



TECHNICAL PROPOSAL FOR
INDEPENDENT
FINANCIAL AUDIT SERVICES



CITY OF NEWTON
FOR THE FISCAL YEARS ENDING
JUNE 30, 2019 - 2023

TECHNICAL PROPOSAL FOR
INDEPENDENT FINANCIAL AUDIT
SERVICES

RFP #19-12

CITY OF NEWTON

FISCAL YEARS 2019 - 2023

SUBMITTED BY:

POWERS & SULLIVAN, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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TRANSMITTAL LETTER

October 1, 2018

City of Newton
Chief Procurement Officer
Room 201
1000 Commonwealth Avenue
Newton, Massachusetts 02459

To the Financial Audit Advisory Committee:

We appreciate the opportunity to submit this proposal to render independent financial audit services to the City of Newton (the “City”) for the fiscal years ending June 30, 2019 through 2023.

The objective of this proposal is to provide the City with a clear and concise overview of our firm’s experience, knowledge and leadership in serving Massachusetts municipalities. We have designed this proposal to answer any questions you may have relative to our ability to service the City of Newton and to be in compliance with your Request for Competitive Proposals #19-12 for Financial Audit Services. As demonstrated throughout this proposal, we fully understand the work to be performed and, if selected, we commit to completing all work and to deliver all written reports within the specified time frames.

It is our belief that we are uniquely qualified to perform these services. Although there are other firms that may bid on this engagement, we believe we can separate ourselves from the others for the following reasons:

- We are a local firm that has audited Massachusetts cities, towns retirement systems and other governmental entities for the past 30 years.
- This knowledge and experience with Massachusetts governments should not be overlooked. Both local and national firms all have experience in conducting the Single Audit and auditing GAAP based financial statements but this knowledge does not translate, for national firms, into understanding the unique financial environment for Massachusetts communities. Knowledge and experience in these matters sets us apart from national firms. We understand how free cash is calculated; we understand how the tax recap is completed; we understand what is allowed per MGL finance laws; we understand how to complete the Schedule A. This type of knowledge translates directly in the value added services of providing advice and guidance during the years at no additional cost.

- We support the governmental audit community by taking the lead in addressing the many changing aspects of governmental auditing and financial reporting in Massachusetts. This is evidenced by the fact that our firm does not wait on the sidelines to see how things develop but takes a proactive approach.

For instance:

- James Powers currently serves as a Board Member of the Massachusetts Society of Certified Public Accountants and René Davis served as a Board Member recently.
 - Three of our partners are active members of the Massachusetts Society of Certified Public Accountants Government Accounting and Auditing Committee and all three are past chairpersons of that committee.
 - Richard Sullivan serves as the Secretary of the Boston Chapter of the Association of Governmental Accountants.
 - We wrote the Department of Revenue's Practical Guide for Implementation of GASB Statement 34 for Massachusetts Local Governments and School Districts. Over 2,000 copies were printed and distributed to local governments and audit firms.
 - We played a major role in working with the Department of Elementary and Secondary Education to change the End of Year Financial Report's Agreed-Upon Procedures compliance supplement to conform to the Standards Established by the American Institute of Certified Public Accountants.
 - We worked exclusively with the Massachusetts School Building Authority (MSBA) to assist them with writing the audit requirements and compliance supplement.
- We consider our firm to be the leader among the Massachusetts firms that audit CAFR's. The GFOA's website lists 38 Massachusetts communities that received the CAFR award last year. We audited and assisted 26 Massachusetts clients with the preparation of Comprehensive Annual Financial Reports (CAFR) for FY2017 and submitted them to the GFOA for the Certificate of Achievement for Excellence in Financial Reporting. We have assisted in the preparation of over 300 CAFR's prior to FY2017 and every CAFR has been awarded the certificate.
 - We currently audit a number of AAA rated Massachusetts clients. The Commonwealth has listed over 50 Massachusetts governments that are rated AAA by at least one of the three major rating agencies, 21 of which are clients of ours. Our AAA clients include Arlington, Andover, Barnstable, Belmont, Boxborough, Brookline, Chilmark, Dukes County, Duxbury, Hingham, Manchester-by-the-Sea, Marblehead, North Andover, Orleans, Wakefield, Wellesley, Wellfleet, Wenham, Weston, Westwood and Lincoln-Sudbury School District.
 - As you evaluate the proposal responses please pay special attention to the experience level our management team has in auditing Massachusetts communities. We believe that the depth of our experience gives us the ability to provide a fresh outlook each year while at the same time utilizing our knowledge of the City to increase efficiencies and to provide optimal service.

- We realize that the transition to a new audit firm can be difficult. We acquire new audit clients every year and have designed our audit process to minimize any disruption to your staff. We build in extra time in the first year to shoulder most of the burden of transition.
- We take seriously our responsibility to remain independent as auditors. We consider our independence to be impaired when there is a technical violation but we consider a potential public perception issue an impairment.
- We selectively choose which communities to bid on and evaluate our ability to meet both the needs of the new client and our existing clients. We constantly assess the time commitment requirements of the partners, managers and the rest of our team so that existing clients such as Andover, Lowell, Quincy, Wellesley, Springfield and Westwood are not adversely affected.
- For each of the last 30 years, over 98% of our revenues have been generated from services provided to Massachusetts governments. This is our primary business and will continue to be our focus. Our partners pledge our ongoing commitment to the municipal market.
- You will receive friendly, courteous and timely service. You will be respected and not taken for granted.
- Our service may not be the cheapest on the market, but it will always be of exceptional quality and designed to help you.
- We will be honest and “up-front” with you at all times and expect the same from you. Our clients have found that they receive the maximum amount of benefit from our services through this open dialogue.

We acknowledge the receipt of Addendum #1 of your invitation for bid #19-12.

Our audit services will include the Comprehensive Annual Financial Report of the City of Newton, the Newton Contributory Retirement System, the Newton Community Development Authority, the Federal Single Audit and the separate agreed-upon-procedures report on the Department of Elementary and Secondary Education End of Year Financial Report. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Formerly the Single Audit Act Amendments for 1996 and provisions of OMB Circular A-133).

We will also complete a written management letter, which shall identify any control deficiencies considered significant deficiencies observed during the course of the annual financial statement audit and recommend cost-effective steps to correct or eliminate deficiencies. We will make practical recommendations that take cost/benefit considerations in to account. Prior to completion of the report, we will meet with management and the applicable Department Head to review the findings and recommendations in detail. The management letter will include responses of management along with an implementation plan.

We will be available during normal business hours, throughout the contract period, to provide the City with advice and guidance on financial accounting and reporting issues. We will also keep the City staff informed of all new accounting and financial reporting pronouncements of the Governmental Accounting Standards Board; the United States Office of Management and Budget; and the Commonwealth of Massachusetts and provide sufficient training to City staff for them to effectively meet their responsibilities under all such new requirements. We will designate a senior staff member, Michael Nelligan, to be responsible for responding to City phone calls and e-mail communications within one business day.

The final audit reports shall be delivered to the City in order to meet the deadlines indicated in your Request for Proposals.

Thank you for the opportunity to be considered for this engagement. I can assure you that our team will do everything in its power to provide the City with the highest level of service, energy, commitment and experience. **We want the City of Newton as a valued client.**

Very truly yours,

A handwritten signature in cursive script that reads "James E. Powers". The signature is written in black ink and is positioned above the typed name.

James E. Powers, Partner CPA

OUR MUNICIPAL PRACTICE

For almost 30 consecutive years, Powers & Sullivan, LLC has specialized in providing audit and consulting services to Massachusetts governments. We currently service a combined client base of over 100 cities, towns, school districts, counties, authorities, retirement systems and state agencies. Because we have chosen to specialize in the governmental sector, we understand their operations at a very detailed level and, accordingly, have developed the expertise required to properly service a municipal entity. Such experience has directly translated into an efficient audit engagement, accurate reports and a clear, concise management letter that makes practical recommendations for enhancing your operations and internal control structure. At Powers & Sullivan, LLC we believe the role of an auditor goes beyond just an examination of the accounts. We expect our clients to rely on us for guidance related to reporting, municipal finance, systems automation and internal controls, to name a few. This expanded level of service comes at no additional cost and is included as part of our quoted audit fee.

INDEPENDENCE

In light of the recent developments in the accounting and auditing profession, the increased focus on independence is an important issue that any potential client must evaluate. As part of our quality control procedures, subject to peer review, the completion of a “Client Acceptance” form is mandatory. We have completed this form as it relates to you before we prepared this proposal.

We have evaluated any potential personal, external and organizational impairment as it relates to serving as your auditor and based on the results of our evaluation, we can serve as your independent auditor.

LICENSE TO PRACTICE

We are licensed to practice in the Commonwealth of Massachusetts. Our partners and managers (except for our technology manager) are Certified Public Accountants also licensed by the Commonwealth. We are members in good standing of the Massachusetts Board of Public Accountancy, American Institute of Certified Public Accountants, the Massachusetts Society of Certified Public Accountants and the Government Finance Officers Association.

We have been in business for almost 30 years and hereby confirm we are financially stable.

FIRM QUALIFICATIONS AND EXPERIENCE

We specialize in providing audit and consulting services to governmental clients and all professionals are part of our audit team. We have practiced in Massachusetts as Powers & Sullivan, LLC since 1989. Our partners have over 120 years of combined audit experience of which a significant portion has been devoted to public sector auditing and consulting. Each of our 25+ full-time professionals completes over 10 different municipal audits each year and our continuing education program is designed to keep them current on new governmental

pronouncements. We meet all requirements related to peer review and continuing education of the AICPA and the Commonwealth of Massachusetts.

Our firm's objective is to maintain a leadership position in the Massachusetts municipal market. We accomplish this by providing personal service to our current client base with experienced partners and managers. Our management team is active in helping guide and educate the municipal community in an ever-changing governmental accounting landscape. Our clients appreciate this level of commitment and we believe they derive significant added value from our service.

