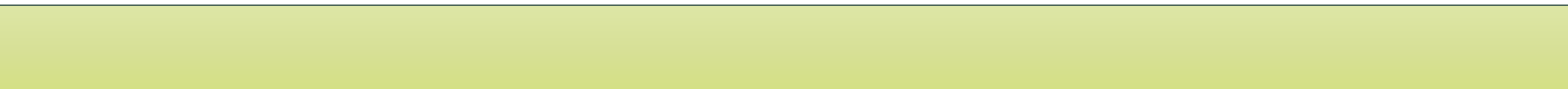




Gaines Town Board

September 10th, 2018



Agenda

- Pledge to the Flag and moment of silence
- Approval of minutes of previous meeting
- Town Clerk's Report
- Supervisor's Report
- Approval of Abstracts
- Highway Superintendent's Report
- Privilege of the floor

Approval of Minutes

- Minutes of the August 13th Board Meeting

Town Clerk's Report

● Zoning and Building Permits	\$1,033.95
● Marriage Licenses	\$17.50
● Dog Licenses	\$145.00
● Conservation	\$31.04
● Other Fees	\$51.75
● Total Remitted to other entities	\$541.46
● Total Remitted to Town	\$1,279.24

Supervisor's Report

- General Fund – Town wide
 - \$355,268.86
- General Fund – Outside Village
 - \$84,393.81
- Highway Fund – Town wide
 - \$403,120.44
- Highway Fund – Outside Village
 - \$145,477.77
- Water District 1: (\$2,287.22)
- Water District 2: \$27,357.97
- Water District 3: \$25,463.59
- Water District 4: \$148,807.33
- Water District 5: \$241,370.11
- Water District 6: \$7,599.06
- Water District 7: \$35,523.62
- Water District 8: \$71,936.13
- Water District 9: \$68,050.58
- Water District 10: \$77,538.28

Approval of Abstracts

General Fund	\$12,713.14
Highway Fund	\$35,542.77
Water Fund	\$13,154.10



Highway Superintendent's Report



Other New Business from the Board



Privilege of the Floor

Adjournment

- Next meeting of the Gaines Town Board will be held on **THURSDAY October 4, 2018 at 7:00 PM**
- Thank you for your attendance!



August 23, 2018

Board of Trustees
Town of Gaines
14087 Ridge Road
Albion, NY 14411

Attention: Joseph Grube, Supervisor

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the Town of Gaines, New York's (the Town), governmental activities, each major fund and aggregate remaining fund information as of and for the year ending December 31, 2017, which collectively comprise the basic financial statements. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedules
3. Schedule of the Town's Share of Net Pension Liability
4. Schedule of the Town's Pension Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies the Town's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1. Combining balance sheet - nonmajor governmental funds
2. Combining changes in fund balances - nonmajor governmental funds

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We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

In making our risk assessments, we consider internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Town Board (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds that you have told us are maintained by the Town and that are to be included as part of our audit are listed as follows: the General Fund, Capital Projects Fund, the Special Revenue Funds (Highway Town-wide, Highway Part-Town, General Town-Outside Village, Water and Fire Protection), and the Agency Fund.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that they will not evaluate subsequent events earlier than the date of the management representation letter referred to below;

3. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence;

As part of our audit process, we will request from management, and when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us 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.

Management is responsible for identifying and ensuring that the Town complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

Management is responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Town Board is responsible for informing us of its views about the risks of fraud or abuse within the Town, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the Town.

Our association with an official statement is a matter for which separate arrangements will be necessary. The Town agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the Town seeks such consent, we will be under no obligation to grant such consent or approval.

The Town agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the Town agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering.

You have informed us that you may issue public debt in the future and that you may include our report on your financial statements in the offering statement. You have further informed us that you do not intend that we be associated with the proposed offering.

We agree that our association with any proposed offering is not necessary, providing the Town agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The Town agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

Freed Maxick CPAs, P.C., our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Freed Maxick CPAs, P.C., also has not performed any procedures relating to this official statement.

Because Freed Maxick CPAs, P.C. will rely on the Town and its management and the Town Board to discharge the foregoing responsibilities, the Town holds harmless and releases Freed Maxick CPAs, P.C., its directors, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Town's management which has caused, in any respect, Freed Maxick CPAs, P.C.'s breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

The Town of Gaines's Records and Assistance

If circumstances arise relating to the condition of the Town's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Town's books and records. The Town will determine that all such data, if necessary, will be so reflected. Accordingly, the Town will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by the Town personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Joseph Grube, Town Supervisor. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

Freed Maxick, CPAs, P.C. may mention the Company's name and provide a general description of the engagement in Freed Maxick, CPA P.C.'s client lists and marketing materials.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party

service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses not to exceed \$250. Our fee for the services described in this letter will not exceed \$9,975 for the audit. Our fee estimate and completion of our work is based upon the following criteria:

1. Anticipated cooperation from Town personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings are due upon submission.

First progress billing	September 15, 2018	\$ 2,385
Second progress billing	October 15, 2018	5,200
Final billing	November 15, 2018	<u>2,390</u>
Total		<u>\$ 9,975</u>

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a director or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the Town agrees it will compensate Freed Maxick CPAs, P.C. for any additional costs incurred as a result of the Town's employment of a director or professional employee of Freed Maxick CPAs, P.C.

In the event we are requested or authorized by the Town or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Town, the Town will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Claim Resolution

Town of Gaines, New York and Freed Maxick CPAs, P.C. agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than one year after the date of the audit report issued by Freed Maxick CPAs, P.C. or the date of this arrangement letter if no report has been issued. Town of Gaines, New York waives any claim for punitive damages. Freed Maxick CPAs, P.C.'s liability for all claims, damages and costs of the Town of Gaines, New York arising from this engagement is limited to the amount of fees paid by the Town of Gaines, New York to Freed Maxick CPAs, P.C. for the services rendered under this arrangement letter.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

Reporting

We will issue a written report upon completion of our audit of the Town's financial statements. Our report will be addressed to the Town Board of the Town. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

This letter constitutes the complete and exclusive statement of agreement between Freed Maxick CPAs, P.C. and the Town, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Laura Landers will be the engagement director and will assume responsibility for its performance and completion.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a manual signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Freed Maxick CPAs, P.C.

Laura L. Landers

Laura L. Landers, CPA, MPA
Director

Confirmed on behalf of:

The Town of Gaines, New York

Town Supervisor

Trust earned.

 **FreedMaxick®**