

PROPOSAL FOR
FINANCIAL STATEMENT AUDIT

County of York
Alfred, Maine

SUBMITTED BY:



Proven Expertise and Integrity

3 Old Orchard Road
Buxton, Maine 04093
May 11, 2022

(207) 929-4606 | (800) 300-7708

Contact:
Ronald H.R. Smith, CPA, CFE
Managing Partner

www.rhrsmith.com

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Proven Expertise & Integrity

May 11, 2022

Ms. Lori Lemieux, Finance Director
County of York
45 Kennebunk Road
Alfred, Maine 04002

Dear Ms. Lemieux:

Thank you for giving us the opportunity to submit the following proposal to perform the audit of the County of York. The information you requested about our firm, our qualifications and the services we provide are enclosed.

We propose to audit the financial statements of the County of York for the years ending June 30, 2022 through June 30, 2024. We will conduct the audits in accordance with Generally Accepted Auditing Standards (GAAS); requirements promulgated by the American Institute of Certified Public Accountants (AICPA), and the Government Auditing Standards Board (GASB); and standards contained in *Government Auditing Standards* issued by the General Accounting Office, the Single Audit Act of the United States Office of Management and Budget, the provisions of the Uniform Guidance, *Audits of States, Local Governments and Nonprofit Organizations*, and related pronouncements regarding any Federal assistance awards.

RHR Smith & Company specializes in governmental audits, serving municipal, county and tribal governments, as well as schools, housing authorities, sewer and water utilities, and nonprofit corporations with a high concentration of these audits in Maine and Vermont. Our unique and innovative approach allows us to build client relationships based on a shared understanding of your entire organization and its needs. We take the time to get to know our clients, making the audit report an important part of organizational education and improvement. Selecting RHR Smith & Company as your independent auditing firm gives you access to talented, experienced professionals who will continue to meet all of your audit and accounting needs and become valuable resources to the County of York.

We look forward to continuing our relationship with the County of York and providing consistent auditing and governmental financial advice as we have in the past. Please do not hesitate to call if you have any questions about this proposal and our services. I can be reached at the office in Buxton at (800) 300-7708. We welcome the opportunity to meet with you and your staff.

Very Best,

Ronald H.R. Smith, CPA, CFE
Managing Partner

3 Old Orchard Road, Buxton, Maine 04093

T. 800.300.7708 | 207.929.4606 | F. 207.929.4609

www.rhrsmith.com

TECHNICAL PROPOSAL

History

The firm of RHR Smith & Company, Certified Public Accountants was formed by Ronald H.R. Smith in 1997. Since August of 2001, Ronald has been the sole shareholder of the Company. It is a Maine based firm headquartered in Buxton and holds its license to practice in the states of Maine, Vermont, and Massachusetts. Together, Ronald H.R. Smith CPA, CFE, and his staff have over 200 years combined experience providing professional accounting, auditing, computer consulting, and other internal control and financial services.

Organizational Size and Structure

The firm is a professional corporation. Audit opinions are prepared and issued by Ronald H.R. Smith, CPA, CFE, Christina M. Smith, CPA, Miranda MacDonald, CPA, MBA, RTSBA, Jordan Nelle, CPA, and Michael B. Nadeau, CPA, CMA, MBA, SFO. Professional accounting and auditing experience are provided by a staff of 36 accountants. All of our accountants are dedicated solely to our governmental auditing practice which makes us able to handle not only audit matters, but the complex accounting or industry matters which may need to be understood during the relationship. We are comprised of auditors, former government finance directors, former government school business managers, and other former seasoned government fiscal leaders. These 36 individuals pride and commit themselves to the governmental industry. The firm also has a dedicated tax practice comprised of 2 professionals to provide tax consultation, tax preparation, tax advice in all areas of taxation, and tax accounting service.