This depth of experience allows us to complete audit engagements in a cost efficient manner that is less disruptive to our clients' day-to-day operations. Our goal is to service our clients in a manner that will develop a continuing relationship.

Commitment to Service

Powers & Sullivan, LLC prides itself in being able to service our clients for both their independent audit and management consulting needs.

We continue to provide educational seminars for our clients as new issues emerge. We own audiovisual equipment including a state of the art LCD projector, portable sound system with hands-free wireless microphones, a large portable projection screen and all supporting equipment. Over the past several years we have conducted seminars dealing with matters such as GASB 54, GASB 63, GASB 65, GASB 67, GASB 68, GASB 74, GASB 75 and Fraud Risk Assessment and are continually present as speakers at Accountant's, Treasurer's and Administrator's conferences held throughout the Commonwealth.

The reason we mention this is to emphasize that our commitment to you does not end with the audit. We want to be an important source of new information to you and to your fellow local governments in Massachusetts.

Selected services include, but are not limited to, the following:

- Preparation of "Comprehensive Annual Financial Reports"
- Development of internal control procedures
- Adoption of Enterprise Funds and related accounting and reporting changes
- Implementation of automated systems to account for fixed assets and infrastructure
- Forensic accounting and audits
- Student activity audits
- Departmental procedural reviews

Commitment to Massachusetts

As previously mentioned, we are a Massachusetts based firm committed to servicing governmental clients located in Massachusetts. Consistent with that strategy, we are equally committed to supporting the Massachusetts economy at both the state and local level. Such a commitment is evident by the following conditions and policies:

- Our office is located in Wakefield, Massachusetts.
- 100% of wages paid to our staff is subject to Massachusetts income, unemployment and universal health insurance taxes.
- All computer equipment, office furniture, supplies, utilities, etc. are purchased from Massachusetts' vendors. Accordingly, the costs associated with these purchases are influenced by the overall economic conditions prevalent in the Commonwealth, including prevailing wage rates and the assessment of sales tax on in-state purchases. Exceptions to this policy occur only when sole source products are not available locally.
- We focus our recruiting efforts to students attending Massachusetts Colleges and Universities. We have developed strong relationships with both state and private colleges to provide students with full time employment, cooperative education opportunities, internships and career counseling.
- We established the Powers & Sullivan, LLC Educational Foundation at UMass Lowell for the benefit of the accounting department and its students. To date the fund has provided scholarships to many accounting students and totals almost \$100,000.
- We have supported the Massachusetts Society of Certified Public Accountant's educational foundation by funding a platinum level Powers & Sullivan, LLC Scholarship annually.

Commitment to Excellence

Powers & Sullivan, LLC is committed to maintaining its professional excellence in providing quality services to our clients. Accordingly, we are a member of the American Institute of Certified Public Accountants. Membership requires that we pass a peer review of our quality control standards.

Our last Peer Review was conducted by the CPA firm of D.E. Rodrigues & Company, Inc. In this and all our previous peer reviews we received unqualified opinions. This means that the system of quality control for our accounting and auditing practice has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and conformed to professional standards. Since we are mainly a governmental practice, our peer reviews have always included specific reviews of our governmental single audits. A copy of our peer review report is included in Appendix A to this proposal.

We have developed and implemented a **Quality Control System** that is prescribed by the AICPA. This includes a Quality Control Manual that is distributed to all employees which documents our internal systems and processes. The following sections are contained in our 35 page document:

1. Leadership Responsibilities for Quality
 - a. Promote a culture of quality
 - b. Dedicate sufficient resources to maintain quality
 - c. Establish a formal code of conduct
 - d. Establish a positive work environment
2. Relevant Ethical Requirements
 - a. Establish the fundamental principles of professional ethics
 - i. Responsibilities
 - ii. Public Interest
 - iii. Integrity
 - iv. Objectivity and Independence
 - v. Due care
 - vi. Scope and nature of Services
3. Client Acceptance and Continuance
 - a. Annual evaluation of all engagements that considers the client's integrity, the engagement risks, our ability to complete the engagement, and whether we can comply with legal and ethical requirements.
4. Human Resources System
 - a. Recruitment and hiring
 - b. Determine capabilities and competencies
 - c. Assignment of engagement teams
 - d. Professional development
 - e. Performance evaluation, compensation and advancement
5. Engagement Performance
 - a. Engagement performance and documentation
 - b. Engagement quality control review
 - c. Consultation and differences of opinion
6. Monitoring of the Quality Control System
 - a. An annual internal inspection program to monitor compliance with the system is completed

We have had several field reviews recently of our audits as part of the State Auditor's Single Audit Compliance procedures that resulted in no findings or deficiencies. Our federal audit work product is subject to external review by federal granting agencies. This occurs on a regular basis and we have never received any negative comment about the quality of our work.

We have had numerous field reviews recently of our audits of several Massachusetts Retirement Systems by the Public Employee Retirement Administration Commission (PERAC) in which our audits have been approved and that resulted in no findings or deficiencies.

There has never been any disciplinary action or legal proceedings taken against our firm or any member of our firm by regulatory bodies or professional organizations.

Our membership also requires our staff to receive a minimum of 20 hours of continuing professional education (CPE) per year and 80 hours within each two-year period. *Governmental Auditing Standards*, issued by the Comptroller General of the United States, requires staff members who perform governmental audits to complete a minimum of 24 hours of their CPE requirement in subjects directly related to government and to government auditing. We affirm that each staff member assigned to this engagement will have met these requirements.

TEAM QUALIFICATIONS AND EXPERIENCE

We are a regional firm that is built on serving Massachusetts municipalities for the past 30 years. Our management team is comprised of seven partners and two managers who spend over 98% of their time auditing Massachusetts municipalities. All (except for our Technology Manager) are certified public accountants; three partners have over 30 years of experience, the other three partners have over 20 years of experience and the three managers have over ten years of experience. This deep bench strength sets us apart from our competitors and you can be comfortable knowing that your needs will be serviced throughout the year.

Our firm is comprised of 26 team members. We have been fortunate to retain the majority of our team for several years and we have had the same management team for over 15 years. We recently expanded our audit team by hiring 4 college graduates.

Summary of Comparative Criteria

The following points speak directly to the comparative criteria that you included in your Request for Proposals and how Powers & Sullivan, LLC measures up to those criteria.

- A. Auditor Level Experience – *To be considered highly advantageous, the Proposer's firm would employ more than 3 CPA's who have ten or more years of experience auditing Massachusetts municipalities.* Powers & Sullivan, LLC has 11 CPA's with experience ranging from 3 – 35 years. Three CPA's have over 30 years of experience, three CPA's have over 20 years of experience, 2 CPA's have over 10 years of experience, and 3 other CPA's have 3-10 years of experience. Several others have passed the exam and are pending certification once they complete 150 credit hours of education.
- B. Firm Municipal Audit Experience – *To be considered highly advantageous, the audit firm would have completed at least 15 Massachusetts municipal audits for fiscal years 2015 through 2017.* For fiscal years 2015 through 2017, our firm completed on average 65 Massachusetts municipal audits, 50 Single Audits, and performed over 50 End-of-Year Financial Report (EOYR) engagements conducted in accordance with the Massachusetts Department of Elementary and Secondary Education's compliance supplement each year. We also completed approximately 30 Massachusetts Contributory Retirement System audits for 2015, 2016 and 2017.
- C. Size of Municipalities Audited – *To be considered highly advantageous, the audit firm would have experience auditing at least 5 Massachusetts municipalities with greater than \$200 million in General Fund revenues for fiscal years 2015, 2016 and 2017.* For fiscal years 2015, 2016 and 2017, we have audited 6, 7, and 8 Massachusetts municipalities with greater than \$200 million in General Fund revenues, respectively.

D. CAFR Experience, with a report that has been prepared generally in accordance with CAFR standards established by the Government Finance Officers Association (GFOA) – *To be considered highly advantageous the Proposer’s firm would have audited at least 5 municipalities who produced CAFR’s for fiscal years 2015 through 2017.* For 2015, 2016, and 2017, we have assisted 21, 24, and 26 communities, respectively, with preparing and submitting their CAFR’s to the GFOA for the CAFR award program. Each of them has successfully received this award and each CAFR that we have assisted with submitting prior to 2015 has successfully received this award.

E. Experience and Continuing Education Resources of the Firm – *To be considered highly advantageous the Proposer’s firm would have been in the business of auditing Massachusetts municipalities for at least 10 years and would demonstrate:*

1. *The availability and commitment of resources to the continuing education needs of its clients;*
2. *Demonstrated knowledge of existing statements of the Governmental Accounting Standards Board (GASB), assistance with client implementation of such standards, and the implications for the future of municipal finance administration of the current GASB work program and pending statement implementation schedules.*

We have been in the business of auditing Massachusetts municipalities for the past 30 years and virtually all of our resources are committed to the success of our audit clients in implementing new audit standards as they arise. Over the past several years this has consisted primarily of the new statements related to pension liabilities and other postemployment benefit (OPEB) liabilities. We have dedicated resources to understanding the complexities of these new pronouncements and have met with each of our clients to ensure that they fully understand the statements and are prepared for successful implementation. We accomplish though firm-wide training, to ensure that all of our staff is prepared to assist audit clients with new accounting standards. We also work closely with actuaries and with state agencies, including the Division of Local Services, the Department of Elementary and Secondary Education, the Public Employees Retirement Commission, and oversight boards such as the GASB itself to ensure successful implementation. We will continue to stay abreast of upcoming GASB projects and to keep our clients informed, in advance, of how these changes will impact them.

In addition we have elected to provide the City with elements that other City’s deemed necessary that a qualified candidates have. The following section of the proposal is structured to demonstrate the criteria we believe you can judge us by and would be relevant to the City in selecting your audit firm.

