



Proven Expertise and Integrity

October 20, 2015

Board of Selectmen
Town of Fair Haven, Vermont
Municipal Building
3 North Park Place
Fair Haven, Vermont 05743

We have audited the financial statements of the Town of Fair Haven, Vermont, for the year ended June 30, 2015.

In planning and performing our audit of the financial statements of the Town of Fair Haven, Vermont as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered The Town of Fair Haven, Vermont's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurances that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. However we did not identify deficiencies in internal control that we considered to be a material weakness but have noted below other deficiencies that we considered to be a significant deficiency.

A deficiency in design exists when:

- A control necessary to meet the control objective is missing; or
- An existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met.

A deficiency in operation exists when:

- A properly designed control does not operate as designed; or
- The person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a significant deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a control deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

These matters do not modify our opinion on the financial statements for the year ended June 30, 2015, where we expressed an unqualified opinion on our independent auditors' report dated October 10, 2015.

Significant Deficiency:

Cash Receipting – Town Clerk:

While performing the audit for the above mentioned year end, with the exception of fisheries and wildlife, it was noticed that the Town Clerk collects and does not receipt everything through the Town's bookkeeping system at time of the transaction. Cash receipts are all posted at the end of the month when the money is turned over to the Town office. The Town should review this process and see if a better practice is available.

Bank Reconciliations:

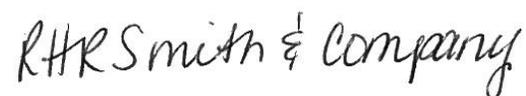
While performing the audit for the above mentioned year end, it was noticed that the Treasurer preparing bank reconciliations, does not sign as preparer nor does she date them when prepared. All bank reconciliations should be signed and dated by the preparer at the time of occurrence.

The letter is intended solely for the information and use of management, those charged with governance, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank Herb, Jenny, Suzanne and all of the staff at the Town for all of their cooperation throughout this audit process.

If there are any questions regarding this letter, please do not hesitate to call.

Very Best,



RHR Smith & Company, C.P.A.'s