Service Capabilities

The firm specializes in the area of governmental and nonprofit accounting and auditing. Within this field, the following services are provided:

- Reporting on financial statements in three capacities:
 - Audit
 - Review
 - Compilation
- Compliance auditing to meet federal and state requirements.
- Preparation of financial statements.
- Accounting system design.
- Internal control system design.
- Electronic data processing system study, including assistance in implementation.
- Assistance in budgeting procedures, forecasts, and cash flow analysis.
- Tax and bond anticipation requests including lease and bargain purchase financing.
- IRS Section 125 plan design and implementation.
- Assistance and preparation of GFOA Comprehensive Annual Financial Report.
- Other non-attest accounting and consulting services.
- Free client training workshops.

TECHNICAL PROPOSAL

Firm Experience

RHR Smith & Company conducts over 400 audits for government and nonprofit clients. All audit work is overseen by the Managing Partner, Ronald H.R. Smith, CPA, CFE.

We assist three of our clients in preparing CAFR reports, and one of our CPA's serves on the CAFR review team.

A list of all our governmental clients is included in this document on pages 12 through 15.

Desk Reviews

The firm has had no federal or state desk reviews or field reviews of its audits during the past three years. None of the employees of the firm are or have been, the subject of disciplinary action taken or pending with state regulatory bodies or professional organizations.

Quality Control

As a member requirement of the American Institute of Certified Public Accountants, the firm is enrolled in the Peer Review Program. Under this program, our firm is required to be audited every three years by another firm of similar size that is independent of our firm. Our quality control reviews include reviews of specific government engagements. Our most recent quality control review was performed in 2018 for the year ended September 30, 2017 and is included in this document on page 5.

Peer Review documents are made available for public access on the AICPA website. The firm of RHR Smith & Company also maintains a very structured internal quality control system designed to meet the standards of the American Institute of Certified Public Accountants.

Contracted Services

Only employees of RHR Smith & Company will be assigned to work on the County of York audit. We do not utilize any contracted services at this time.

Firm Insurance

At all times, RHR Smith & Company, CPA's, maintains in full force professional liability insurance and general liability insurance in the minimum amount of \$1 million per occurrence, and workers compensation insurance as required by Maine law.

The firm will provide a certificate of insurance or a copy of the policy as proof of coverage at the time an agreement is executed with the County.

TECHNICAL PROPOSAL

Independence and Quality Assurance

Our firm adheres to the most rigid standards, including those of the U.S. Government Accountability Office, in ensuring independence and avoiding any real or apparent conflict of interest. We have policies outlining detailed processes for making determinations regarding independence and conduct extensive training in making those determinations. Staff reviews all firm engagements periodically to evaluate the potential for conflict and provides statements regarding any prior or current relationships with clients.

As to this engagement, we are independent of the County of York. No professional relationship exists between our firm and employees or agencies affiliated with the County of York.

The Engagement Partner is responsible for ensuring that all staff assigned to the County's audit have the experience and qualifications necessary to complete all audit tasks accurately and efficiently.

Licensing

The firm is registered in the State of Maine; its Managing Partner, Ronald H.R. Smith, CPA, CFE, is licensed in Maine, and all personnel is duly authorized to practice in the State of Maine according to applicable state statutes.

Professional Organizations

All professional personnel are members of the American Institute of Certified Public Accountants, and the Maine Society of Certified Public Accountants. Ronald, H.R. Smith, CPA, CFE, is also a member of the Association of Certified Fraud Examiners.

Audit Record Retention

All working papers and reports are retained for a minimum of five years after the end of each audit unless notified in writing by a cognizant agency to extend the retention period. Working papers will be made available, upon request from the County or its designee or the General Accounting Office, at the completion of the audit.

TECHNICAL PROPOSAL

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 (ies)* or *fail*. RHR Smith & Company, CPAs has received a peer review rating of *pass with deficiency*.

D.E. Rodrigues & Company, Inc.

May 27, 2021

RHR Smith & Company
 Certified Public Accountants

TECHNICAL PROPOSAL

Audit Team

The following table shows the audit team selected for the County of York, along with their respective roles.

