

**TOWN OF EASTON, MASSACHUSETTS
REQUEST FOR QUOTATIONS FOR AUDITING SERVICES
FISCAL YEARS 2011-2013**

The Town of Easton, Massachusetts invites qualified, independent certified public accountants, licensed to practice in the Commonwealth of Massachusetts, to submit quotations and other information requested herein to conduct an audit of the financial accounts and records of the Town of Easton in accordance with the specifications listed below.

Quotations (8 bound copies and an emailed PDF file) should be submitted to Wendy Nightingale, Town Accountant, at the Easton Town Offices, 136 Elm Street, No. Easton, MA 02356, wnightingale@easton.ma.us, until close of business on Friday, April 29, 2011 at 12:30pm.

The completion date for this project is January 31st each year, following the close of the June 30th fiscal year. Field work shall begin in early October.

General Information

- The Town of Easton, Massachusetts has a population of approximately 23,357 (2010 estimate) and a total general fund budget for fiscal 2011 of approximately \$62.6million; a water enterprise budget of approximately \$2.36 million; a solid waste and recycling enterprise budget of approximately \$800,000 as well as various capital projects, special revenue, and trust and agency funds. The Town has a Moody's Bond rating of Aa3.
- The most recent audit of the financial statements of the Town of Easton was for the fiscal year ended June 30, 2010 and was completed by Melanson Heath and Company. A copy of the audited financial statements is attached. The Town received an unqualified opinion.
- Normal business hours of the Easton Town Hall are as follows: Monday 8:30am – 7:30pm, Tuesday-Thursday 8:30am – 4:30pm, Friday 8:30am – 12:30pm. The auditor will be provided with a conference room in which to conduct field work.

Description of Records

- The Town maintains its accounting records in accordance with the revised Uniform Municipal Accounting System (UMAS) established by the Bureau of Accounts.
- The records of the Town are computerized using SoftRight municipal accounting software. Payroll is processed in-house using SoftRight. Collector's receivables are in SoftRight and are fully integrated with the financial accounting system. The Assessor's Department uses Vision Appraisal software. Tax billing information is uploaded to SoftRight from the Vision system.

- Cash and accounts receivable are reconciled with the Collector/Treasurer's office on a monthly basis.

Required Services

Scope of Services

Required services consist of an independent annual audit of the financial statements of all accounts and funds of the Town of Easton, Massachusetts, and report thereon with respect to their presentation in accordance with generally accepted accounting principles.

The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, will include such other tests of the accounting records and procedures considered necessary by the auditor. The audit will satisfy the requirements of the General Laws of the Commonwealth of Massachusetts, the Department of Revenue Bureau of Accounts (including M.G.L., Chapter 41, Section 50), and the Single Audit Act in accordance with O.M.B. Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

The audit will also fulfill the requirements of the Massachusetts Department of Education Compliance Supplement for Massachusetts School Districts in relation to the End-of-Year Pupil and Financial Report (EOYR). Appropriate testing and agreed upon procedures shall be applied to issue a report on compliance applicable to the preparation and filing of the EOYR.

The audit firm will complete the auditor's section of the Single Audit Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations for submission to the Federal Single Audit Clearinghouse.

Reports to be Issued

Annual Financial Statements – The financial statements of all accounts and funds reported on shall include for the year audited:

- An opinion on whether the financial statements fairly present the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.
- Management's Discussion and Analysis
- Government-wide statement of net assets and statement of activities as of and for the fiscal year ended June 30th

- Governmental Fund Financial Statements to include:
 - Balance sheet
 - Reconciliation of total fund balances to net assets
 - Statement of revenues, expenditures and changes in fund balances
 - Reconciliation of the above statement to the statement of activities
 - General fund budget and actual statement
- Proprietary fund financial statements to include:
 - Statement of net assets
 - Statement of revenues, expenses and changes in fund net assets
 - Statement of cash flows
- Fiduciary fund statement of net assets and statement of changes in net assets
- Appropriate notes to the financial statements and supplemental schedules

Management Letter – This letter will identify opportunities for strengthening internal controls and operating efficiency, along with recommendations for improvement and correction thereof.

