



Proposal for Audit Services



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PROPOSAL TO PROVIDE AUDIT SERVICES

January 13, 2026

Selectboard
Town of Warner, NH
Attn: Elizabeth Labbe, Assessing Clerk

Dear Ms. Labbe:

The management and staff of VeroffCPA, PC are pleased to present our proposal to provide professional services to the Town of Warner, New Hampshire (the "Town"). Our Firm has experienced continuous growth and success as we meet and exceed client expectations. Our overall goal is to provide responsive, innovative services of the highest quality to our clients.

We understand we add value to the audit by providing specialized resources and technical proficiency. Our expertise in governmental auditing and accounting combined with our vast access to resources empowers us to solve challenges encountered during the audit. Our highly trained engagement team will maintain a knowledgeable, yet, non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the Town's on-going operations.

I can attest that Steven Veroff, CPA, President of the Firm, is licensed for public practice in the States of New Hampshire and Vermont and has performed continuous CPA services for more than twenty-five years.

As a firm Partner listed on this proposal, I am authorized to make representations for and to bind the firm. Should you have any questions, I encourage you to contact me via telephone at (603) 527-8721 or email at sveroff@veroffcpa.com.

I am confident that our proposal addresses your needs and look forward to discussing and reviewing its content with you. We would welcome this opportunity to differentiate our Firm from our competition and further discuss our approach in providing quality service.

This proposal is a firm and irrevocable offer for a period of 60 days.

Sincerely,

Steven Veroff, CPA
President



COMPANY PROFILE

VeroffCPA auditing firm offering audit, tax, financial reporting, and government grant compliance. Our commitment to our clients has facilitated the firm's continued growth and success at developing and maintaining strong professional relationships.

We separate ourselves from our competition by:

- ◊ Extensive Partner involvement on each engagement
- ◊ Manager and/or Partner always on-site during fieldwork
- ◊ Consistent and experienced staff
- ◊ Timeliness of communications
- ◊ Proactive approach in addressing complex issues early in the engagement
- ◊ Availability to clients as a specialized resource
- ◊ Professionalism with understanding

Our industry specialization includes governmental, not-for-profit, for-profit, and retirement plans. Our clients range from small organizations to organizations with over \$50 million in assets. We have invested heavily in, and have access to, the latest software tools utilized by the industry to provide exception accounting and auditing services as efficiently as possible and subscriptions to professional guidance on the various rules and regulations that affect attestation and tax related matters. Use of these professional products provides our firm with additional resources designed to enhance our audit quality and apply best audit practices to our engagements.

We believe our unique combination of technical expertise, combined with our philosophy of total client commitment throughout all phases of the engagement provides our clients the highest quality service and products available.



SCOPE OF SERVICES

We understand that the Town requires timely audit services and we are committed to meeting all terms, conditions, and requirements as addressed in the request for proposal. With our experience and expertise, we fully understand the audit requirements, as well as your expectations.

The period covered will be for the year ending June 30, 2025. It is our understanding the scope of services will be the following:

1. Audit the financial statements and submit our audit report to the management and Selectboard of the Town, to include all applicable footnotes.
2. Assist, review and provide recommendations to the Town in their preparation of the financial statements and related footnotes.
3. Prepare Management letter, to include a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, and any instances of non-compliance with laws and regulations and any other material matters.
4. Attend the Board meeting when audited financial statements are presented.
5. Assist with the preparation of the New Hampshire Department of Revenue Administration's annual Form MS-535 Reconciliation to the Budget from information provided by management.

The audit will be performed in accordance with generally accepted accounting principles; generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.



THE AUDIT APPROACH

Our audit process begins with the assignment of staff to the engagement. Our engagement team has the expertise to provide a level of service desired and deserved by your organization. Our engagements are supervised by the engagement partner and the manager. As high-level involvement is vital to a quality audit, the partner and manager's time will account for approximately 30% of total hours spent on the engagement. Our team's approach is to be efficient yet non-intrusive.

We believe on-going communication throughout the entire audit will ensure that all aspects of the audit are thoroughly addressed. We encourage regular communications throughout the year, not just during fieldwork. As such, we do not anticipate any potential audit problems to arise during our engagement.

Audit Planning

Our audit planning process includes a risk assessment of the Town and review of the control environment. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to commencing the audit. We will confirm our understanding of the engagement deadlines and ensure these are met in a timely manner. In addition, we will provide a list and samples of schedules specifically tailored to the Town to aid the Town's staff in preparing schedules and providing audit documentation.

