



May 9, 2023

To the Honorable City Council
City of Northampton
210 Main Street
Northampton, MA 01060

Dear Council Members:

Thank you for the opportunity to submit a proposal for audit services for the City of Northampton, Massachusetts. Scanlon and Associates, LLC is independent of the City of Northampton, Massachusetts as defined by professional standards (AICPA) and government auditing standards (yellow book). Scanlon and Associates, LLC has met peer review standards as defined by the American Institute of Certified Public Accountants (AICPA). All partners and staff to be assigned to the City's engagement have extensive knowledge and experience of auditing municipalities and have met the continuing education requirements as defined by auditing standards.

We are excited about the opportunity to continue working with the City. We believe our firm provides timely, quality work and excellent service at a reasonable fee and would be of great value to the City. Some of the reasons to select our firm include our experience, our personnel, our process and our commitment to ensure quality work.

A summary of audit fees for fiscal years 2024, and optional years for 2025 and 2026 is as follows:

<u>Fiscal Year</u>	<u>Financial Statement Audit</u>	<u>Single Audits (a)</u>	<u>School End of Year Reports (2) - AUP</u>	<u>Retirement GASB 67/68</u>
2024	\$ 52,000	\$ 9,600	\$ 10,000	\$ 7,000
(Optional)				
2025	\$ 53,000	\$ 9,600	\$ 10,000	\$ 7,000
2026	\$ 54,000	\$ 9,600	\$ 10,000	\$ 7,000

(a) The fee amount is based on 4 major programs being tested. Historically Northampton has averaged between 3 – 4 major programs for the single audit.

The increase from fiscal year 2023 fees are mainly due to new GASB's, increased reporting requirements, increased programs/activities within the City and increased audit requirements.

We appreciate this opportunity to continue to be service to you. If you have any questions, please contact us immediately.

Sincerely,

Scanlon and Associates, LLC

Thomas J. Scanlon Jr., CPA
Scanlon and Associates, LLC