NAME	TITLE	ROLE & RESPONSIBILITY
Ronald H.R. Smith, CPA, CFE	Managing Partner	<i>Engagement Partner:</i> Oversees audit including all work papers and audit documents, attends entrance and exit conferences and other client meetings as needed.
<i>Ron has been an auditor for over 32 years. He is the engagement partner for all audits and manages many audits.</i>		
Christina A. Howe	Audit Manager	<i>Audit Manager:</i> Implements work plan, supervises and reviews field work, coordinates with the client, conducts a test of controls.
<i>Christina has over 13 years of accounting experience specializing in governmental auditing services.</i>		
Christina M. Smith, CPA	Senior Accountant / Quality Reviewer	<i>Audit Manager:</i> Implements work plan, supervises and reviews field work, coordinates with the client, conducts a test of controls.
<i>Christina has over 28 years of public accounting experience with specific expertise in participating in the audit of nonprofit and governmental clients.</i>		

Staff Reassignment

At RHR Smith & Company, we are proud of the experience and longevity of our employees and take our commitment to audit quality and continuity seriously. We rarely find it necessary to reassign team members during an engagement. If we conduct your audit for several years, we may change members of the audit team to ensure independence and quality control. Any staff changes made during an audit are discussed with client management and should be approved in writing by the client.

Continuing Education

All continuing professional education requirements have been met or exceeded with respect to standards set forth by the American Institute of Certified Public Accountants and the U.S. Government Accountability Office, and State of Maine Board of Accountancy. The Engagement Partner is responsible for ensuring that all personnel assigned to the County's audit have the experience and qualifications necessary to complete all audit tasks accurately and efficiently.

RHR Smith & Company
Certified Public Accountants

TECHNICAL PROPOSAL

Ronald H.R. Smith, CPA, CFE
North Yarmouth, Maine
Managing Partner

SUMMARY

Thirty-two years of public accounting experience. Specific expertise in the auditing, computer consulting, internal control testing, and other numerous financial tasks of governmental and nonprofit clients.

PROFESSIONAL HISTORY

- | | |
|----------------|---|
| 1997 – Present | Managing Partner, RHR Smith & Company, Certified Public Accountants, Buxton, Maine |
| 1989 – 1997 | Senior Audit and Accounting Manager with Ron L. Beaulieu & Company, Certified Public Accountants, Portland, Maine |

EDUCATION

1988, B.S. degree in Accounting, Saint Joseph's College, Standish, Maine

CONTINUING EDUCATION

All continuing professional education requirements have been met or exceeded with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office and State of Maine Board of Accountancy.

LICENSE

Certified Public Accountant - State of Maine Certificate Number CP 2285
Certified Public Accountant - State of Vermont Certificate Number 001.0002033
Certified Fraud Examiner - Credential Number 158186

PROFESSIONAL ASSOCIATIONS

- Member of the Maine Society of Certified Public Accountants
- Member of the American Institute of Certified Public Accountants
- Member of the Association of Certified Fraud Examiners
- Member of the GAO Yellow Book Council

TECHNICAL PROPOSAL

Christina A. Howe
Portland, Maine
Audit Manager

SUMMARY

Over thirteen years of accounting experience, specializing in governmental auditing services. Additional expertise in accounting software consulting, internal control testing, reconciliation of accounts, and numerous other financial tasks of governmental clients.

PROFESSIONAL HISTORY

- | | |
|----------------|---|
| 2011 – Present | Senior Account and Senior Audit Manager, RHR Smith & Company, Certified Public Accountants, Buxton Maine. |
| 2009 – 2011 | Staff Accountant, RHR Smith & Company, Certified Public Accountants, Buxton Maine. |
| 2008 – 2009 | Accounting Intern, RHR Smith & Company, Certified Public Accountants, Buxton Maine. |

EDUCATION

University of Southern Maine, Portland, Maine – B.S. in Business Administration – Accounting Minor, 2008.

CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office, and State of Maine Board of Accountancy.

PROFESSIONAL ASSOCIATIONS

- Member of the Association of Certified Fraud Examiners

TECHNICAL PROPOSAL

Christina M. Smith, CPA
North Yarmouth, Maine
Senior Accountant

SUMMARY

Over twenty-eight years of public accounting experience. Specific expertise in participating in the auditing of nonprofit and governmental clients.

PROFESSIONAL HISTORY

2000 – Present	Audit Manager, RHR Smith & Company, Certified Public Accountants, Buxton, Maine
1993 – 2000	Senior Audit and Accounting Manager with Ron L. Beaulieu & Company, Certified Public Accountants, Portland, Maine

EDUCATION

1993, B.S. degree in Accounting, University of Southern Maine, Portland, Maine

CONTINUING EDUCATION

All continuing professional education requirements have been met or exceeded with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office and State of Maine Board of Accountancy.

LICENSE

Certified Public Accountant - State of Maine Certificate Number 2512

PROFESSIONAL ASSOCIATIONS

- Member of the Maine Society of Certified Public Accountants
- Member of the American Institute of Certified Public Accountants
- Member of the CAFR review team for the GFOA
- Member of the Maine GFOA

RHR Smith & Company
Certified Public Accountants

TECHNICAL PROPOSAL

References

We are experienced in performing audits for state and local governments under standards that include GAS (Yellow Book), and Single Audit Act (Uniform Guidance), and we understand the audit requirements of the states in which we practice. We currently audit and provide accounting services for many governments and governmental organizations in the State of Maine. Some of those similar to the County of York audit are listed below:

Alex Kimball, Finance Director	
County of Cumberland	
142 Federal Street, Portland, Maine 04102	P. (207) 699-1988
<i>Audit of Financial Statements, including Single Audit</i>	

Patrick Dolan, Finance Manager	
County of Somerset	
41 Court Street, Skowhegan, Maine 04976	P. (207) 858-4707
<i>Audit of Financial Statements</i>	

Johanna Turner, County Treasurer	
County of Piscataquis	
163 East Main Street, Dover Foxcroft, Maine 04426	P. (207) 564-6500
<i>Audit of Financial Statements</i>	

RHR Smith & Company
Certified Public Accountants

TECHNICAL PROPOSAL

GOVERNMENT & GOVERNMENTAL AGENCIES

Acton, Town of
Andover, Town of
Androscoggin Valley Council of Governments
Appleton, Town of
Arlington VT, Town of
Auburn Housing Authority
Augusta Housing Authority
Baldwin, Town of
Baring Plantation
Bath, City of
Bellows Falls Village Corporation
Bennington Housing Authority
Berlin Housing Authority
Berwick, Town of
Biddeford Housing Authority
Bowdoin, Town of
Brandon, VT, Town of
Bridgton, Town of
Brooks, Town of
Brownfield, Town of
Buckfield, Town of
Bucksport, Town of
Burnham, Town of
Bustins Island Village Corporation
Buxton, Town of
Byron, Town of
Calais VT, Town of
Camden, Town of
Canton, Town of
Carmel, Town of
Carrabassett Valley, Town of
Casco Bay Island Transit District
Casco, Town of
Chelsea, Town of
Cherryfield, Town of
Chester, VT, Town of
Chesterville, Town of
Claremont Housing Authority
Clinton, Town of
Concord Housing Authority
Cooper, Town of
Corinth, Town of
Cornish, Town of
County of Androscoggin
County of Aroostook
County of Aroostook Unorganized Territories
County of Cumberland
County of Franklin
County of Kennebec
County of Kennebec Union Township
County of Piscataquis
County of Piscataquis Unorganized Territories
County of Somerset
County of Somerset Unorganized Territories
County of Somerset Jail
County of York
Cumberland County District Attorney
Cutler, Town of
Damariscotta, Town of
Denmark, Town of
Derry Housing and Redevelopment Authority
Dixfield, Town of
Eastern Slope Airport Authority
Eastport Non-Profit Housing Corporation
Ellsworth, City of
Embden, Town of
Eustis, Town of
Fair Haven, VT, Town of
Fairfield, Town of
Falmouth, Town of
Farmington, Town of
Ferrisburgh, VT, Town of
Franklin County Unorganized Territories
Freedom, Town of
Fryeburg, Town of
Gouldsboro, Town of
Grand Isle, VT, Town of
Gray, Town of
Green Mountain Transit
Greene, Town of
Guilford, Town of
Harpwell, Town of
Harrington, Town of
Harrison, Town of
Hartford, Town of
Hiram, Town of
Hollis, Town of
Houlton, Town of
Housing Authority of Fort Fairfield
Industry, Town of
Isle La Motte, VT, Town of
Jackman, Town of
Jay, Town of
Jonesboro, Town of

