



Request for Proposals for Auditing Services Town of Montgomery, Vermont

Request Issued: November 2, 2026
Proposals Due: December 4, 2026

INTRODUCTION

The Town of Montgomery, Vermont, (hereinafter, the “Town”) is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statements for the fiscal year ending June 30, 2026, with the option of auditing its financial statements for each of the two subsequent fiscal years.

Proposals are to be submitted by 3PM on December 4 via physical delivery, post, or electronic mail (preferred) to:

Elizabeth Reighley
Montgomery Town Clerk
PO Box 356
86 Mountain Road
Montgomery Center, VT 05741
municipalclerkmontgomery@gmail.com

The Town reserves the right to reject any or all proposals submitted. Proposals will be evaluated by the municipality based on firm experience and reputation, understanding of the municipality’s requirements, and price. During the evaluation process, the Town reserves the right, where it may serve in the municipality's best interest, to request additional information or clarification from proposers. At the discretion of the municipality, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Please direct all questions regarding this request for proposals to:

Genevieve Lodal-Guild
Montgomery Town Treasurer
montgomerytreasurer@gmail.com

NATURE OF SERVICES REQUIRED

The Town desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles for government entities as defined by the Government Accounting Standards Board (GASB). The municipality 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 GASB generally accepted accounting principles.

The audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; the standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*; the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 (when applicable); and the provisions of the U.S. Office of Management and Budget (OMB) 2 CFR, Chapter I, Chapter II, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, including all revision effective October 1st, 2024, with particular attention to the updated audit thresholds and administrative requirements.

The municipality anticipates spending \$1 million or more in federal awards and will require an audit in accordance with the Single Audit Act of 1984.

It is expected that in determining the extent of test procedures, full consideration will be given to the apparent effectiveness of the system on internal accounting controls. The feasibility of recommendations for improvements in the accounting system and internal controls will be discussed during the engagement. In the required report on internal control, the auditor shall communicate any reportable conditions found during the audit. 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 deliver an electronic copy of the auditor's report and, in addition to that, shall print, bind, and submit five copies of the audit report to the municipality. Additional copies of the report shall be submitted to the federal cognizant audit agency and any agencies of the State of Vermont, as required.

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

DESCRIPTION OF THE GOVERNMENT

The Town's fiscal year begins on July 1st and ends June 30th. The most recent outside audit of the Town's finances, for review, for the fiscal year ended June 30, 2025, can be found on our website: <https://montgomeryvt.us/g/office/treasurer>

The Town has a population of 1,184, according to the 2020 Census. The municipality provides the following services to its citizens:

Town Clerk & Treasurer, Planning & Zoning, Listers & Town Assessor (contracted), Auditing (contracted), Town Health Officer, Fire Department (volunteer), Animal Control, Public Safety (Constable and contracted Ambulance and Dispatching), Parks & Recreation, Public Library, Cultural and Social Services (via appropriations), Water, Sewer (in progress), Highways & Bridges, other public improvements.

The municipality has a total payroll of \$502,559 covering 4 full-time and 5 part-time or seasonal employees. Approved budgets for the most recent fiscal year are \$1,515,240 for the General Fund and \$151,342 for Enterprise Funds. The municipality uses the following fund types in its financial reporting:

- General Fund
- Special Revenue Funds
- Debt Service Fund
- Capital Projects Funds
- Special Assessment Funds
- Enterprise Funds
- Internal Service Funds

Description of Records:

The Town's books are kept on a cash and modified accrual basis. Modified accrual adjustments are done by auditor provided journal entries. Reconciliations are completed by the Town at the end of each month.

Nature of Service Required:

1. Required services consist of an examination of the Town's financial position, results of operations, and changes in financial position for all activities [including Town Clerk, Treasurer, Delinquent Tax Collector, and all other accounts and records] in accordance with generally accepted auditing standards. This will include those procedures which are necessary to express an opinion as to the fairness of representation of the financial statements in conformity with generally accepted accounting principles (GAAP) applied on a basis consistent with the preceding year.

2. In addition to the financial audit, a compliance audit must be conducted in accordance with A.I.C.P.A. Standards.

3. Audit fieldwork is to be scheduled and completed in one contiguous block of time to

be mutually agreed upon. All Town records shall remain on the premises.

