



Bright Ideas Shaping Futures!

June 15, 2022

Village Justices
Village Board
Village of Scotia
4 North Ten Broeck Street
Scotia, New York 12303

We are pleased to confirm our understanding of the services we are to provide for the **Village of Scotia relating to the Village Justices' records** for the period ended **May 31, 2022**.

Audit Scope and Objectives

The objective of an audit is the expression of an opinion as to whether the Village Justices' statement of cash receipts and disbursements is fairly presented in all material respects on the cash basis of accounting. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures considered necessary to enable the expression of an opinion. If the audit opinion is other than unmodified, it will be discussed with you in advance. If for any reason the audit is unable to be completed or an opinion cannot be formed, we may decline to express an opinion or to issue a report as a result of this engagement.

Auditor's Responsibilities for the Audit of the Financial Statements

The audit procedures will include tests of documentary evidence supporting the transactions recorded in the accounts. At the conclusion of the audit, written representations will be requested from responsible officials about the financial statement and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; therefore, the audit will involve judgement about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. The audit will be planned and performed to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Village or to acts by management or employees acting on behalf of the Village.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because a detailed examination of all transactions will not be performed, there is a risk that material misstatements may exist and not be detected, even though the audit is properly planned and performed in

LOCATIONS:

NY: 63 Putnam Street, Suite 204, Saratoga Springs, NY 12866
VT: 463 Mountain View Drive, Suite 205, Colchester, VT 05446
NH: 6 Ames Plaza Lane, Walpole, NH 03608

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Office: (866) 247-6800 / Fax: (603) 904-4554
Office: (802) 878-6155 / Fax: (802) 878-6818
Office: (603) 904-4200 / Fax: (603) 904-455

accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statement. However, the appropriate level of management will be informed of any material errors and any fraudulent financial reporting or misappropriation of assets that noted during the audit. The appropriate level of management will be notified of any violations of laws or governmental regulations that are noted during the audit, unless clearly inconsequential. The responsibility as auditor is limited to the period covered by the audit and does not extend to any later periods not covered by this engagement letter.

The audit will include obtaining an understanding of the Village Justices and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statement and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, communication will be made to those charged with governance internal control related matters that are required to be communicated under professional standards.

Responsibilities of Management for the Financial Statements

You agree to assume all management responsibilities for any other non-attest services provided; oversee the services by designating an individual(s), preferable from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statement of the cash receipts and disbursements in conformity with the cash basis of accounting. You are also responsible for making all financial records and related information available and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statement to correct material misstatements and confirming in the management representation letter that the effects of any uncorrected misstatements aggregated during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for disclosing all known or suspected fraud affecting the Village Justices involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Your responsibilities include disclosing your knowledge of any allegations of fraud or suspected fraud affecting the Village Justices received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring the Village Justices comply with applicable laws and regulations.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of CHS Wealth Management & CPAs PLLC and constitutes confidential information. However, requests may be made to make certain audit documentation available to government agencies pursuant to authority given to them by law or regulation. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of firm personnel.

Catherine Harris, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for the services outlined in this Engagement Letter will be \$4,530.00.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary due to unforeseen circumstances, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of your financial statements. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to you, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign one copy and return it to us.

Sincerely,



Catherine Harris
CPA, CFP®, MBA, MSA, EA
CHS Wealth Management & CPAs, LLC

ACCEPTANCE:

This letter correctly sets forth the understanding of the Village of Scotia

MAYOR

VILLAGE JUSTICE

PRINT NAME

PRINT NAME