RHR Smith & Company
Certified Public Accountants

TECHNICAL PROPOSAL

GOVERNMENT & GOVERNMENTAL AGENCIES (continued)

Kennebec Valley Council of Governments	Palermo, Town of
Kennebunk, Town of	Palmyra, Town of
Killington, VT, Town of	Paris, Town of
Kittery, Town of	Phillips, Town of
Laconia Housing & Redevelopment Authority	Pittsfield, Town of
Lewiston Housing Authority	Pleasant Point Housing Authority
Lewiston-Auburn Water Pollution Control Authority	Plymouth, VT, Town of
Lewiston, City of	Poland, Town of
Limerick, Town of	Porter, Town of
Limington, Town of	Presque Isle Housing Authority
Lincoln Plantation	Presque Isle Industrial Council
Lisbon, Town of	Presque Isle, City of
Livermore Falls, Town of	Putney, VT, Town of
Livermore, Town of	Rangeley, Town of
Lovell, Town of	Richford, VT, Town of
Ludlow, Town of	Rockingham, VT, Town of
Ludlow, Village of	Rome, Town of
Madison, Town of	Rumford, Town of
Magalloway Plantation	Sabattus, Town of
Maine County Commissioners Association	Salem Housing Authority
Maine Indian Tribal-State Commission	Sandy River Plantation
Maine Port Authority	Sanford Housing Authority
Mariaville, Town of	Sangerville, Town of
Mattawamkeag, Town of	Shapleigh, Town of
Meddybemps, Town of	Shelburne VT, Town of
Mercer, Town of	Sheldon VT, Town of
Milbridge, Town of	Sidney, Town of
Milford, Town of	South Burlington, VT, City of
Millinocket, Town of	Springfield Housing Authority
Monson, Town of	Starks, Town of
Montpelier Housing Authority	State of Maine, UT Education and Services Fund
Montpelier, VT, City of	Steuben, Town of
Morrill, Town of	Stockbridge, VT, Town of
Mount Holly, Town of	Stonington, Town of
Mount Vernon, Town of	Stow, Town of
New Haven, VT, Town of	Strong, Town of
New Sharon, Town of	Sweden, Town of
Newmarket Housing Authority	Temple, Town of
Newry, Town of	Turner, Town of
Norridgewock, Town of	Two Bridges Regional Jail Authority
North Berwick, Town of	Two Rivers-Ottawaquechee Regional Commission
Northeastern Vermont Development Association	Union, Town of
Oakfield, Town of	Upper Valley Lake Sunapee Regional Planning Comm
Ogunquit, Town of	Van Buren Housing Authority
Old Orchard Beach, Town of	Van Buren, Town of
Oxford, County of	Vanceboro, Town of
Oxford, Town of	Vassalboro, Town of

RHR Smith & Company
Certified Public Accountants

TECHNICAL PROPOSAL

GOVERNMENT & GOVERNMENTAL AGENCIES

(continued)