F. Financial Experience with Retirement Boards – *To be considered highly advantageous, the audit firm would have financial experience with a municipality with a retirement board.* The Massachusetts Public Employee Retirement Administration Commission (PERAC) has oversight responsibility for the 104 Massachusetts Public Retirement Systems. Last year we audited 34 of these systems. No other firm audits more systems.

G. Partner Level Experience – *To be considered highly advantageous, the audit manager/partner assigned to the audit should have 10 or more years of experience auditing Massachusetts municipalities.* We propose to have James Powers (over 35 years of experience); Michael Nelligan (over 35 years of experience) and Renee Davis (over 20 years of experience) as your partners.

- H. Ability to Provide Advice and Guidance Within the Proposed Audit Fee. – *To be considered highly advantageous, the Proposer must provide information in the proposal demonstrating that they will be available throughout the year to answer questions, and provide consulting services as necessary.* We consider client communication to be very important. Not only do we have a strict policy of never screening calls at our office, we will provide you with our cell phone numbers and if we are unable to answer your call as it comes in, we will return your phone calls within 24 hours.
- I. Audit Firm Experience in Conducting Federal Audits– *In order to be considered highly advantageous, the proposer must demonstrate that they have at least three years of experience completing Federal Audits.* Our firm has been conducting Single Audits since 1989. In fiscal 2017, our firm completed over fifty single audits as noted in the “Our Client” section of this proposal.
- J. Approach to the Audit– *To be considered highly advantageous, a proposer would need to demonstrate a complete understanding of the work to be performed, have an efficient audit plan, properly supervise audit staff, and realistically budget the hours required to complete the audit.* We have focused our business on serving Massachusetts municipalities and are committed to doing so in the future. We have developed an audit approach that allows us to conduct very efficient high-quality audits. Details on our audit approach are discussed below and again later in the “Audit Scope and Approach” section of this proposal.
- K. Staffing – *To be considered highly advantageous, a proposer shows a commitment to putting their best and most experienced staff and resources into this project.* Our normal staffing of this type of engagement has a management team consisting of a concurring partner and an engagement partner. This plan has three partners performing major roles in the engagement. The Partners professional experience is described in detail later in this proposal.
- L. Quality of Written Response to Request for Proposals, Including Responsiveness and Clarity and Approach to the Project – *To be considered highly advantageous the proposer must submit a proposal that is concise, informative and highly detailed. The proposal must reflect that the firm is able to perform in a manner acceptable to the City and the reviewer must be completely convinced about the proposer’s ability to provide the contracted services as required by the City.* Our proposal has been formatted to meet the requirements we believe will provide the City additional information that we feel will allow you to make your best evaluation of our ability to meet the City’s needs.
- M. Availability to Complete Contracted Services per the Proposed Schedule – *In order to be considered highly advantageous, the Proposer must be able to complete the services within the agreed-upon timeline.* We have completed numerous audits of local governments. We do not miss deadlines. This is because we have developed an internal control system that properly trains our team members on how to audit governmental entities. Our proposal highlights our plan to accomplish the tasks in a manner that will meet your timelines.
- N. Professional Quality Control Program – *In order to be considered highly advantageous, the proposer must have a quality control program that will ensure that the City’s audit is conducted in accordance with the highest professional standards.* We utilize the PPC suite of products from Thomson Reuters as audit tools to ensure compliance with the most recent auditing standards and risk assessment standards. In addition, we have developed company-wide training and an internal audit review process to ensure the highest quality audits. The success of this system is demonstrated in our Peer Review results as well as in our success in assisting clients in receiving awards for excellence in financial reporting on their CAFR’s.

- O. Independence and Ethical Behavior – *In order to be considered highly advantageous, the proposer would need to confirm that the firm or any member of the firm has not been disciplined by any regulatory body; and that the firm and the principals are members in good standing with the American Institute of Certified Public Accountants (AICPA) and the Massachusetts Board of Public Accountancy.* No member of our firm has been disciplined by any regulatory body and the firm and all principals are members in good standing with both the AICPA and the Massachusetts Board of Public Accountancy.
- P. References. – *To be considered highly advantageous a Proposer must provide adequate references.* We have provided several references and can provide additional references if needed to complete your evaluation.

We have tried to briefly address your evaluation criteria and believe we have demonstrated for you our ability to provide quality service to the City. We do encourage you to contact other clients to verify the consistency of our service to the Massachusetts Municipal Community.

Key Team Members

What follows next are the resumes of our management team. We hope that you will see that their experience demonstrates a complete understanding of the process, in real life, of how financial statements are audited and prepared, which we believe is integral to successfully completing the engagement.

James E. Powers, CPA, Governmental Engagement Partner, is the partner-in-charge of the governmental audit practice which comprises over 98% of the firm's revenue. He has over 35 years of municipal audit experience which began as an accountant with the City of Boston's Auditor's Office in 1978. He was employed by Touché Ross for several years until early 1987 as an audit manager with client responsibilities that included the Commonwealth of Massachusetts and local municipalities. In April of 1987 he founded the certified public accounting firm of Powers & Company that serviced several Massachusetts municipalities.

Mr. Powers' experience in providing services to local governments for the past 35+ years has given him the knowledge that you will find to be an invaluable resource. He has the ability to identify problem areas and assist in developing and implementing practical solutions to these problems. He is knowledgeable in UMAS and GAAP methods of accounting and is familiar with the software programs used by Massachusetts cities, towns, districts and agencies. He will work directly with your staff and be on-site as part of the audit process. This hands-on approach allows officials the opportunity to deal with him directly on any issue or concern throughout the year.

Mr. Powers has been committed to improving the auditing, accounting and financial reporting of Massachusetts cities and towns. Over the years, Mr. Powers has volunteered his time to conduct over 200 seminars for the Massachusetts Financial Community on a variety of accounting and auditing subjects. He was the primary author of the Massachusetts Department of Revenue's publication *A Practical Guide for Implementation of GASB Statement 34 for Massachusetts Local Governments – July 1, 2001*. The DOR produced and distributed approximately 2,000 copies of this publication.

He is currently serving on the Board of Directors of the Massachusetts Society of Certified Public Accountants; he was the past chairperson for the Massachusetts Society of Certified Public Accountants Governmental Accounting and Auditing Committee; he is a member of the American Institute of Certified Public Accountants (AICPA); and is a member of the Government Finance Officers Association (GFOA). Mr. Powers is a member

of the GFOA's Special Review Committee, a nationwide pool of CAFR reviewers. In this capacity, he is responsible for determining if CAFR's submitted to the GFOA are either awarded or denied the Certificate of Achievement for Excellence in Financial Reporting.

Richard L. Sullivan, CPA, MBA, Governmental Engagement Partner, Mr. Sullivan shares the responsibility with Mr. Powers of managing the government practice along with being the partner-in-charge of the consulting, commercial and tax practices. He has over 35 years of audit, accounting and management experience which began in 1979 with a local certified public accounting firm. He was then employed by Grant Thornton, an international certified public accounting firm, as an audit manager with client responsibilities including municipalities, public utilities, not-for-profit organizations and commercial enterprises. His private sector experience includes being the Chief Financial Officer for an international manufacturer of high technology equipment and the Chief Financial Officer for a national wholesale distributor.

Mr. Sullivan's experience in providing services to local governments for the last 27 years and commercial entities for the years prior has given him the unique perspective of being responsible for being both the auditor and auditee. The practical experience of running a business, performing audits, obtaining his MBA degree and working with municipalities provides you with a significant knowledge base that can provide practical solutions to problems. He is knowledgeable in UMAS and GAAP methods of accounting and is familiar with the software programs used by Massachusetts cities, towns, districts and agencies.

Mr. Sullivan firmly believes that in order for Powers & Sullivan to remain as a leader in the Massachusetts municipal auditing market we have the responsibility to give back to that community. His commitment has led him to volunteer his time to conduct numerous seminars for the Massachusetts Financial Community on a variety of accounting and auditing subjects. He co-authored the Massachusetts Department of Revenue's publication *A Practical Guide for Implementation of GASB Statement 34 for Massachusetts Local Governments – July 1, 2001*. The DOR produced and distributed approximately 2,000 copies of this publication.

He also participates as an instructor in the firm's governmental training sessions. He is a member of the Massachusetts Society of Certified Public Accountants, the American Institute of Certified Public Accountants, the Massachusetts Government Finance Officers Association and serves as the secretary for the Association of Governmental Accountants.

Reneé Davis, CPA, MBA, Governmental Engagement Partner, Ms. Davis has over 20 years of municipal audit experience with Powers & Sullivan and was admitted as a partner in 2008. Ms. Davis has spent 100% of her accounting and auditing career involved with Massachusetts municipalities, schools, districts and other governmental entities. She obtained her license to practice as a certified public accountant and her MBA degree while at Powers & Sullivan.

Ms. Davis' experience in providing service to local governments has given her the knowledge that is a valuable resource to her clients. She has the ability to identify problem areas and assist in developing and implementing practical solutions to these problems. She is knowledgeable in Statutory, UMAS and GAAP methods of accounting and is familiar with the software programs used by Massachusetts cities, towns, districts and agencies.

As stated earlier, the firm has been auditing over 20 CAFR's each of the last several years. Ms. Davis has developed an expertise on the preparation and review of these financial reports. As part of our quality control

procedures a complete review of the CAFR must be done before the report is issued. Ms. Davis is responsible to review our more complicated CAFR's.

She is responsible for maintaining the firm's continuing education program. As such she is responsible to develop the firm-wide and individual plans for our staff. She develops, with Michael Nelligan, our internal governmental training sessions. She also is a very active speaker at governmental seminars for the Massachusetts Society of Certified Public Accountants along with the Massachusetts Financial Community. Ms. Davis was the key person from our firm to assist in the development of the Massachusetts School Building Authority's (MSBA) audit guidelines.