4. Town Assistance Available to Auditor during the Audit will include:
 - a. Preparation of a budget basis trial balance;
 - b. Retrieval and filing appropriate records;
 - c. Photocopying of documents;
 - d. Completion of confirmations;
 - e. Meetings and conferences as necessary;
 - f. Such additional assistance that may be appropriate and which does not interfere with the ongoing work of the Town offices.

5. The accounting firm will hold an exit conference with the Town Treasurer's Office to review and accept draft copies of the aforementioned reports before such final reports are issued.

6. At the conclusion of the audit, a representative of the accounting firm will be expected to appear before the Town of Montgomery's Selectboard to discuss the final audit report on or before February 8th (in time for Town Meeting Day).

Report Requirements:

1. The following reports are required at the completion of the audit:
 - a. Combined financial statements of all funds presenting expenditures at the activity level;
 - b. Separate statements for each fund of revenues, expenditures and changes in fund balances/retained earnings [by line item, budgeted and actual];
 - c. Separate balance sheets for each fund;
 - d. An auditor's opinion as to whether the general purpose financial statements fairly represent the financial position of the Town and the results of its financial operations in accordance with generally accepted accounting principles;
 - e. An auditor's statement whether an internal control system exists to provide reasonable assurance that governmental funds are managed in compliance with applicable laws and regulations. Further, the auditor's report must identify the Town's significant internal accounting controls designed to provide for compliance. The auditor shall report the controls that were evaluated, the controls that were not evaluated, and any material weaknesses identified as a result of the evaluation.
2. The completed final report will be submitted by January 15th, 2027 for FY26 and

December 15th for subsequent fiscal years.

Payment: Progress payments will be made based on hours of work completed during the engagement. Interim billing shall cover a period of not less than a calendar month and should provide sufficient detail for verifying that the work was completed.

PROPOSAL REQUIREMENTS

Interested firms shall submit their 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 Montgomery 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 in the following sequence:

- **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 assigned to 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 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 for this engagement. 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.
- **Familiarity with programs:** Describe the firm's participation, if any, in professionally-sponsored control review or comparable programs. Specifically identify the firm's familiarity with the integrated software developed by the New England Municipal Resource Center.

Structure the cost proposal as follows:

- This is a three-year engagement; one year for FY26 with renewal options for FY27 and FY28.
- Total all-inclusive maximum price for the engagement for the year ending June 30, 2026, and for each of the two subsequent engagement years for which the municipality has the option of continuing in this contract.
- Breakdown of costs by year by partner (principal), supervisory, and staff level.
- Out-of-pocket expenses included in the total all-inclusive maximum price and reimbursement rates.
- Unit pricing for non-audit services that are in compliance with independence standards, should those be required.

The Town requires an engagement letter to be delivered within ten (10) working days of the Town's acceptance of a proposal. The engagement letter shall include:

- a. Time for commencing the audit;
- b. A provision for financial penalties for failure to adhere to the time commitments without reasonable justification.
- c. A provision stating that there will be no assignment or subletting of the work to be performed without the prior written consent of the Town.
- d. Specific schedules and working papers to be prepared by Town staff in each department, along with the dates needed.
- e. A provision specifying that if, for any reason, a professional assigned to work on the audit proves to be incompatible with the staff at the town offices, the Town may request that another person of equal qualifications be assigned.
- f. All specifications and services as provided for in the proposal and as agreed to in any negotiations between the parties and accepted by the Town.
- g. The Town will be provided with copies of all work papers and schedules pertaining to the audit, including a summary of all audit adjustments.
- h. Any letters of representation to be signed by the Town Treasurer are to be included in the engagement letter.

EVALUATION CRITERIA

The final selection of an audit firm will be 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.

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

The Town reserves the right to retain all proposals and to use any ideas in a proposal regardless of whether the proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly stated to the contrary and specifically noted in the proposal submitted and confirmed in the contract between the municipality and the selected firm.

The Town reserves the right to accept or reject any proposal, at its sole discretion, and to award a contract based solely on its determination of the best proposal considering all of the circumstances.