Vernon, VT, Town of	Wells, ME, Town of
Victory, VT, Town of	Wells, VT, Town of
Waldoboro, Town of	Whitefield, Town of
Warren, Town of	Whitneyville, Town of
Washington County Council of Governments	Willimantic, Town of
Waterboro, Town of	Wilton, Town of
Waterford, Town of	Windham Regional Commission
Wayne, Town of	Winn, Town of
Weathersfield VT, Town of	Winooski, VT, City of
Wells Emergency Medical Services	Wolcott, VT, Town of
Wells National Estuarine Research Reserve Management Authority	Woodville, Town of

SCHOOL DISTRICTS & DEPARTMENTS

Acton School, Town of	Orleans Central Supervisory Union
Addison Central School District	Patricia A Hannaford Regional Technical School District
Addison Northwest School District	Regional School Unit No. 13
Appleton School, Town of	Regional School Unit No. 14
Battenkill Valley Supervisory Union	Regional School Unit No. 37
Bennington Rutland Supervisory Union	Regional School Unit No. 38
Burlington School District	Regional School Unit No. 44
Byron School Unit	Regional School Unit No. 52
Carrabassett Valley School, Town of	Regional School Unit No. 53
Champlain Valley School District	Regional School Unit No. 55
Cherryfield School, Town of	Regional School Unit No. 6
Community Regional Charter School	Regional School Unit No. 61
Cutler School, Town of	Regional School Unit No. 63
Ellsworth School, City of	Regional School Unit No. 72
Falmouth School, Town of	Regional School Unit No. 73
Franklin Northeast Supervisory Union	Regional School Unit No. 78
Franklin West Supervisory Union	River Valley Technical Center
Greater Rutland County Supervisory Union	Rutland Northeast Supervisory Union
Greenville School, Town of	Slate Valley Unified School District
Harwood Unified Union School District	South Burlington School District
Jonesboro School, Town of	Southwest Vermont Supervisory Union
Kingdom East Unified Union School District	Springfield School District
Kittery School Department	Two Rivers Supervisory Union
Lamoille South Unified Union School District	Washington Central Unified Union School District
Lewiston School, City of	White River Valley Supervisory Union
Lisbon School, Town of	Willimantic School, Town of
Maine Arts Academy	Windham Central Supervisory Union
Maine Connections Academy	Windham Northeast Supervisory Union
Milford School, Town of	Windham Southeast Supervisory Union

TECHNICAL PROPOSAL

NON PROFIT ORGANIZATIONS

Calais Methodist Home, Inc.	Mid Maine Homeless Shelters
Coastal Counties Workforce, Inc.	Morningview, LLC
Cobscook Community Learning Center	Northern Maine Development Commission
Eastern Maine Development Corporation	Old Orchard Beach Free Public Library Association, Inc
Eastern Trails Management District	Piscataquis County Economic Development Council
Grand Chapter of Maine, Order of the Eastern Star	Portland Ballet
Greater Falls Regional Service Center	River Valley Healthy Communities Coalition
Greater Franklin Development Council	Rural Community Action Ministry
Greater Sebago Education Alliance	Sacopee Rescue, Inc.
Home Counselors, Inc.	Sacopee Valley Health Center
Jay-Niles Memorial Library	Schoodic Arts for All
Maine Huts & Trails	Senior Needs Committee of Wells & Ogunquit
Maine Mobile Health Program	Sheepscot Regional Education Program
Manchester Community Library	Vermont Education Health Initiative
Mark & Emily Turner Memorial Public Library	Washburn-Norlands Foundation
Mechanic Falls Development Commission	Western Maine Transportation Services

TRIBAL GOVERNMENTS

Aquinnah Wampanoag Tribal Housing Authority	Penobscot Indian Nation Enterprises
Penobscot Indian Nation	Pleasant Point Passamaquoddy Tribal Council

FOR PROFIT

Cross Insurance Arena	Vacationland Estates Resort
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TECHNICAL PROPOSAL

General Audit Approach

We believe the audit process should be an integral part of how an entity can achieve organizational improvement. An audit can reveal opportunities to improve internal processes and controls, enhance accuracy and efficiency, and increase understanding of the financial position of the entity.

