



COMMUNICATIONS WITH THOSE CHARGED  
WITH GOVERNANCE

VERMONT UNIVERSAL SERVICE FUND

June 30, 2019



## **Communications with Those Charged with Governance**

To the Vermont Public Service Department  
Vermont Universal Service Fund  
Montpelier, Vermont

We have audited the financial statements of the Vermont Universal Service Fund (VUSF), a special revenue fund established by the Vermont Public Service Department (VPSD) and administered by Solix, Inc. (Solix), for the year ended June 30, 2019 and have issued our report, thereon, dated October 22, 2019. Professional standards require that we provide you with the following information related to our audit.

### ***Our Responsibility Under Auditing Standards Generally Accepted in the United States of America***

As stated in our engagement letter dated August 5, 2019, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the VUSF's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the VUSF solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### ***Planned Scope and Timing of the Audit***

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated August 5, 2019.

### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the VUSF are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2019. We noted no transactions entered into by the VUSF during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### ***Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### ***Financial Statement Disclosures***

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

### ***Significant Difficulties Encountered in Performing the Audit***

We encountered no difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no audit adjusting entries or other corrections to the financial statements during the completion of our audit. We identified no uncorrected misstatements other than those that are trivial as a result of our audit.

### ***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from VPSD and Solix that are included in their management representation letter dated October 22, 2019.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the financial statements or a determination of the type of auditors' opinion that has been expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant have all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the fund's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Vermont Public Service Department and management of the Vermont Universal Service Fund and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Overland Park, Kansas

October 22, 2019