, Programs, Activities, and Functions issued by the U.S. General Accounting Office and the Single Audit Act of 1984 (as amended in 1996) provisions of OMB circular A 133 (as revised) (or any other appropriate standards, rules, or regulations). Findings of ineligible expenditures must be represented in enough detail for Town of Underhill's management to be able to clearly understand them. A signed copy of the opinion plus a signed electronic copy will be required by the Town of Underhill.
3. A letter to management containing comments on compliance, recommendations for improvements, and any other comments deemed pertinent by the auditors and recommendations

affecting the financial statements, internal control, accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material matters. A signed copy of this letter, plus a signed electronic copy will be required by the Town of Underhill.

4. The firm is requested to make a formal presentation on the audit by the partner in charge of the audit (or other audit staff as approved by the Selectboard Chair) to Selectboard which is normally during a regularly scheduled Board meeting.
5. On-going consent to include the audited financial statements in Town of Underhill public web site and in loan or bond requests as necessary.

TIME REQUIREMENTS

Audit Calendar

The Town of Underhill requires conformance with best practices in public finance by completing and filing annual audited financial statements by November 30th each year. All fieldwork must be completed by the auditor and an opinion must be issued by that date. An approximate time schedule for the audit is as follows:

- Interim fieldwork: may begin in September 2024 or as soon as the engagement has been approved. Fieldwork may be performed as agreed upon by auditors and management.
- Post-closing fieldwork may begin in August and must be completed by October 15.
- All audit adjustments must be communicated to the Finance Officer by the end of fieldwork. Copies of working papers which support proposed adjustments to the entity's books shall be provided to the Finance Officer before the end of post-closing fieldwork.
- Draft of the Management Letter and Single Audit reports (if applicable) are due to the Town of Underhill by November 20th. The Final Management Letter and Single Audit reports are due to Finance Officer by November 30th.
- The Audit firm's presentation of the audit report to the Selectboard is anticipated to be made in January.

SUBMISSION QUESTIONS

1. Firm Qualifications:

- 1.1 State the firm's qualifications to perform the Town of Underhill's audit, including an affirmative statement that the firm is, in fact, independent of the Town of Underhill and is licensed by the State of Vermont to perform such auditing services.
- 1.2 Demonstrate the firm's commitment to stay current with government accounting issues, to providing quality audit and advisory service.
- 1.3 Describe services to be provided by the firm and provide an estimate of what portion of the firm's business is derived from performing municipal audits.
- 1.4 Specify the size, composition and location of the firm's office from which the staff working on the audit are based.
- 1.5 Provide a list of governmental entities in Vermont that have been audited by the firm during the last seven years, the dates of the audit engagement and the names and telephone numbers of the current key contact persons at the entity. Firms with less than seven years' local government experience will not be considered.
- 1.6 Specify the date of the firm's last peer review and provide a copy of the firm's most recent peer review letter.
- 1.7 Provide the nature and status of any and all disciplinary actions undertaken against the firm.
- 1.8 Detail other firm qualifications and experience. Present any additional information, which you feel distinguishes your firm, not including general information publications, brochures and handouts that are redundant with information already provided.

2. Audit Personnel

- 2.1 Provide brief resumes of the key individuals who will be assigned to this engagement. Include any areas of specialization likely to be of particular interest or concern of the Town of Underhill, including municipal experience, governmental accounting, and auditing, continuing professional education and current municipal audit assignments.
- 2.2 Estimate staffing needs, including estimated hours by position and rate for the first year of the audit and the next four years.
- 2.3 Comment on the continuity and qualifications of the staffing for future year audits.
- 2.4 Estimate availability of qualified staff to provide auditing services within the timeframes provided in this RFP.

3. Approach to the Audit

- 3.1 Provide an outline of the services that you would propose to offer and philosophy of the firm's audit approach, including approach to the management letter and internal control evaluation.
- 3.2 Provide an estimated time schedule for setting up and completing the audit, including estimate of time spent on site for both the interim and year-end fieldwork. The work plan should include time estimates for each significant segment of work and the number and level of staff assigned. Where possible, individual staff members should be named and their titles provided.
- 3.3 Provide samples of planning memorandums and timelines, schedule of documents to be provided by the Town of Underhill, working papers and management letters. Provide information on your use of portals for document submission.