Risk Assessment

As part of our extensive planning phase, the engagement team will discuss with management and the Town's Select Board issues surrounding the applicable industry, the Town's internal & external environment, significant events, as well as economic, political, and social factors to determine and document areas of risk. Once areas of risk have been identified, the next process will be to review the control environment.

Control Environment

We will document and test the following control processes to evaluate their effectiveness in preparing reliable financial statements:

- ◊ Disbursements
- ◊ Receipts
- ◊ Payroll
- ◊ Financial reporting
- ◊ Journal entry process
- ◊ IT and general computer controls
- ◊ Grant compliance and reporting



Based on our understanding of the Town's risks and control environment, we will design our substantive procedures and communicate our audit approach to management. As part of our review and documentation of the control environment, we may have recommendations for enhancing controls and/or efficiencies. These recommendations will be discussed with management prior to any comments included in a formal management letter.

Substantive Procedures

Substantive audit procedures are designed based on our risk assessment process. Complex and high-risk accounts will be identified early in the audit process and these accounts will be assigned to the manager and/or partner for actual testing. Our substantive audit procedures will include the following:

- ◊ Tests of account details
- ◊ Analytical procedures
- ◊ Use of data analysis software
- ◊ Unpredictability tests
- ◊ Review of management's estimates
- ◊ Review of subsequent events and contingencies

Audit Sampling

Audit sampling provides the auditor an appropriate basis on which to conclude on an audit area by examining evidence from a sample of a population. We utilize both statistical and non-statistical sampling techniques as described in the AICPA's Audit Sampling Guide, depending on the type of testing being performed. Internal control, substantive and compliance testing samples are generally selected using non-statistical techniques. Sample sizes are determined by risk assessment and nature of the population. We may use statistical sampling to assist with forensic testing in areas which have a higher risk of misstatement due to fraud.

Preparation of Audit Report and Review

Audit workpapers are reviewed throughout the audit by the manager and engagement partner. Before we leave your offices, the file will be substantially reviewed and any issues will be discussed and resolved. The financial statements are prepared by the audit manager. All reports are reviewed by the engagement partner and concurring partner. Upon approval, we will issue drafts of all reports based on a predetermined schedule allowing adequate time for review and distribution of reports.

Technological Advantages

We utilize the latest technology, including virtual servers, smart devices and online libraries to provide us with the most up-to-date information to better serve our clients. First, our online client portal ShareFile gives us the capability of sending and receiving information to and from our clients faster and more securely. As portals are encrypted and use password protection to ensure that data can only be viewed by the appropriate client, we are dedicated to protecting the Town's confidential information.



Furthermore, we streamline our audit process and organize support documents through use of the Thomson Reuters program Workpapers CS. By effectively reviewing large volumes of data through these programs, we are able to develop a better understanding and gain a broader view of the Town. These technologies enable us to increase both the scope of our engagement and the reliability of our audit opinion more efficiently, as a larger amount of information can be processed, analyzed and interpreted in a short time frame.

Work Paper Retention

Audit programs, workpapers and reports will be retained for a period of seven (7) years after the completion of the audit and made available for inspection by the Town, oversight or cognizant agencies, parties designated by the federal or state governments, auditors of entities of which the Town is a sub recipient of grant funds, and additional auditors if requested by Town management.



THE ENGAGEMENT TEAM

The team assigned to perform the audit of the Town is composed of highly trained professionals with extensive experience in audit engagements. Our small, efficient working group will maintain a knowledgeable, yet non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the Town's on-going operations. The technical qualifications of VeroffCPA personnel selected for this audit will ensure service of the highest quality. All engagements are conducted under the supervision of an engagement partner and manager, which assures that quality standards are maintained and all client requirements are met.

We propose the following audit team:

STEVEN VEROFF, CPA, Engagement Partner
STAFF AUDITOR TO BE DETERMINED

Our commitment to governmental accounting is further amplified by our involvement with respected organizations. The proposed Engagement Partner Steven Veroff, CPA, has in the past been a presenter for the New Hampshire, New England, and Vermont Government Finance Officers Association as well as the Vermont Municipal Clerks' and Treasurers' Association and New Hampshire Municipal Association.