She is a member of the Massachusetts Society of Certified Public Accountants, the American Institute of Certified Public Accountants, the Massachusetts Government Finance Officers Association and the Association of Governmental Accountants. Reneé served a two-year term as the chairperson for the Massachusetts Society of Certified Public Accountant's Governmental Auditors Auditing Committee. Reneé served on the Board of Directors for the Massachusetts Society of Certified Public Accountants.

Craig Peacock, CPA, MST, Governmental Engagement Partner, Mr. Peacock has been with the firm for over 20 years and has performed over 150 comprehensive single audit and consulting engagements for Massachusetts' governments. He obtained his license to practice as a certified public accountant and his MST while at Powers & Sullivan. He was promoted to manager in 2001 and admitted as a partner in July 2010. His primary responsibility is to provide services to our governmental clients and his secondary responsibility is to work with Mr. Sullivan to manage our tax and commercial practices.

Mr. Peacock's experience in providing service to local governments has given him the knowledge that is a valuable resource to his clients. He prides himself in being very attentive to his client's needs and has demonstrated the ability to assist them throughout the year. His engagements are planned well in advance of the field work and his clients are well informed as to the expectations of both parties. He is knowledgeable in UMAS and GAAP methods of accounting and is familiar with the software programs used by Massachusetts cities, towns, districts and agencies.

As stated earlier, the firm has been auditing over 20 CAFR's each of the last several years. Mr. Peacock has been responsible for the submission of many government's CAFR's to the GFOA for their award program. He is also a member of our quality control team that is responsible for reviewing CAFR's before they are submitted to the GFOA.

He is responsible for conducting many of the firm's internal governmental training sessions. Craig provides guidance to our staff on all tax related matters along with providing the initial technical advice on new governmental standards. Some of his larger clients include Brookline, Lowell, Somerville, Plymouth, Abington and Belmont.

He is a member of the Massachusetts Society of Certified Public Accountants (MSCPA), the American Institute of Certified Public Accountants, the Massachusetts Government Finance Officers Association and the Association of Governmental Accountants.

Michael Nelligan, CPA, Governmental Engagement Partner, Mr. Nelligan has over 35 years of audit, accounting and management experience which began in 1981. Mike began his career as an auditor with Grant Thornton in Boston, Massachusetts in 1981. During his 7 years with Grant Thornton, he rose to the level of Audit Manager with a client base of governments, public utilities, public universities, manufacturing, retail, hospitals, wholesale distributors and various non-profit organizations. These entities ranged from start-ups to large publicly traded companies. In 1988, Mike accepted the position of CFO with an east coast wholesale distribution firm where he managed all aspects of the company's operations. After the sale of the company in 2002, Michael joined Powers & Sullivan and currently audits many cities and towns, municipal utilities and nonprofit organizations.

Mr. Nelligan's experience in providing audit services and working for commercial entities has given him the unique perspective of being responsible for being both the auditor and auditee. The practical experience of running a business, performing audits and working with municipalities provides you with a significant knowledge base that can provide practical solutions to problems. He is knowledgeable in UMAS and GAAP methods of accounting and is familiar with the software programs used by Massachusetts cities, towns, districts and agencies.

Michael is responsible for maintaining the firm's continuing education program. As such he is responsible to develop the firm-wide and individual plans for our staff. He develops, with Reneé Davis, our internal governmental training sessions. He also is a very active speaker at governmental seminars for the Massachusetts Society of Certified Public Accountants along with the Massachusetts Financial Community.

Michael works directly with Frank Serreti and Todd Jurczyk to manage all of the engagements conducted in accordance with the Massachusetts Department of Elementary and Secondary Education's (ESE) Compliance Supplement applicable to Massachusetts School Districts to the End-of-Year Financial Report. The firm completes over fifty of these engagements each year. Some of his larger clients include Springfield, Mansfield, Braintree, and Marshfield.

He is a member of the American Institute of Certified Public Accountants, the Massachusetts Society of Certified Public Accounts, the Association of Government Accountants and the Massachusetts Government Finance Officers Association.

Frank Serreti, CPA, Governmental Engagement Partner, Mr. Serreti has been with the firm for over 20 years and has performed over 150 comprehensive single audit and consulting engagements for Massachusetts' governments. He obtained his license to practice as a certified public accountant while at Powers & Sullivan. He was promoted to manager in 2001 and admitted as a partner in July 2012.

Mr. Serreti's experience in providing service to local governments has given him the knowledge that is a valuable resource to his clients. He prides himself in being very attentive to his client's needs and has demonstrated the ability to assist them throughout the year. His engagements are planned well in advance of the field work and his clients are well informed as to the expectations of both parties. He is knowledgeable in UMAS and GAAP methods of accounting and is familiar with the software programs used by Massachusetts cities, towns, districts and agencies.

As stated earlier, the firm has been auditing over 20 CAFR's each of the last several years. Mr. Serreti has been responsible for the submission of several CAFR's to the GFOA for their award program. He is also a member of our quality control team that is responsible for reviewing CAFR's before they are submitted to the GFOA.

He is responsible for conducting many of the firm's internal governmental training sessions. Frank works directly with Michael Nelligan and Todd Jurczyk to manage all of the engagements conducted in accordance with the Massachusetts Department of Elementary and Secondary Education's (ESE) Compliance Supplement applicable to Massachusetts School Districts to the End-of-Year Financial Report. The firm completes over fifty of these engagements each year. Some of his larger clients include Andover, Haverhill, North Andover, Beverly, Wakefield, and Woburn.

He is a member of the Massachusetts Society of Certified Public Accountants (MSCPA), the American Institute of Certified Public Accountants, the Massachusetts Government Finance Officers Association and the Association of Governmental Accountants. Frank has recently served as the chairman of the MSCPA Government Accounting and Auditing Committee.

Todd Jurczyk, CPA, Governmental Engagement Partner, Mr. Jurczyk has over 13 years of governmental auditing and accounting experience. He started his governmental experience with the Fiscal Management Office of MassHighway (MHD) in 1997. While at MHD he was a member of the Commonwealth's GASB 34 implementation team; responsible for capital asset accounting; responsible for the accounting of major construction projects; responsible for compliance with federal grants; responsible for auditing the compliance of contracts with procurement laws; and was the liaison between MHD, the Comptroller's Office and the external auditors. He passed all parts of the certified public accountant's exam while at MHD. The experience at MHD has made Todd very knowledgeable in compliance auditing and specifically proficient at conducting Single Audits. He joined Powers & Sullivan in 2003, became a licensed CPA in 2006 and was promoted to our management team in 2007 and was admitted as a partner in 2018.

Todd spends 100% of his time working on our governmental clients. Todd is substantially involved with several single audit engagements. Some of his clients include Quincy, Chelsea, North Attleborough Electric Light, Belmont, Billerica, Somerset and Oak Bluffs.

Todd works directly with Mr. Nelligan and Mr. Serreti to manage all of the engagements conducted in accordance with the Massachusetts Department of Elementary and Secondary Education's (ESE) Compliance Supplement applicable to Massachusetts School Districts to the End-of-Year Financial Report. The firm completes over fifty of these engagements each year.

Todd is also a member of our quality control team responsible for reviewing CAFR's prior to submittal to the GFOA award program. He is responsible for the audit of three clients that prepare CAFR's. He is part of our team that establishes our auditing procedures and is our training instructor for auditing requirements under Uniform Guidance and the Single Audit Act. He is a member of the Massachusetts Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

Kyle Warne, CPA, Governmental Manager, Mr. Warne has over 10 years of governmental auditing and accounting experience with Powers & Sullivan. He obtained his license to practice as a certified public accountant while at Powers & Sullivan and was promoted to our management team several years ago.

Kyle has spent 100% of his time at Powers & Sullivan working on our governmental clients. We have assigned him the responsibility to be part of the management team of several of our largest and complex clients. He has performed well in this management role and our clients are more than satisfied with his performance. He has demonstrated his ability to manage large and complex engagements with positive results. Some of his largest clients include Haverhill, Lawrence, Andover, North Andover, Cohasset, and Mansfield.

Kyle is a member of our quality control team responsible for reviewing CAFR's prior to submittal to the GFOA award program. He is part of our team that establishes our auditing procedures and an in-house instructor for general government auditing requirements. He is a member of the Massachusetts Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

Romina Mameli, Manager of Audit Technology, Ms. Mameli has over 16 years of governmental auditing and accounting experience with Powers & Sullivan. In addition to her auditing responsibilities, Romina manages virtually all aspects of our audit technology. This includes keeping our systems technically up-to-date with all of the most recent financial reporting and auditing requirements. This includes communicating with vendors who provide these services to make sure that we are continually current with our procedures. She also ensures that our personnel are adequately trained in utilizing the technology and that we have state-of-the-art servers and laptop computers available to access the information.

Romina is a member of our quality control team responsible for reviewing CAFR's prior to submittal to the GFOA award program. She is also part of our team that establishes our auditing procedures and an in-house instructor for general government auditing requirements. Some of her largest clients include Barnstable, Braintree, Peabody, Dedham, Arlington, Duxbury, and Scituate.

Other Staffing Matters

For the other staff assigned to the engagement we will assign an experienced senior who has worked at Powers & Sullivan, LLC for 3+ years and has completed over 30 municipal audit engagements. Assistants will be assigned as needed. All of our staff are college graduates and are working towards the goal of becoming Certified Public Accountants. All of our staff are full time employees of Powers & Sullivan, LLC and are dedicated to conducting municipal audits. We do not use consultants or subcontractors in the conduct of our audits.

