

November 16, 2019

The Board of Directors
East Montpelier Volunteer Fire Department, Inc.

In connection with audit engagements, we are required by auditing standards generally accepted in the United States of America to communicate certain matters with those charged with governance. The term “those charged with governance” means the persons with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, for example, the Board of Directors (the Board) or a designated Board officer or committee. This communication is provided in connection with our audit of financial statements of the East Montpelier Volunteer Fire Department, Inc. (the Department) as of and for the year ended June 30, 2019.

These standards require us to communicate with you any matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. They also set the expectation that our communication will be two way, and that the Board or their designee will communicate with us matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures.

This letter summarizes those matters which we are required by professional standards to communicate to you in your oversight responsibility for the Department’s financial reporting process.

The Auditor’s Responsibility under Professional Standards

Our responsibility under auditing standards generally accepted in the United States of America was described in our arrangement letter dated February 20, 2019. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

An Overview of the Planned Scope and Timing of the Audit

The scope of the audit was also described in our arrangement letter dated February 20, 2019. The audit was conducted in July 2019; drafts of the financial statements and reports were provided to management in August, 2019.

Accounting Policies and Practices

- **Preferability of Accounting Policies and Practices**

Under the cash basis of accounting, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

- **Adoption of, or Change in, Accounting Policies**

Management and the Board have ultimate responsibility for the appropriateness of the accounting policies used by the Department. The Department did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

- **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

- **Management's Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. The significant accounting estimate reflected in the Department's 2019 financial statements is the allocation of functional expenses.

Audit Adjustments

During the audit we proposed one adjustment to the trial balance presented to us for audit. Management also provided one adjustment to the trial balance that was identified by the Board during financial statement review.

This proposed adjustment was done to record the effects in FY19 of a FY18 ambulance receipt that was received on June 29, 2018. This 2018 receipt was originally recorded during the year ended June 30, 2019 and corrected with a 2018 audit adjustment. The failure of management to post this adjustment last year meant net equity per books at the beginning of FY19 did not correspond to the corrected ending balance on last year's financial statements, and ambulance receipts for FY19 were overstated.

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Disagreements with Management

We encountered no disagreements with management over the application of the cash basis of accounting described in note 1 to the financial statements, the basis for management's judgments on any significant matters, the scope of the audit, or the significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are aware that management has retained accounting firms for assistance with their bookkeeping and payroll functions and may have consulted with those accountants about accounting or auditing matters.

Significant Issues Discussed with Management

We did not have correspondence with management regarding significant issues arising from the audit. We have discussed accounting matters relating to the Department's accounting estimates and audit adjustments.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in working with management during the audit.

Significant Deficiencies and Material Weaknesses

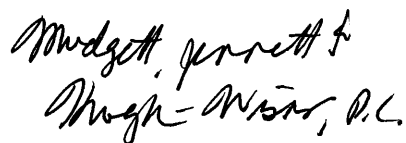
We identified no material weaknesses in the Department's system of internal control over financial reporting during our audit of the financial statements. We identified and have reported, in a separate letter, one significant deficiency, as item 2019-001 in the Department's system of internal control over financial reporting.

Certain Written Communications between Management and Our Firm

Management provided written representations in connection with the audit in a letter to our firm dated November 16, 2019. A copy of the letter is available upon your request.

This report is intended solely for the information and use of the Board of Directors and management of East Montpelier Volunteer Fire Department, Inc. and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this letter. We appreciate the opportunity to be of service to the Department.

Very truly yours,
Mudgett, Jennett & Krogh-Wisner, P.C.

Handwritten signature in cursive script, appearing to read "Mudgett, Jennett & Krogh-Wisner, P.C."