The Firm's Principal, Director and managers have been involved in the implementation of GASB financial reporting requirements. In addition to auditing and assisting with the preparation of GASB financial statements, all audit partners and managers have provided hands-on assistance with implementation of new GASB financial reporting requirements.

The U.S. Government Accountability Office's Yellow Book, Government Auditing Standards, requires auditors to maintain their professional competence through continuing professional education. Each auditor performing work under generally accepted government accounting standards is required to complete a minimum of 80 hours of continuing professional education every two years; 24 of the 80 hours must be directly related to government auditing or the government environment. All of our staff exceeds the required educational hours, receiving governmental and OMB Uniform Guidance-specific training throughout the year through external conferences hosted by the New Hampshire and Vermont Societies of Public Accounting and internal training provided by our Firm. Furthermore, all engagement team members, including audit staff, have current OMB Uniform Guidance single audit experience. All staff receive governmental and Uniform Guidance-specific training throughout the year through external conferences hosted by the NHSCPA and VTSCPA as well as other recognized CPE providers in addition to internal training provided by our Firm.

Our Firm takes great pride in not only selecting high quality staff members, but also in providing them with an environment designed for their success and betterment. With that said, all audit management staff have been with our firm for no less than five years. We believe our history of low staff turnover is an asset we are proud to present to the Town.



STEVEN VEROFF, CPA
Principal of Assurance Services

Steven manages the Firm as well as the attest practice of VeroffCPA. He has specialized in auditing for over 25 years, focusing on such industries as for-profit companies, governmental, non-profit and employee benefit plans. As an experienced fraud examiner, Steven has provided expert insight in the areas of fraud prevention, detection and implementing processes/internal controls to hinder fraud from happening.

INDUSTRY EXPERIENCE: Cities and towns
Special Districts
Not-for-profit
Privately held businesses
Retirement/ employee benefit plans
Single Audits and program-specific audits
HUD audits and related compliance

OTHER EXPERTISE: Board retreats and trainings
Consulting on new accounting and auditing pronouncements
Federal and grant compliance
Financial reporting
Fraud engagements
Review and evaluation of internal controls

RELEVANT ENGAGEMENT EXPERIENCE: Advance Transit, Inc.
Rural Community Transportation, Inc.
Vermont Public Transportation Association
Town of Williamstown, Vermont
Town of Dalton, New Hampshire
Vermont Public Power Supply Authority
Campton Village Precinct
Town of Monroe, NH
Springfield Regional Development Corporation
Windham Academy Public Charter School
Heartwood Public Charter School
Town of Stoddard, New Hampshire
Village of Orleans, Vermont

DESIGNATIONS: Certified Public Accountant (CPA)

EDUCATION: Bachelor of Science, Business Administration - Accounting
Northeastern University w/Honors, Magna Cum Laude
KPMG Peat Marwick Alumni, audit training through
Manager level – Boston, MA
Ernst & Young – senior and manager audit training –
Las Vegas, NV and Columbus Ohio training Center



CONTINUING PROFESSIONAL EDUCATION

Continuing education is a top priority for VeroffCPA. Each of our team members receives a wide variety of annual training and content updates from highly qualified instructors, ensuring that they remain on the forefront of issues that could potentially impact our clients.

Individuals who work on audits subject to Government Auditing Standards must obtain, every two years, at least 80 hours of CPE that directly enhance the auditor's professional proficiency to perform audits and/or attestation engagements. At least 20 of the 80 hours must be obtained annually. Individuals responsible for conducting substantial portions of the fieldwork, planning, directing, or reporting on audits subject to Government Auditing Standards must obtain 24 of those hours in subjects directly related to the government environment and government auditing.

All members of the Town's engagement team meet all continuing education requirements of Federal, State and Applicable professional organizations.



LISTING OF RECENT SIMILAR PROJECTS

Steven Veroff, CPA has extensive experience in providing audit services for several other governmental entities that are similar to that which is requested by the Town. A list of current and prior relevant projects.

Clients	Scope of Services
Town of Dalton, NH	GAAS Audit, CAFR, Form MS-535
Town of Williamstown, VT	GAAS Audit, CAFR, Single audit
Town of Merrimack, NH	GAAS Audit, CAFR, Form MS-535, Single Audit
Town of Monroe, NH	Town Audit, CAFR, Form MS-535
Town of Stoddard, NH	GAAS Audit, CAFR, Form MS-535
Campton Village Precinct	GAAS Audit, CAFR, Form MS-535
Village of Orleans, VT	GAAS Audit, CAFR
Vermont Public Power Supply Authority	GAAS Audit, CAFR



CLIENT REFERENCES

Below are current relevant clients who can attest to our services and work performed on their behalf.