In order to keep all team members up-to-date on governmental auditing the firm conducts a mandatory multiple day training session in June each year that relates only to governmental auditing. They are also required to attend governmental seminars sponsored by professional organizations. We have a mentoring program where all members are teamed up with a manager to assist in their professional and personal development. Finally, periodic formal review sessions are conducted throughout the year that evaluate their performance and set goals for the next period.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

During fiscal year 2017 we submitted the following 26 CAFR’s to the GFOA all of which received the certificate:

Town of Andover	Town of Arlington	Town of Barnstable	Town of Braintree
Town of Burlington	Town of Cohasset	Town of Dedham	Town of Duxbury
Town of Harwich	Town of Hingham	Manchester-By-The-Sea	Town of Marblehead
Town of Mansfield	Town of Marshfield	Town of North Andover	Town of Scituate
Town of Sudbury	Town of Wellesley	Town of Westwood	City of Beverly
City of Everett	City of Revere	City of Salem	City of Somerville
City of Springfield	Lower Pioneer Valley Educational Collaborative		

MUNICIPAL CLIENT REFERENCES

We have listed references for which we have provided services similar to those requested. As for the clients listed in the accompanying chart for which we have not provided reference information, please feel free to contact them directly or contact us and we will provide that information.

SELECTED EXPERIENCE AND REFERENCES

City of Springfield

We have audited the City of Springfield and its Retirement System since FY2005. In FY2005, Springfield was experiencing difficult financial times and special legislation was enacted that required the transfer of management of the City to a State Control Board. We were contacted by the Control Board who requested that we accept their offer to be the independent auditors. The City’s financial matters returned to local control in June 2009. The City’s revenues approximate \$837 million and the federal grant expenditures are approximately \$119 million. We also completed the Compliance engagements for the End of Year Financial Report. Mr. Powers and Mr. Nelligan serve as the engagement management team. The City has a Moody’s bond rating of A2.

Reference:	Mr. Patrick Burns, Comptroller	413-787-6153
	Mr. Timothy J. Plante, Chief Administrative and Financial Officer	413-886-5288

City of Quincy

We have audited the City and College since FY2008. In addition to the audit, we have provided various consulting services and completed the Compliance engagements for the End of Year Financial Report. Mr. Powers serves as the engagement partner and Mr. Jurczyk as the on-site partner.

Reference:	Mr. Mark Cavanaugh, Chief Financial Officer	617-376-1264
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City of Melrose

We have audited the City of Melrose since FY1994 and have recently extended our contract. The budget for the City is approximately \$78 million. We have provided various consulting services and completed the Compliance engagements for the DESE End of Year Financial Report. Mr. Sullivan serves as the engagement partner.

References: Mr. Patrick Dello Russo, CFO/City Auditor 781-979-4107
Mr. Robert J. Dolan, Mayor 781-979-4500

Town of Wellesley

We were recently reappointed by the Audit Committee, through a competitive bidding process, to continue to conduct the audit of the Town, Retirement System and Electric Department through FY2020. We assisted the Town in completing its first CAFR in FY2004. The Town has been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for each fiscal year since FY2004. We also completed the Compliance engagements for the DESE End of Year Financial Report. The Town has maintained their AAA bond rating for several years. Mr. Powers and Ms. Davis serve as the engagement management team.

References: Ms. Sheryl Strother, Finance Director 781-431-1019 x2214

Town of Mansfield

We were selected as the auditor of the Town in FY2015. We assisted the Town in completing its first CAFR in FY2015. The Town was awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for each year since FY2015. The Town has \$143 million in revenues and expends \$1.8 million in federal grants. Mr. Powers and Mr. Nelligan serve as the engagement management team.

References: Mr. John Stanbrook, Finance Director 508-851-6435

Town of Braintree

We have audited the Town of Braintree since FY1998. We assisted the Town in completing its first CAFR in FY2012. The Town was awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for each year since FY2012. The Town has \$222 million in revenues and expends \$3 million in federal grants. We have provided various consulting services and completed the Compliance engagements for the DESE End of Year Financial Report. Mr. Powers and Mr. Nelligan serve as the engagement management team.

Reference: Mr. Edward Spellman, Finance Director 781-794-8152

Town of Wakefield

We have had the Town as a client since FY1995. The budget for the Town is approximately \$75 million. We have completed the Compliance engagements for the DESE End of Year Financial Report. Mr. Powers and Mr. Serreti serves as the engagement management team.

References: Mr. Stephen Maio, Town Administrator 781-246-6390
Mr. Kevin Gill, Town Accountant 781-246-6395

City of Salem

We have audited the City and its Retirement System since 2005 and for each year have assisted the City in completing its CAFR. The Town has been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for each fiscal year. In addition to the audit, we have provided various consulting services and completed the Compliance engagements for the DESE End of Year Financial Report. Mr. Powers and Ms. Davis serve as the engagement management team.

References:	Ms. Kimberley Driscoll, Mayor	978-745-9595x5600
	Ms. Nina Bridgman, Assistant Finance Director	978-745-9595x5625

The schedules that follow are intended to provide a snapshot of our client base and the scope of services provided to them.

Current Audit Client - Cities & Towns

	Audit Services	DESE Engagement	Years of Service	Total Revenues	Total Single Audit	CAFR
1 Springfield	X	X	over 10	\$ 837,000,000	\$ 119,000,000	X
2 Lowell	X	X	over 10	\$ 410,000,000	\$ 39,000,000	
3 Quincy	X	X	over 10	\$ 392,000,000	\$ 18,000,000	
4 Lawrence	X	X	5-10	\$ 335,000,000	\$ 35,000,000	
5 Brookline	X	X	over 10	\$ 286,000,000	\$ 6,000,000	
6 Somerville	X	X	over 10	\$ 267,000,000	\$ 13,000,000	X
7 Haverhill	X	X	1-5	\$ 264,000,000	\$ 10,000,000	
8 Plymouth	X	X	over 10	\$ 250,000,000	\$ 8,000,000	
9 Peabody	X	X	over 10	\$ 242,000,000	\$ 8,000,000	
10 Braintree	X	X	over 10	\$ 231,000,000	\$ 3,000,000	X
11 Wellesley	X	X	over 10	\$ 226,000,000	\$ 2,000,000	X
12 Everett	X	X	1-5	\$ 223,000,000	\$ 10,000,000	X
13 Revere	X	X	5-10	\$ 214,000,000	\$ 13,000,000	X
14 Salem	X	X	over 10	\$ 210,000,000	\$ 13,000,000	X
15 Andover	X	X	over 10	\$ 198,000,000	\$ 3,000,000	X
16 Barnstable	X	X	over 10	\$ 193,000,000	\$ 9,000,000	X
17 Billerica	X	X	over 10	\$ 186,000,000	\$ 3,000,000	
18 Arlington	X	X	over 10	\$ 179,000,000	\$ 6,000,000	X
19 Beverly	X	X	over 10	\$ 165,000,000	\$ 8,000,000	X
20 Burlington	X	X	over 10	\$ 156,000,000	\$ 2,000,000	X
21 Woburn	X	X	over 10	\$ 156,000,000	\$ 3,000,000	
22 Belmont	X	X	5 - 10	\$ 152,000,000	\$ 2,000,000	
23 Hingham	X	X	5 - 10	\$ 149,000,000	\$ 2,000,000	X
24 Chelmsford	X	X	over 10	\$ 148,000,000	\$ 1,900,000	
25 Mansfield	X	X	1-5	\$ 144,000,000	\$ 1,800,000	X
26 Tewksbury	X	X	over 10	\$ 141,000,000	\$ 2,000,000	
27 Milton	X	X	over 10	\$ 126,000,000	\$ 2,000,000	
28 North Andover	X	X	1-5	\$ 124,000,000	\$ 2,000,000	X
29 Dedham	X	X	1-5	\$ 120,000,000	\$ 2,000,000	X
30 Marshfield	X	X	5-10	\$ 120,000,000	\$ 3,000,000	X
31 Sudbury	X	X	1-5	\$ 110,706,000	\$ 1,041,000	X
32 Marblehead	X	X	over 10	\$ 109,000,000	\$ 1,000,000	X
33 Melrose	X	X	over 10	\$ 108,000,000	\$ 3,000,000	
34 Agawam	X	X	over 10	\$ 107,000,000	\$ 3,000,000	
35 Duxbury	X	X	over 10	\$ 107,000,000	\$ 1,000,000	X
36 Westwood	X	X	over 10	\$ 105,000,000	\$ 1,400,000	X
37 Saugus	X	X	5-10	\$ 103,000,000	\$ 2,000,000	
38 Ipswich	X	X	5-10	\$ 101,000,000	\$ 1,000,000	
39 Weston	X	X	5-10	\$ 101,000,000	\$ 1,000,000	

	Audit Services	DESE Engagement	Years of Service	Total Revenues	Total Single Audit	CAFR
40 Stoneham	X	X	1-5	\$ 86,000,000	\$ 1,000,000	
41 Wareham	X	X	5-10	\$ 85,000,000	\$ 4,000,000	
42 Scituate	X	X	5-10	\$ 84,000,000	\$ 1,000,000	X
43 Yarmouth	X		5-10	\$ 82,000,000	\$ 1,000,000	
44 Wakefield	X	X	over 10	\$ 75,000,000	\$ 2,000,000	
45 Harwich	X	X	1-5	\$ 69,848,000	\$ -	X
46 Somerset	X	X	over 10	\$ 66,000,000	\$ 1,000,000	
47 Medfield	X	X	1-5	\$ 62,000,000	\$ 1,000,000	
48 Winthrop	X	X	5-10	\$ 62,000,000	\$ 2,000,000	
49 Abington	X	X	over 10	\$ 54,000,000	\$ 1,000,000	
50 Cohasset	X	X	5-10	\$ 51,000,000	\$ 1,000,000	X
51 Carver	X	X	1-5	\$ 41,000,000	\$ 2,000,000	
52 Georgetown	X	X	over 10	\$ 39,000,000	\$ 1,000,000	
53 Orleans	X	X	1-5	\$ 37,472,000	\$ -	
54 Lunenburg	X	X	5-10	\$ 37,000,000	\$ 1,000,000	
55 Rockport	X	X	over 10	\$ 34,000,000	\$ -	
56 Monson	X	X	over 10	\$ 32,000,000	\$ 2,000,000	
57 Manchester-By-The-Sea	X		5-10	\$ 29,000,000	\$ -	X
58 Oak Bluffs	X		over 10	\$ 29,000,000	\$ 1,000,000	
59 Orange	X	X	5-10	\$ 25,000,000	\$ 3,000,000	
60 Rehoboth	X		over 10	\$ 24,000,000	\$ -	
61 Rowley	X		over 10	\$ 23,000,000	\$ -	
62 Boxborough	X	X	5-10	\$ 22,000,000	\$ -	
63 Groveland	X	X	over 10	\$ 21,000,000	\$ -	
64 Lancaster	X	X	1-5	\$ 21,000,000	\$ -	
65 Wellfleet	X		1-5	\$ 20,000,000	\$ -	
66 Wenham	X	X	5-10	\$ 16,000,000	\$ -	
67 Barre	X		5-10	\$ 13,000,000	\$ -	
68 Chilmark	X		over 10	\$ 10,000,000	\$ -	

