

REQUEST FOR PROPOSALS
AUDIT SERVICES
TOWN OF MIDDLETOWN SPRINGS, VERMONT

September 12, 2025

INTRODUCTION

The Town of Middletown Springs, Vermont, is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statements for the fiscal year of July 1 2025 through June 30 2026.

Proposals will be reviewed at the regular Selectboard meeting Thursday, October 23 at 7:00 pm. Proposals should be sent in advance of that meeting to:

Town of Middletown Springs
PO Box 1232
Middletown Springs, VT 05757

The Town of Middletown Springs reserves the right to reject any or all proposals submitted. Proposals will be evaluated by the Town based on technical qualifications and price. During the evaluation process, the Town reserves the right, where it may serve in the Town's best interest, to request additional information or clarification from proposers. The Town reserves the right to request firms submitting proposals to make oral presentations as part of the evaluation process.

Please direct all questions regarding this request for proposals to Juanita Burch-Clay, Town Auditor, at 802-235-2651, or at burchclay@gmail.com.

NATURE OF SERVICES REQUIRED

The Town of Middletown Springs, Vermont, desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles. The Town also desires the auditor to express an

opinion on the fair presentation of the combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles.

In addition, the Town has received a Federal passthrough grant in the amount of \$1,449,356.35 from the Vermont Department of Libraries, and a grant in the amount of \$225,182.10 from the Vermont Department of Buildings and General Services, both for the renovation of an existing building to become the new Town library. We anticipate that spending against the Department of Libraries grant during the 25-26 fiscal year will exceed the \$1,000,000 threshold that triggers an organizational audit under Federal guidelines. The Vermont Department of Libraries and the US Department of the Treasury should be considered interested parties in the findings of this audit.

The audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the U.S. General Accounting Office's Government Auditing Standards.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall also be reported in a separate management letter, which shall include all instances of noncompliance.

The auditor will print, bind and submit eight (8) copies of the audit report to the Town, one (1) unbound copy, and one (1) digital copy. Additional copies of the report shall be submitted to the federal cognizant audit agency and any agencies of the State of Vermont, as required.

At the conclusion of the audit, the auditor will meet with the Selectboard, Town Treasurer, Library Board, Town Clerk, and Town Auditors to discuss the results of the audit and explain any findings that are included in the auditor's management letter. The audit will need to be completed with audit copies noted above to the Middletown Springs Selectboard by end of business on Friday, May 21, 2027. The audit firm must be available to present the audit report at a regularly scheduled Selectboard meeting within three weeks of delivery of the final audit report.

All working papers and reports shall be retained for a minimum of three years, unless the firm is notified in writing by the Town of the need to extend the retention period.

DESCRIPTION OF THE GOVERNMENT

The Town of Middletown Springs has a population of 794 (according to 2020 U.S. Census data). The Town provides the following services to its citizens:

- Highway department, maintaining 34 miles of Class 3 and Class 4 roads;
- Budget oversight, standard recordkeeping and property ownership record maintenance for Vermont towns;
- A municipal public library that follows the historical precedent (and recommendation of the Vermont Law of the Libraries and Vermont Statute) as an entity controlled by an independent board that manages Town-owned Library property, personnel, finances, and Library policy;
- A solid waste and recycling transfer station;
- Maintenance of an historic cemetery and a public woods

The Town does have a pre-K through sixth grade school supported by property taxes. However, Middletown Springs and the neighboring community of Wells are members of a merged district overseen by an independent school board that sets budgets and tax rates to support both towns' students from pre-K through twelfth grade.

Fire protection is provided by a volunteer fire association, and law enforcement the Vermont State Police, with a supplemental patrol contract with the Rutland County Sheriff's Department.

The town has three paid employees, two full-time (highway foreman, highway maintenance worker) and one part-time (transfer station attendant/casual labor). Two additional part-time employees, the Library Director and Assistant Librarian, are paid from the stipend that the Town voters approve in the annual budget. The town also pays approximately \$80,000 in salaries and hourly wages for elected positions (town clerk, assistant clerk, treasurer, delinquent tax collector, auditors, listers, road commissioner, and selectboard members) and election workers. The Town participates in the PACIF municipal insurance pool, and offers contributions to retirement for its town clerk and its two full-time employees.

For FY2026 (the year ending June 30, 2026), the Town's general-operations budget (including appropriations to social service agencies as approved by the voters) is \$554,616, and the highway budget is \$528,055. The municipal library budget was \$41,280 in FY2025

The Town uses the following fund types in its financial reporting:

- General Fund
- Highway Department Funds
- Reserve funds for capital projects and equipment purchase

The Selectboard and Town Auditors regularly review financial statements provided by the Treasurer. The Town Auditors also review the municipal library financial statements. The Selectboard is responsible for preparing and adhering to the annual general and highway budgets.

The most recent comprehensive audit was conducted for FY2018 (July 1 2017-June 30 2018). Its findings were largely supportive, and all identified deficiencies have been remediated. The Audit Report and the Schedule of Deficiencies are available upon request.

Town staff will perform pre-audit work and will have year-end schedules completed, as needed. The most recent Town Report can be found online at <https://middletownsprings.vt.gov/wp-content/uploads/2025/02/2025-Town-Report-Final-2.3.25.pdf>

The Town prepares its financial statements using the modified cash basis of accounting for governmental funds. The Town's financial statements are prepared under the guidance of the Governmental Accounting Standards Board (GASB).

PROPOSAL REQUIREMENTS

Interested firms shall submit its proposal separated into two sections: the technical proposal and the cost proposal. The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake the audit of the Town of Middletown Springs in conformity with the requirements of this request for proposals. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements. The technical proposal shall provide the necessary information:

- Background of the firm. The proposer should state the size of the firm, the size of the firm's governmental auditing staff, and the number and nature of the professional staff to be employed in this engagement. The firm is also required to submit a copy of the report on its most recent quality control review, along with a statement of whether that quality control review included a review of specific government engagements.
- Partner, supervisory and staff qualifications and experience. The proposer should identify the principal supervisory and management staff who would be assigned to the engagement and disclose each person's government auditing experience.

- Similar engagements with other government entities. The proposal shall describe the five most significant engagements performed in the last five years that are similar to the engagement described in this request for proposals. Indicate the scope of the work and the name and telephone number of the client contact.
- Specific audit approach. The proposal should set forth a plan of implementation, including an explanation of the audit methodology to be followed. The work plan should include a description of tasks, estimates of work effort, time budgets, and a detailed breakdown of responsibilities of all audit personnel.

The cost proposal should be structured as follows:

- Total all-inclusive maximum price for the audit review for the year ending June 30, 2026. No fees or expenses beyond this “not-to-exceed” bid will be accepted without prior Selectboard approval.
- The price for the audit should separate remuneration between the Town financials and the Municipal Library financials (particularly the grant analyses).

EVALUATION CRITERIA

The audit firm will be selected based on two criteria: technical qualifications and price. The technical qualifications will compare each proposer’s expertise and experience in providing quality audit services to government entities and the quality of the firm’s professional personnel who would conduct the audit. The approach of the audit and the plan for implementation will also be scrutinized. Cost will not be the primary factor in the selection of the audit firm.