Single Audit – This report shall be issued pursuant to O.M.B. Circular A-133, inclusive of reports on internal control and compliance with laws and regulations. The report will also include a Schedule of Expenditures of Federal Awards and Schedule of Findings and Questioned Costs.

A Report on Applying Agreed-Upon Procedures over Compliance Applicable to Massachusetts School Districts' End-of-Year Pupil and Financial Report shall also be issued.

The auditing firm shall print, bind and submit 15 copies each of the annual financial statements and management letter, 10 copies of the single audit report and 5 copies of the report on compliance requirements relative to the Department of Elementary and Secondary Education EOYR. A PDF file of each of these reports will also be provided. These reports shall be delivered to the Town by January 31st following the close of the fiscal year.

Audit Timing and Meetings

Audit field work should begin no later than the month of October following the close of the fiscal year to be audited.

At least one week prior to the start of audit fieldwork, the auditor shall forward to the Town Accountant a listing of information to be gathered for the audit. This listing will be sorted by Town department.

The auditor will have at least one telephone conference with the Audit Committee Chair during the audit to discuss the status of the audit and progress made.

The auditor will hold an exit conference with the Audit Committee, Town Administrator, Town Accountant and any other Town Department Heads, as deemed necessary, to review draft copies of the reports prior to such reports being issued.

In addition to completing the annual audit, the auditor shall be available during normal business hours throughout the contract period to provide the Town with advice and guidance on financial accounting and reporting issues. The auditor will also be expected to keep the Town abreast of the working requirements 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.

The lead contacts from the Town for the audit engagement shall be the Audit Committee Chair and Town Accountant.

Term of Agreement

The Town will enter into a three-year contract subject to appropriation.

Town Assistance During the Audit

1. Preparation of a working trial balance
2. Location of appropriate records
3. Preparation of audit schedules
4. Photocopying of documents
5. Meetings and conferences

Quotation Process

- The Town's Audit Committee will review quotations and make a recommendation to the Board of Selectmen for award of the contract.
- The Audit Committee may elect to interview the auditing firms.
- The objective is for the most qualified auditor with affordable pricing to be selected.
- The audit contract is expected to be awarded in June 2011 by the Board of Selectmen.
- The Town reserves the right to waive any informalities, to accept or reject, in part or in whole, any and all quotations or to take whatever action may be deemed to be in the best interests of the Town of Easton.

- Auditors may contact Wendy Nightingale, Town Accountant, for additional information or to answer any questions about these specifications at (508) 230-0563 or email at wningtingale@easton.ma.us.

Required Information to be Submitted by Independent Auditor

- **Letter of Transmittal**

Briefly state the auditor's understanding of the work to be performed and make a positive commitment to complete all work and deliver all written reports within the specified time frames.

Specify an all-inclusive fixed fee for each engagement year, and state that your quotation is valid for a period of 45 days.

The letter must be signed by an individual authorized to contractually bind your firm.

- **Professional Experience**

Tell us about yourself. Describe the auditor's Massachusetts municipal auditing experience during the past five-year period. Identify the specific partner, and staff that will be assigned to this engagement and provide a copy of the resumes of each.

Please attach a copy of the latest quality review opinion for your firm.

Provide the name, address and telephone number of at least (3) Massachusetts municipal audit client references that the Town can contact. At least two of the references must be of similar size in terms of annual budget.

- **Audit Approach**

Submit a work plan, including time estimates and staffing requirements, for each major component of the engagement for each year.

- **Compensation**

The quotation must include an annual, all-inclusive fixed fee for each engagement year as a separate amount, broken down between the Town audit and agreed-upon procedures for the DOE EOYR, on the enclosed proposal pricing form.

The Fee shall also include any additional costs associated with meetings scheduled outside normal business hours as well as any travel expenses.

- **Additional Information**

Please provide any additional information, not specifically requested, but which you believe would be useful to the Town in evaluating your proposal.

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QUOTATION PRICING FORM

	FY 2011	FY 2012	FY 2013
Town Audit	\$ _____	\$ _____	\$ _____
Agreed-upon procedures (DOE EOYR)	_____	_____	_____
Total Price	\$ _____	\$ _____	\$ _____