Retirement Systems

	Audit Services	GASB 67/68 Services	Years of Service	Total Assets
1 Middlesex County Regional Retirement	X	X	over 10	\$ 1,105,000,000
2 Plymouth County Retirement Association	X	X	1-5	\$ 886,000,000
3 Barnstable County Retirement	X	X	1-5	\$ 873,000,000
4 Essex County Regional Retirement	X	X	1-5	\$ 378,339,000
5 Hampden County Regional Retirement	X	X	1-5	\$ 303,838,000
6 Dukes County Retirement System	X	X	1-5	\$ 121,845,000
7 Lowell	X	X	over 10	\$ 310,929,000
8 Springfield	X	X	over 10	\$ 288,161,000
9 Brookline	X	X	over 10	\$ 256,523,000
10 Somerville	X	X	over 10	\$ 239,494,000
11 Haverhill	X	X	1-5	\$ 171,397,000
12 Braintree	X	X	over 10	\$ 167,234,000
13 Wellesley	X	X	over 10	\$ 153,536,000
14 Salem	X	X	over 10	\$ 138,598,000
15 Arlington	X	X	over 10	\$ 133,271,000
16 Peabody	X	X	over 10	\$ 131,436,000
17 Revere	X	X	5-10	\$ 130,380,000
18 Woburn	X	X	over 10	\$ 123,973,000
19 Plymouth	X	X	over 10	\$ 120,000,000
20 Andover	X	X	over 10	\$ 115,652,000
21 Wakefield	X	X	over 10	\$ 114,973,000
22 Everett	X	X	1-5	\$ 110,253,000
23 Dedham	X	X	1-5	\$ 109,412,000
24 Milton	X	X	over 10	\$ 108,743,000
25 Beverly	X	X	over 10	\$ 103,376,000
26 Hingham	X	X	5-10	\$ 102,490,000
27 Belmont	X	X	5-10	\$ 88,806,000
28 Marblehead	X	X	over 10	\$ 87,020,000
29 Saugus	X	X	5-10	\$ 84,027,000
30 Stoneham	X	X	1-5	\$ 73,843,000
31 Melrose	X	X	over 10	\$ 72,900,000
32 Winthrop	X	X	5-10	\$ 55,430,000
33 Greater Lawrence Sanitary District	X	X	5-10	\$ 14,873,000
34 Blue Hills	X ²³	X	5-10	\$ 9,914,000

Schools	Audit Services	ESE Engagement	Years of Service	Total Revenues	Total Single Audit	CAFR
1 Acton-Boxborough Regional School District	X	X	1-5	\$ 103,000,000	\$ 2,000,000	
2 Blue Hills Regional School District	X	X	5-10	\$ 23,000,000	\$ 2,000,000	
3 Berlin-Boylston Regional School District	X	X	1-5	\$ 15,600,000	\$ -	
3 Cambridge Community Charter School	X	X	5-10	\$ 7,000,000	\$ -	
4 Greater Fall River Diman Vocational	X	X	1-5	\$ 27,000,000	\$ 1,800,000	
5 Dudley-Charlton Regional School District	X	X	1-5	\$ 64,000,000	\$ 2,000,000	
5 Francis Parker Charter School	X	X	5-10	\$ 5,000,000	\$ -	
6 Hamilton-Wenham Regional School District	X	X	5-10	\$ 35,000,000	\$ 700,000	
7 Lincoln-Sudbury Regional School District	X	X	5-10	\$ 34,000,000	\$ 500,000	
7 Lower Pioneer Valley Educational Collaborative	X		5-10	\$ 24,000,000	\$ -	X
8 Manchester Essex Regional School District	X	X	5-10	\$ 28,000,000	\$ 1,000,000	
9 Martha's Vineyard Charter School	X	X	5-10	\$ 4,000,000	\$ -	
9 Nashoba Regional School District	X	X	5-10	\$ 54,000,000	\$ 2,000,000	
10 North Middlesex Regional School District	X	X	1-5	\$ 56,000,000	\$ 2,000,000	
11 Northeast Metropolitan Regional School District	X	X	1-5	\$ 28,000,000	\$ 1,500,000	
11 Pentucket Regional School District	X	X	1-5	\$ 46,000,000	\$ 1,000,000	
12 Quabbin Regional School District	X	X	5-10	\$ 39,000,000	\$ 1,000,000	
13 Quincy College	X		over 10	\$ 22,000,000	\$ -	
13 Salem Community Charter School	X	X	5-10	\$ 1,000,000	\$ -	
14 South Shore Educational Collaborative	X		5-10	\$ 19,000,000	\$ -	
15 Southwick-Tolland-Granville Regional School District	X	X	1-5	\$ 29,000,000	\$ 1,000,000	

The schedule below identifies Massachusetts government clients lost over the previous three years and an explanation for each as to the primary reasons we believe they discontinued our services:

Contract:

Reason:

Town of Hingham Audit Services
Town of Stoneham Audit Services
Southfield Redevelopment Authority
New Liberty Charter School (SCCS)

Charter requires auditor rotation after nine years
Changes in administration
Price
School was dissolved

AUDIT SCOPE AND APPROACH

We will complete an independent financial audit of the City's finances and an audit of the City's federal awards for fiscal years 2019 through 2023. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. We will audit the Newton Community Development Authority as part of the City's audit.

We will complete an audit of the Contributory Retirement System for the years ended December 31, 2018 through December 31, 2022; and the School End of Year Compliance Audit for the fiscal years 2019 through 2023. We will comply with all of the scope of services requirements expected by the City.

Electronic Work Product

Our audit process is paperless. Our firm prepares all audit working papers, trial balances, report preparation and other work products electronically. All Team Members are assigned lap-top computers that are networked in the field and supported by laser printers and scanners. We will download your trial balance directly to our audit software and use it to prepare the financial statements. We will provide you with a hard and electronic copy of relevant working papers and reporting schedules at the end of the engagement. To ensure data security when transferring files electronically with Powers & Sullivan, we utilize an electronic Portal that allows you to transfer and receive files securely and to control access to your financial records.

An Overview of the Process

Powers & Sullivan, LLC follows a risk-based auditing approach by utilizing the most up to date auditing tools provided by Wolters Kluwer CCH and Thomson Reuters PPC. These audit programs and planning documents are tailored to meet each client's specific needs for the completion of an efficient financial and compliance audit.

As explained in the additional information section of this proposal, we use audit software specifically designed for audit firms that allows us to be extremely flexible in tailoring our audit programs to fit each client systems and risks based on our evaluation. We mention this because we are aware of a national firm, which competes with local firms that falsely stated in a recent proposal that local firms are forced to be inflexible with their audit approach because they use "canned off-the-shelf audit programs". They are implying that our 30+ years of audit experience with Massachusetts municipalities must be discounted because we are not allowed to use our knowledge and common sense to tailor audit programs. For our firm and the software we use, this could not be further from the truth. The software is designed for flexibility and the use of audit judgment which is what Auditing Standards require. In order to be in compliance with Auditing Standards, all firms have similar base line audit procedures that must be completed in every audit with very little difference. The difference for audit procedures between firms and clients are generated through the individual auditor and audit team using professional judgment when performing the required risk assessment of the controls and processes of each specific audit client. For example, one client may have strong controls and segregation of duties over cash while another client may have no segregation of duties and limited controls over cash. The risk assessment conducted

by an experienced auditor would generate audit procedures that need to be performed regardless of the risk assessment and then would generate limited additional procedures for the low risk client and many additional procedures for the high risk clients. This is what we do and what we expect any good audit firm to do. We require an experienced auditor to make the initial risk assessment which must be approved by the audit manager and partner as part of our planning process.

We believe that the software we use is superior to the internally developed software used by the national firm since they need to continually update their software within their firm and we take advantage of the strength and experience of two multi-billion dollar software companies that voluntarily have their Audit and Accounting products peer reviewed and have been formally accepted by the AICPA National Peer Review Committee. This gives us the comfort of knowing that the materials we are using are reliable and can be used as an integral part of our quality control system as we design and perform your audit. We find the software to be robust, flexible, intuitive, and always up-to-date. This has allowed us to plan audits efficiently and effectively. We use audit products from both Wolters Kluwer CCH and Thomson Reuters. Wolters Kluwer, per Fortune Magazine, is a \$5.1 billion global information company which employs 19,000 employees, counts as customers 80% of Fortune 500 companies, and all 100 of the U.S.'s top accounting firms. Thomson Reuters is an \$11.3 billion company that provides, among other products, audit software for a similar client base. We normally would not include a paragraph like this in our positive proposal but felt we needed to address directly what a current municipal client told us was included in a recent proposal they received for audit services from a national firm which incorrectly casts us in a bad light for the sole purpose of making them appear better. We prefer to only discuss our qualifications.