Our technical approach is to use standard programs to direct and document the audit. Auditors use programs to determine the level of examination needed, guide conversations with management, document procedures and tests of controls and gather valuable information. All of our processes are customized, meaning our specific approach is unique to each client. This is a necessity when working with unique organizations of varying size, level of wealth and sophistication, the scope of public services and programs, staff experience and history.

We view our engagements as an ongoing professional relationship, and your auditor and other professionals at our firm will be available to assist with consultation, accounting and other services throughout the year.

Overall Technical Approach

The audit will employ techniques to provide evidence to substantiate the financial statement assertions. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and banks. We will request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

The firm uses PPC audit programs to direct and document the audit. These programs are very extensive and are selected based on materiality factors. A list of some audit programs we typically use include:

- General Procedures
- Minutes, Contracts, Policies
- Cash
- Investments
- Revenue, Receivables, Notes Receivable and Receipts
- Expenditures for Goods and Services and Accounts Payable
- Payroll and Related Liabilities
- Inventories
- Property, Equipment, and Capital Expenditures
- Debt and Debt Service Expenditures
- Fund Equities
- Grants and Similar Programs
- Insurance and Self Insurance

TECHNICAL PROPOSAL

Financial statements and schedules will be prepared from the County's internal financial statements as for each fiscal year end. The financial statements will be presented in accordance with generally accepted accounting principles. All required footnote disclosures will also be included.

Sampling Technique

Audit sampling will be in accordance with the American Institute of Certified Public Accountants Audit and Accounting Guide-Audit Sampling. Audit sampling will be utilized where it will be the most efficient and effective audit tool in the circumstance.

Three phases of audit sampling will be performed: planning, selection and evaluation. The actual selection process will include random, systematic, and haphazard selection.

Scope of Work

Engagement Summary

The objective of our audit is the expression of opinions as to whether your basic 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 additional information when considered in relation to the basic financial statements taken as a whole. We will also perform and report on any other procedures necessary to comply with Government Auditing Standards (Yellow Book and Single Audit). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the requirements of the State of Maine Department of Audit. It will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions.

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. 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.

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.

Our audit will include obtaining an understanding of the entity and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of your compliance with applicable laws and regulations and the provisions of contracts and agreements.

TECHNICAL PROPOSAL

An audit is not designed to provide assurance on internal controls or legal and regulatory compliance or to identify deficiencies in those controls and compliance. 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.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of your compliance with applicable laws and regulations and the provisions of contracts and agreements. We use a risk-based approach to determine which laws and regulations to test, which includes the use of interactive audit software which allows us to design our field work and tests based on individual client structure, individual needs, and real-time information as we progress. This program's ability to adjust audit designs will indicate additional test work that may be needed based on the level of risk.

We will express an opinion on the fair presentation of the County's basic financial statements taken as a whole and supporting schedule, in conformity with generally accepted accounting principles and procedures applicable to governmental and nonprofit organizations.

In connection with the examination of the records and financial statements, we will review the system of internal control, operating procedures, and compliance with the budgetary and legal requirements by the County. The review of the internal controls will include an annual review of the related processing controls within the County's operations, to include developing an understanding of policies involving security, documentation, controls and data retention, and testing adherence to those policies. The approach we use includes staff interviews and completing and examining questionnaires.

The Engagement Partner, Audit Supervisor and Audit Manager are available to coordinate with Management regarding scheduling and planning the audit, understanding the control environment, and discussing any management issues that may arise during the audit. The Auditor will issue a letter to Management listing problem areas and suggested improvements. Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations.