We welcome the Town to contact any of our references listed below.

Clients	Name and Position	Scope of Services
Town of Williamstown, VT	Jennifer Allard, Treasurer treas@williamstownvt.org (802) 433-2160	<ul style="list-style-type: none"> • GAAS/Yellow Book Audit • CAFR • Single Audit
Town of Dalton, NH	Jeanette Charon townadmin@townofdaltonnh.gov (603) 837-2092	<ul style="list-style-type: none"> • GAAS audit • CAFR • Form MS-535
Town of Stoddard, NH	Brenda J Bryer, Treasurer townadministrator@stoddardnh.org (603) 446-3326	<ul style="list-style-type: none"> • GAAS audit • CAFR • Form MS-535



COST PROPOSAL

TOTAL MAXIMUM PRICE FOR AUDIT SERVICES (ALL-INCLUSIVE)

In accordance with the Request for Proposal for Audit Services issued by the Town, we hereby submit the following cost proposal:

Service	2025
Audit the financial statements of the Town and assist in preparing the comprehensive audited financial report	\$10,000
Management Letter	Included
Preparation and filing of Form MS-535	500
Out-of-Pocket Expenses (admin)	250
Total, no single audit	<u>\$10,750</u>

Reimbursement Requirements – We require reimbursement of out-of-pocket expenses (lodging, travel, meals, administrative, etc.) up to a maximum of \$250. Out-of-pocket expenses incurred beyond the maximum will not be charged.

Additional Professional Services

VeroffCPA may also furnish other accounting services, which may include advisory and system accounting services as requested by the Town. If it should become necessary for the Town to request VeroffCPA to render any additional services to either supplement the services requested to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Town and VeroffCPA. Any such additional work agreed to between the Town and VeroffCPA shall be performed at the quoted hourly rates listed below:

Position	Standard Hourly Rates
Partner	\$ 300
Manager	225
Senior Staff	175
Staff	110



Work Schedule and Estimated Hours

Task	Staff	Time Est.	Est. Cost
Engagement Letter & Audit Schedule Finalized	Steven Veroff, CPA and TBD	1 hrs	\$195
Pre-Audit work commences (upload client trial balances, sample selections)	Steven Veroff, CPA and TBD	4 hrs	\$1,200
Pre-Audit work completed	Steven Veroff, CPA and TBD	2 hrs	\$600
Year-end review with management and staff schedules, reports and work papers	Steve Veroff, CPA	3 hrs	\$700
Cut-off Statements issued	TBD	1 hrs	\$225
Walk through/documentation of internal controls, Accounting issues discussion, and sequence of audit	TBD	8 hrs	\$2,080
Fieldwork	Steven Veroff, CPA and TBD	16 hrs	\$2,525
Fieldwork concludes	Steven Veroff, CPA and TBD	2 hrs	\$370
Draft of all reports, letters and trial balances presented	Steven Veroff, CPA and TBD	10 hrs	\$1,585
Draft Review completed	Steven Veroff	1 hrs	\$260
Final reports are provided	Steven Veroff	1 hrs	\$260
Prepare annual Form MS-535 online for management review and submission	Steven Veroff	3 hrs	500
Total		52 hrs	\$10,500



CERTIFICATIONS

License to Practice

VeroffCPA, PC is a properly licensed, certified public accounting firm in the states of New Hampshire and Vermont. All certified public accountants involved in audit engagements of the Firm are licensed to practice in the State of New Hampshire and Vermont and have received at least the minimum number of continuing professional education hours required by the State Board of Accountancy and American Institute of Certified Public Accountants.

Independence

VeroffCPA is independent of ATI as defined by U.S. generally accepted auditing standards and the *U.S. Government Accountability Office's Government Auditing Standards* (latest edition).

VeroffCPA is independent of all associated agencies of ATI, as defined by U.S. generally accepted auditing standards and the *Government Auditing Standards issued by the U.S. Government Accountability Office*.

If VeroffCPA enters into a professional relationship that would present a conflict of interest during the period of engagement with ATI; a written notice will be presented to ATI defining such conflict, if any.