- **Initial Planning and Prelim Field Work** - This involves meeting with management at least one month prior to the beginning of preliminary field work to address areas of concern, changes in operations, personnel, systems, etc. During this phase of the audit we will begin the audit of the operating budget, long and short-term debt, OPEB, net pension liability, test transactions for compliance with policies and procedures and perform the Single Audit.
- **Year End Work Field Work** - This involves analytical procedures and substantive test of the financial statements. Analytical Procedures are procedures used in the evaluation of the comparison of financial information to the expectations developed by the auditor. Substantive tests include the audit of significant assets and liability balances (i.e. cash and warrants payable) and test and verify the accuracy of revenues and expenses.
- **Conclusion of the Audit** - All draft reports will be reviewed with management and the Audit Committee and final reports will be issued in accordance with the time frames established in the Request for Proposals.

Information Required from the City

In the normal course of an audit a client will prepare documents that will be supplied to us. What your staff will find is that most of what we require will be forwarding us documents and reconciliations they have prepared in the course of performing their day-to-day duties. We prefer to receive these documents in electronic format so that scanning and copying is eliminated. We will provide a secure Portal for ease and security of document sharing.

Work-plan and Timeline

The following section provides additional information on our audit process for the financial statements and the single audit.

1. We complete our preliminary work in the spring. This work will include our audit planning, an analysis of the budget, debt and other liability accounts such as OPEB, transaction testing, Single Audit compliance testing, the Retirement System audit and updating the template for the basic financial statements. Through our experience, we have found that doing this early in the process provides ample time to correct any deficiencies that may be noted and helps to prevent delays in issuing the audit reports.
2. The year-end work will occur subsequent to year end, at a time mutually agreed upon between us and the City and involves performing substantive testing and report preparation. We anticipate issuing draft audit reports within two to four weeks of completing our fieldwork and the final reports can be issued once management has taken responsibility for and authorized the issuance of the financial statements.
3. Our audit process will assess the risk of each audit area and design tests that are specific to you. Our statistical testing primarily relates to the single audit and internal control verification. The sample size can range from 5 to 60 based on the control being tested.
4. Our testing for compliance is done as part of the Single Audit along with our substantive audit. The sample is drawn from all possible transactions but normally will include Single Audit transactions to complete dual testing as allowed by the Single Audit Act. We normally stratify the sample by specifically selecting significant dollar value transactions and randomly select others.
5. We do extensive analytical testing to support our substantive tests. We measure budget-to-actual revenue and expenditure reports for all budgeted funds. Capital Projects are measured against the capital plan and appropriations. We complete a multi-year analysis of all funds, assets, liabilities and fund balances. Our audit software runs reports that highlight variances over a set dollar and percentage for further analytical work.
6. We complete a paperless engagement which requires that we receive all ledgers, transactions, trial balances and similar reports electronically. We use these reports to complete the financial statements directly from your ledgers and complete a significant amount of testing by having all transactions readily available for testing.
7. We will assign a concurring partner, an engagement partner, an on-site partner, a senior auditor and assistants, as needed.
8. We will document key transaction processing for receipts, revenues and receivables, payroll, expenses, refunds, purchasing, journal entries, and similar items. This documentation includes all related processes and approvals that can effect a transaction. Each year during our preliminary audit work we update our permanent files, with your assistance, for any changes. We use this understanding to plan our audit procedures.

9. In our permanent files, we also maintain copies of all by-laws that complement the Department of Revenue regulations, Massachusetts General Laws and Special Legislation. We read significant grant requirements and contracts.
10. At the end of each year, we will provide your financial management team a complete analysis of all balances in the financial statements. It will be in the form of a crosswalk from your ledgers plus all financial adjusting entries to the amounts presented on your financial statements. This will be provided in both hard copy and electronic form.
11. We believe the role of an auditor goes beyond just an examination of the accounts. We expect our clients to rely on us for guidance related to reporting, municipal finance, systems automation and internal controls. We will be available to attend all necessary meetings and will work with the City to assure that all GASB requirements are met. This expanded level of service comes at no additional cost and is included as part of the audit fee.

Expected Roles and Responsibilities of Assigned Audit Staff

The staffing proposed for the City will have James Powers, CPA as the Engagement Partner, Renee Davis, CPA as the Concurring Partner, Michael Nelligan, CPA as the On-Site Partner and an On-Site audit senior and Audit Assistants as needed. Below we will briefly explain each of major members' roles and responsibilities.

- The Engagement Partner is ultimately responsible for the completion of all aspects of the engagement and signing the audit opinions. He will review all reports and workpapers; complete the planning of the engagement; discuss the implication of all new GASB statements; be available to officials to answer any questions; attend any meeting requested. He ensures the audit was completed in accordance with government auditing standards; and the financial statements are in accordance with generally accepted accounting principles.
- The Concurring Partner is primarily responsible for the completing a quality control technical review of all reports and working papers. This review is mandatory before issuance and provides the City with assurance that a Partner with over 20 years of auditing Massachusetts municipalities is receiving a second layer of review. This review also includes a review of the City's compliance with Massachusetts' financial rules and regulations. This set us apart from National Firms as they assign a person that does not understand the complexities of Massachusetts finance.
- The On-Site Audit Partner will work closely with the client to gather the information needed to complete each audit section. They complete the more complex audit sections for review by the Engagement Partner and will work with our audit team to complete most of the single audit work.
- The Senior Auditor's primary responsibilities are to complete the standard audit procedures appropriate to their experience level and to manage staff assistants. Their work is closely supervised by the On-Site Audit Partner.

Identification of Anticipated Potential Audit Problems

We do not anticipate any significant audit problems. We have reviewed your previous financial statements and are familiar with auditing the funds reported. If a major problem does occur we will work with City management to allocate our resources to resolve the issue. If the problem is so significant that it cannot be resolved in a timely manner we would request a meeting to discuss the issue and a possible solution.

Additional Services Included as Part of the Engagement

In addition to the required audit services, we propose to conduct annual site visits of selected departments (up to two per year) to document internal control systems and to provide recommendations for strengthening controls. We will provide the City with a detailed audit manual which details each section of the audit, the City’s responsibilities for each section, our processes, and solutions to common problems with each section or suggestions for increasing efficiencies. Additionally, along with the draft financial statements, we will provide the City with a workpaper package that gives a detailed crosswalk from your ledgers to the final numbers in the audited financial statements.

Compensation

We estimate the time necessary to complete the examination as follows:

	CAFR Audit and Management Letter	Estimated 3 Major Programs Federal Single Audit	DESE End-of-Year Financial Report	Total
Partners (CPAs).....	340	48	20	408
Senior (CPA).....	160	40	-	200
Audit Staff	100	32	20	152
Total Hours.....	600	120	40	760

We recognize that in the initial engagement year, additional hours will be required related to the documentation of your systems and initial year audit work.

ADDITIONAL INFORMATION

Information Technology and Cyber Security

As part of our audit planning we propose to conduct an IT and Cyber Security review as part of our risk assessment.

Our IT review is designed to evaluate whether the information systems are safeguarding information assets, maintain data integrity, and are operating effectively.

Cyber Security is a new serious threat to most communities that unfortunately has not always been properly addressed by management. Throughout an organization's normal course of business comes the need to collect, transmit, and store extensive amounts of personal information, both in paper and electronic form, relating to residents, vendors and employees. The use of technology has become a driver in helping organizations stay current and succeed. However, the sharing and compilation of this information lends itself to increasing the organization's vulnerability to either a cyber-attack or a security breach.

Management must be aware of the risks associated with the collection of this personal information and be diligent in implementing the proper policies and procedures to help to expose these risks. While impossible for an organization to eliminate all risks associated with a cyber security attack, an organization can take a variety of steps to mitigate its exposure, satisfy governance responsibilities and help to minimize the impact of any attack that occurs.

Although from our financial audit perspective this is usually not a significant risk, we believe that by conducting a review of management's the City's cybersecurity risk management program is one way to add value to our audit engagement.

We will work with IT to conduct these reviews during our planning process and communicate our findings and recommendations to help you make improvements to your internal controls.

Audit Technology Advances

Similar to our clients, the audit process is constantly evolving and we are changing our processes with the technology advances. We began the audit automation process back in 2000 with the purchase of hardware and software to automate our audits and the preparation of governmental financial statements to be in compliance with GASB Statement 34. Part of our business model is to constantly evaluate our audit process and take advantage of these new audit techniques. We have found that this is mutually beneficial to ourselves and our clients as we become more efficient and our clients receive a more effective and meaningful audit.

We use state-of-the-art software from **Wolters Kluwer, CCH Access Portal**, to protect our client's data through the use of a **Client Portal**. All data is transferred using a **Secure File Transfer Protocol (SFTP)** that transmits encrypted files between us.

We use the Checkpoint software from Thompson Reuters for our audit software. Their **Smart Practice Aids for Audits of State and Local Governments** along with the **Smart Practice Aids for Single Audits** provides us with the flexibility to complete all of the risk assessments that are tailored to each client. The software

provides a standardized approach to a governmental audit but allows for auditor judgment to create an audit program that is the right fit for each client. This area is one example where technology and our experience and knowledge of Massachusetts' governmental finance provides for a seamless integration in the audit planning and assessment process.

We use **CCH ProSystem fx Suite** for our audit engagement software. We have been completing paperless audits since 2000 and continue to realize the benefits of making the change long before many of our competitors. This software allows us to manage the entire engagement live and allows for our audit team to access the working papers at anytime from anywhere we have internet access securely. There is a true seamless integration between the audit working papers, trial balance software and report preparation. We can complete a multitude of analytical audit tests and reports directly from the trial balance software which automatically includes these tests in audit working papers.

We use **CCH TeamMate Analytics** software to perform advanced audit data analysis. This tool was designed specifically for auditors as a powerful data analytic package with modules for expenses, payroll, journal entries, revenue, receivables, HR, census data and payables. We can easily create our own modules from scratch. There are over 200 fully documented audit tests that assist us in performing the audit. It allows us to spot anomalies and unusual transactions that were previously difficult to find. It allows us to analyze large data sets in an efficient manner that was not possible a few years ago. It is a very efficient tool for our statistical testing.