TECHNICAL PROPOSAL

Engagement Outline

The engagement will include the following:

- Audit plans developed and reviewed with appropriate officials, appointed staff and cognizant federal agencies, if necessary.
- Audits of the entity's financial statements in accordance with Generally Accepted Auditing Standards (GAAS); requirements promulgated by the American Institute of Certified Public Accountants (AICPA), and the Government Auditing Standards Board (GASB); and standards contained in *Government Auditing Standards* issued by the General Accounting Office, the Single Audit Act of the United States Office of Management and Budget, the provisions of the Uniform Guidance, *Audits of States, Local Governments and Nonprofit Organizations*, and related pronouncements regarding any Federal assistance awards.
- Audit of all accounts and funds of the County.
- Separate reports on supplementary information required by Government Auditing Standards.
- Entrance, exit and progress conferences. The Engagement Partner, and/or Audit Manager will conduct all required conferences with the County Commissioners and/or designated others and will be available to attend public meetings at which the audit report may be discussed. The audit will conduct and interview with the Treasurer at the conclusion of the audit.
- Preparation of financial statements and required supporting schedules. Draft statements will be submitted for review to the appropriate parties.
- Presentation of Management Letter to make known certain recommendations which, if implemented, would, in our opinion, increase efficiency, improve internal controls and improve financial management policies.

TECHNICAL PROPOSAL

Audit Schedule

- *Preliminary Work:* Preliminary audit work and audit planning will be conducted as soon as possible, based on discussions with Management at an entrance conference conducted at the onset of the engagement.
- *Planning:* An audit plan will be provided at a progress conference with the key personnel before field work begins. The role of County officials in the audit will be discussed, and a list of schedules to be prepared by the staff of County of York will be provided.
- *Field Work:* Field work will commence based on a mutually agreed upon date after discussions with management.
- *Audit:* An entrance conference with the County Commissioners, Finance Director, and/or other designated others to commence year-end audit work will be conducted as soon as possible following the last day of the fiscal year. County personnel will prepare trial balances and supplemental schedules by the first day of field work, and will make recommendations, revisions and suggestions on the draft reports within ten (10) business days of receiving them.
- *Audited Basic Financial Statement Package*
 - Draft set of financial statements and management will be provided following the completion of the audit.
 - Ten (10) signed and bound copies and an electronic copy of the independent auditors' report and basic financial statements with all the above-mentioned reports for the County, Provisions of Uniform Guidance and all reports required by Government Auditing Standards delivered following the acceptance of the draft.
- *Management Letter*
 - A detailed letter listing items which go beyond the entity's internal control structure will be provided to the County of York. Management letters deal with operational and administrative efficiencies and other items of perceived benefit to the County of York. A draft of the letter will be presented at the exit interview at the conclusion of the audit. Fifteen copies of the final management letter will be provided.

RHR Smith & Company
Certified Public Accountants

COST PROPOSAL

Estimate of Hours and All-Inclusive Maximum Fee

Staff	Rate	Preparation of Financial Statements	Audit of Financial Statements	Total Hours	Cost
Engagement Partner	\$150	2	5	7	\$1,050
Audit Managers	\$125	0	39	39	\$4,875
Quality Control	\$125	25	0	25	\$3,125
Staff Accountants	\$85	18	52	70	\$5,950
Total				141	\$15,000

ANNUAL AUDIT PRICE WILL NOT EXCEED \$15,000 broken down as follows:

Audit Year – June 30, 2022: \$15,000

Audit Year – June 30, 2023: \$15,000

Audit Year – June 30, 2024: \$15,000

Additional Annual Price of Single Audit (if required): \$3,000 for each major program

Our price includes travel and all out of pocket expenses related to the audit, and all client communications related to the audit.

Other Services

Hourly rates for accounting services beyond the scope of the audit through non-attest engagements:

- Management Advisory and Consulting: \$125 to \$150 (Principal)
- Accounting Services: \$100 to \$125
- Fixed Asset Services: \$100

Hourly rates are based on the level of expertise required and are subject to change.

Invoicing

Progress bills are sent periodically as work progresses. The final bill will not be sent until the audit is complete and presentation has been made to the County of York.