4. References

- 4.1 Provide references from at least three audit clients with similar requirements that have been completed during the past three years, identifying the work performed, the years for which work has been completed, reference contact names and phone numbers.

5. General Fee Statement/Schedule (Exhibit A)

- 5.1 Provide separate total "Not-to-Exceed" amounts for each year of the 2024 through 2028 audits for The Town of Underhill. It is currently unknown whether the Town of Underhill will be required to have a Single Audit for fiscal years 2024 through 2026, though it is not likely. Please provide a "Not-to-Exceed" amount for the financial statement audit only, and a separate "Not-to-Exceed" amount for the cost to perform a Single Audit.

BID PRICE

The bid price of audit services for the year ended June 30, 2024 should contain all pricing information relative to performing the audit engagement described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. Although unlikely, please include the cost for a Single Audit if required.

In addition, firms submitting proposals should indicate current billing rates for all staff positions in case it becomes necessary for the Town of Underhill to request additional services from the selected firm.

Each firm must submit an engagement letter, with the proposal, stating the bid price for performing the 2024 audit. Subsequent years engagement letter will be based on the terms stated in the Terms of Engagement section cited in the General Information portion of this request for proposal.

EVALUATION

The RFP will be awarded to the firm that gives Town of Underhill the most effective combination of qualifications, services, experience, key personnel, and costs. Firms will be notified after formal approval by the Town of Underhill Selectboard.

If applicable, the Finance Officer or their designee will conduct negotiations with firms whose proposal, when considered with all other proposals submitted in response to this solicitation, best meet the needs of the Town of Underhill at its sole discretion.

SUBMISSION DETAILS AND DEADLINE

Please limit response to no more than 15 pages. All responses must include a signed copy of the Proposer Warranties included in Attachment A.

Responses to this RFP are due via email to the contact below any time prior to 10:00 pm ET on Friday, March 29th, 2024. Please submit questions in writing to the contact below prior to Friday, March 15th, 2024.

Questions & Submission Contact	Submission Contact
Jennifer Silpe-Katz Town of Underhill jsilpe-katz@underhillvt.gov	Sherri Morin Town of Underhill smorin@underhillvt.gov

Proposers are expected to be available for in-person interviews on April 25th from 12:00 pm to 3:00 pm ET in Underhill, Vermont. Selected firms will be notified in advance of the date.

The Town of Underhill reserves the right to delay, postpone, or not select an Audit Firm. Selection is expected to occur prior to May 15th, 2024.

PROPOSER WARRANTIES

- A. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.
- B. Proposer warrants that it holds all required licenses and authorizations to undertake the services described in this RFP.
- C. Proposer warrants that there are no existing or potential conflicts of interest that would prevent the proposer from fully performing the tasks described in the RFP. Should a conflict of interest be discovered, the proposer shall make immediate disclosure to the Town of Underhill. Pre-existing conflict of interests should be disclosed in a letter accompanying your firm's response to this RFP. Describe the nature and parties involved in the conflict.

Signature of Representative
Authorized to Commit Firm:

Name:

Title:

Firm Name:

Date:

EXHIBIT A

PROFESSIONAL AUDIT SERVICES PRICING FORM

Company Name: _____

Address: _____

Audit Services – Annual Amount NOT TO EXCEED

	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028
TOU AFS	\$	\$	\$	\$	\$

Professional Fees Labor Rates:

TITLE	HOURLY RATE Initial Term	HOURLY RATE Optional renewal years
PARTNER		
MANAGER		
SUPERVISOR		
OTHER (specify title)		
OTHER (specify title)		

Any and all exceptions to these specifications must be clearly and completely indicated on the proposal sheet. Attach additional pages if necessary.

Authorized Signature: _____

Company Name: _____

Typed/Printed Name: _____

Date: _____