New GASB Pronouncements

As part of our basic service, we will discuss any new standards well in advance of its implementation date and assist in your preparation. The next significant GASB's are described below.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – This Statement significantly changes accounting and disclosure related to OBEB benefits and will require the City to adequately plan for its implementation. It is required to be implemented in fiscal 2018.

GASB Statement No. 81, Irrevocable Split-Interest Agreements – This statement provides recognition and measurement guidance for situations in which a government is a beneficiary of an irrevocable split interest agreement. It is required to be implemented in fiscal 2018.

GASB Statement No. 83, Certain Asset Retirement Obligations – This statement addresses a governments requirement to recognize a liability and provide additional disclosures if it has legal obligations to perform future asset retirement activities related to tangible capital assets. It is required to be implemented in fiscal 2019.

GASB Statement No. 84, Fiduciary Activities – This statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. It is required to be implemented in fiscal 2020.

GASB Statement No. 85, Omnibus 2017 – This statement addresses a number of practice issues that have been identified during the implementation and application of certain GASB statements. Topics addressed include issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. It is required to be implemented in fiscal 2018.

GASB Statement No. 86, Certain Debt Extinguishment Issues – This statement provides guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. It is required to be implemented in fiscal year 2018.

GASB Statement No. 87, Leases – This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. It is required to be implemented in fiscal year 2021.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements – This statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. It is required to be implemented in fiscal year 2019.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period – This statement establishes accounting requirements for interest cost incurred before the end of a construction period. It is required to be implemented in fiscal year 2021.

GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61 – This statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. It is required to be implemented in fiscal year 2020.

It will be important for management to gain an understanding of how these statements will impact the financial statements for the purposes of explaining the changes to users.

APPENDIX A

The following pages include:

- Our vision of our future relationship with the City of Newton.
- A copy of our Peer Review Report.
- Required Certifications



“Coming together is a beginning, staying together is progress, and working together is success”

- Henry Ford

“Opportunity is missed by most people because it is dressed in overalls and looks like work”

- Thomas Edison

“The achievements of an organization are the results of the combined effort of each individual.”

- Vince Lombardi

We share the above quotes with you because it symbolizes our core beliefs that:

1. We will always conduct ourselves in a manner that works towards the long-term success of Powers & Sullivan AND the City of Newton,
2. We will always be willing to “don the overalls” and work for you,
3. We will continue to provide a group of experienced professionals to compliment your Team so that the combined effort will result in the achievements both of our organizations desire.

215 Pleasant St. Fl. 4 – PO Box 3634
Fall River, Massachusetts 02722

Tel: (508)679-6079 (508)999-0020
Fax: (508)672-4938

Report on the Firm's System of Quality Control

To Powers & Sullivan, LLC, CPAs and the Peer Review Committee of the
Massachusetts Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of Powers & Sullivan, LLC, CPAs (the Firm) in effect for the year ended September 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

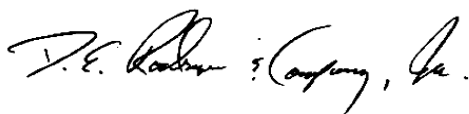
Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including audits under the Single Audit Act. As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Powers & Sullivan, LLC, CPAs in effect for the year ended September 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Powers & Sullivan, LLC, CPAs has received a peer review rating of *pass*.



May 15, 2017

WHERE YOUR FINANCIAL SUCCESS BEGINS

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS - DIVISION FOR FIRMS
WEB: WWW.RODRIGUESANDCOMPANY.COM EMAIL: RODRIGUESANDCO@WORLDNET.ATT.NET

CITY OF NEWTON

BIDDER'S QUALIFICATIONS AND REFERENCES FORM

All questions must be answered, and the data given must be clear and comprehensive. Please type or print legibly. If necessary, add additional sheet(s) for starred items. This information will be utilized by the City for purposes of determining bidder responsiveness and responsibility with regard to the requirements and specifications of the Contract.

- 1. FIRM NAME: Powers & Sullivan, LLC
- 2. WHEN ORGANIZED: __1989 as a partnership and 11/8/2010 as a Limited Liability Company__
- 3. INCORPORATED? YES ___NO/DATE AND STATE OF ORGANIZATION: MA___
- 4. IS YOUR BUSINESS A MBE? __YES NO WBE? __YES NO MWBE? __YES NO
- 5. LIST ALL CONTRACTS CURRENTLY ON HAND, SHOWING CONTRACT AMOUNT AND ANTICIPATED DATE OF COMPLETION:

Please refer to listing of municipal audit clients in the detailed proposal. All audit contracts are completed on a fiscal year basis.

- 6. HAVE YOU EVER FAILED TO COMPLETE A CONTRACT AWARDED TO YOU?
___YES NO

IF YES, WHERE AND WHY?— not applicable

- 7. HAVE YOU EVER DEFAULTED ON A CONTRACT? ___YES NO
IF YES, PROVIDE DETAILS. not applicable

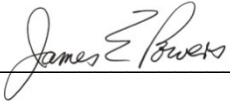
- 8. LIST YOUR VEHICLES/EQUIPMENT AVAILABLE FOR THIS CONTRACT:
not applicable

- 9. IN THE SPACES FOLLOWING, PROVIDE INFORMATION REGARDING CONTRACTS COMPLETED BY YOUR FIRM SIMILAR IN NATURE TO THE PROJECT BEING BID. A MINIMUM OF FOUR (4) CONTRACTS SHALL BE LISTED. PUBLICLY BID CONTRACTS ARE PREFERRED, BUT NOT MANDATORY.

Please refer to the municipal client reference and client listing section of our detailed proposal.

10. The undersigned certifies that the information contained herein is complete and accurate and hereby authorizes and requests any person, firm, or corporation to furnish any information requested by the City in verification of the recitals comprising this statement of Bidder's qualifications and experience.

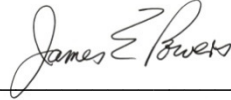
DATE: October 1, 2018 BIDDER: Powers & Sullivan, LLC

SIGNATURE: 

PRINTED NAME: James E. Powers TITLE: Manager of LLC

CERTIFICATE OF NON-COLLUSION

Pursuant to the requirements of M.G.L. c.30B, § 10, the undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word “person” shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group or individuals.



(Signature of individual)

Powers & Sullivan, LLC

Name of Business

CERTIFICATION OF TAX COMPLIANCE

Pursuant to M.G.L. c.62C, Section 49A and the requirements of the City, the undersigned acting on behalf of the Contractor certifies under the penalties of perjury that the Contractor is in compliance with all laws of the Commonwealth relating to taxes including payment of all local taxes, fees, assessments, betterments and any other local or municipal charges (unless the Contractor has a pending abatement application or has entered into a payment agreement with the entity to which such charges were owed), reporting of employees and contractors, and withholding and remitting child support.

Powers & Sullivan, LLC certifies that we are current on all of our tax obligations and have never had a tax liability that required us to establish a payment plan.

Powers & Sullivan, LLC FID# 27-3857113

100 Quannapowitt Parkway, Suite 101, Wakefield MA 01880

By:

A handwritten signature in cursive script that reads "James E. Powers".

James E. Powers, CPA
Partner

October 1, 2018

CERTIFICATE OF FOREIGN CORPORATION

The undersigned hereby certifies that it has been duly established, organized, or chartered as a corporation under the laws of:

Not applicable – Not a foreign corporation
(Jurisdiction)

The undersigned further certifies that it has complied with the requirements of M.G.L. c. 30, Section 39L (if applicable) and with the requirements of M.G.L. c. 156D, Section 15.03 relative to the registration and operation of foreign corporations within the Commonwealth of Massachusetts.

James E. Powers
Name of Person signing proposal



Signature of person signing proposal

Powers & Sullivan, LLC
Name of Business

City of Newton



Mayor
Setti D. Warren

Purchasing Department
Nicholas Read @ Chief Procurement Officer
1000 Commonwealth Avenue
Newton Centre, MA 02459-1449
purchasing@newtonma.gov

Telephone
(617) 796-1220
Fax:
(617) 796-1227
TDD/TTY
(617) 796-1089

Date: October 1, 2018

Vendor: Powers & Sullivan, LLC

Re: Debarment Letter for Request for Proposals #19-12

As a potential vendor on the above contract, the City requires that you provide a debarment/suspension certification indicating that you are in compliance with the below Federal Executive Order. Certification can be done by completing and signing this form.

Debarment:

Federal Executive Order (E.O.) 12549 “Debarment and Suspension“ requires that all contractors receiving individual awards, using federal funds, and all sub-recipients certify that the organization and its principals are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from doing business with the Federal Government.

I hereby certify under pains and penalties of perjury that neither I nor any principal(s) of the Company identified below is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

James E. Powers _____ (Name)

Powers & Sullivan LLC _____ (Company)

100 Quannapowitt Parkway, Suite 101 _____ (Address)

Wakefield, MA 01880 _____ (Address)

PHONE (781) 914-1700 _____ FAX (781) 914-1701 _____

EMAIL jpowers@powersandsullivan.com _____

 _____ Signature

October 1, 2018 _____ Date

If you have questions, please contact Nicholas Read, Chief Procurement Officer at (617) 796-1220.

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Powers & Sullivan, LLC

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

Individual/sole proprietor or single-member LLC C Corporation S Corporation Partnership Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ **P**

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
100 Quannapowitt Parkway Suite 101

6 City, state, and ZIP code
Wakefield, MA 01880

7 List account number(s) here (optional)

Requester's name and address (optional)

Print or type.
 See Specific Instructions on page 3.

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									
2	7	-	3	8	5	7	1	1	3

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ▶ *James S. Powers* Date ▶ *10/1/18*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.