



# The City of **WORCESTER**

Administration & Finance – Purchasing Division  
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April 3, 2025

To All Bidders:

Subject: **Bid No. CR-8386-W5, Independent Audit Services / City Auditor**

## **ADDENDUM NO. 1**

To Whom It May Concern:

With reference to our bid request relative to the above subject, please refer to the changes/modifications/clarifications to the original proposal request.

- **PLEASE SEE BELOW QUESTIONS RECEIVED AND RESPONSES FROM CITY**
- 1) If a 3rd party servicer is used in significant financial processes and controls, are SSAE18 SOC 1 reports available for these vendor(s)? **YES**
- 2) What is the estimated total number of governmental, proprietary and fiduciary funds expected to be reported in FY2025. **31**
- 3.) When will the various pension and post-retirement benefit actuarial reports be ready?
  - **PENSION – MAY FOR THE PRECEDING CALENDAR YEAR**
  - **OPEB – OCTOBER FOR THE PRECEDING FISCAL YEAR**
- 4.) Have there been any disagreements between management and your independent auditor during their tenure?  
**NO**
- 5.) Why are you contemplating a change in audit firms? **EXISTING CONTRACT IS COMING TO AN END.**
- 6.) Is the incumbent firm eligible/being asked to propose? **YES AND YES.**
- 7.) Are you aware of any fraud that has occurred for the period under audit? If yes, please explain.  
**NO**



- 8.) Are you aware of any significant litigation that you are subject to for the period under audit? If yes, please explain.

LAWSUIT WITH SURROUNDING TOWNS RELATED TO DECADES OLD DISPUTE ON SEWER RATE FEES CHARGED TO OUTSIDE TOWNS. \$17M PER JUDGEMENT. CURRENTLY AT APPEAL.

- 9.) For audits such as yours, our legal department reviews any engagement letter and contractual documents and red-lines provisions for suggested changes. Is the City open to such suggestions? NO – OUR STANDARD CONTRACT WILL BE ISSUED TO THE SUCCESSFUL PROPOSER. SEE SAMPLE CONTRACTS ATTACHED.

- 10) Are internal controls and procedures adequately documented and key controls identified? Does the City have centralized controls or decentralized? YES. THE CITY IS IN THE MIDDLE OF AN ERP CHANGE TO WORKDAY AND INTERNAL CONTROL DOCUMENTATION WILL NEED UPDATES FOR CHANGES TO BUSINESS PROCESSES.

- 11) Is there an internal audit function carried out within the operations of the City, and if so, to what extent?  
PRE-AUDIT BY THE AUDITING DEPARTMENT FOR ALL BILLS AND PAYROLLS SUBMITTED BY DEPARTMENT PRIOR TO PAYMENT BY THE TREASURER. THE CITY AUDITOR PREPARES THE ACFR AND AUDITS VARIOUS ACCOUNTS AND MAINTAINS VARIOUS SCHEDULES. EXTERNAL AUDITOR PERFORMS 3 SPECIAL PROJECTS DETERMINED AT THE START OF THE AUDIT.

- 12) Are IT and Cybersecurity Risks actively managed and monitored on a formal basis?  
YES

- 13) Have any external IT reviews been performed? Such reviews include penetration testing, cybersecurity reviews and related risk assessments.  
YES

Proposers are requested to acknowledge and/or include this addendum with submission. All other terms, conditions, and specifications remain unchanged.

Very truly yours,

Christopher J. Gagliastro  
Purchasing Director

## **PROFESSIONAL SERVICES AGREEMENT**

**This Agreement** made this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the City of Worcester, a municipal corporation duly established under the laws of the Commonwealth of Massachusetts, acting through its Auditing Department (“City”), and (Consultant name and state of organization) \_\_\_\_\_ with a principal place of business at \_\_\_\_\_ (“Consultant”).

### **W I T N E S S E T H:**

**WHEREAS**, the City desires to obtain independent professional auditing services for fiscal years 2025 through 2027 with two one-year extensions at the City’s option for the City (“Project”); and

**WHEREAS**, the Consultant was selected as the most advantageous bidder and it has represented to the City that it possesses the expertise, experience, and capacity to perform the required work; and

**WHEREAS**, the Consultant has submitted a scope of services and fee proposal that is acceptable to the City; and

**WHEREAS**, the City desires to engage the Consultant to undertake the Project; and

**NOW THEREFORE**, the parties mutually agree as follows:

#### **I. Consultant’s Services.**

The Consultant shall provide the independent auditing services described in Exhibit A, Scope of Services, attached hereto and incorporated herein by this reference.

In the performance of the Consultant’s services hereunder, the Consultant, *when apt*, shall review the Project construction plans with the Center for Living and Working, the City Manager’s Advisory Committee on Persons with Disabilities and Rights Equality & Dignity for the Disabled to ensure that the Project design meets or exceeds accessibility requirements. The city department in charge of the administration of the Consultant’s services shall be responsible for coordinating the aforementioned reviews.

#### **2. Schedule.**

The Consultant shall perform the services required by this Agreement in accordance with the Project Schedule set forth in Exhibit C, attached hereto and incorporated herein.

**3. Fee.**

The City shall pay the Consultant for all services performed pursuant to this Agreement an amount not to exceed \_\_\_\_\_ Dollars and no cents (\$xxx,xxx) for audit services in accordance with the procedures set forth herein. The above sum includes all labor, overhead, profit, transportation, and direct expenses. The City shall pay the Consultant for services performed under this Agreement only on the basis of written invoices or official documentation evidencing in complete detail, the propriety of the charges. The City shall make payments within thirty (30) days after receipt of such invoice, excluding any review and approval period performed by the Commonwealth of Massachusetts as may be required as a condition to the receipt of funds for the Project. The fee breakdown is set forth at Exhibit B, attached hereto and incorporated herein.

**4. Information Furnished by City.**

The City shall, so far as the work under this Agreement may require, furnish the Consultant with the relevant information it may have concerning this Project.

**5. Ownership of Documents.**

Reports (financial statements, single audit and management letter) furnished pursuant to this Agreement are instruments of service and are the property of the City, whether the work for which they are made is executed or not, and said instruments of service shall not be used by the Consultant on other work except by written agreement with the City. Additionally, such instruments of service are not intended or represented to be suitable for reuse by the City. If the City reuses such instruments of service on any project other than this Project without the involvement or prior written authorization from the Consultant, said reuse shall be at the City's sole risk; provided however, the City shall not be responsible for uses or actions by any third party.

**6. Successors and Assignments.**

The City and the Consultant each binds itself, its partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Agreement.

**7. Consultants, Subcontracting, Successors & Assignments.**

The Consultant shall not employ consultants, subcontract, assign or transfer any part of its services or obligations under this Agreement without the prior approval of and written consent of the City. The City shall not unreasonably withhold such approval. The written consent shall not in any way relieve the Consultant from its responsibility for the professional and technical accuracy and the coordination of all data, designs, specifications, estimates and other work or materials furnished.

**8. Professional Responsibility.**

The Consultant shall perform all services required by this Agreement in accordance with the professional skill and care ordinarily exercised under similar circumstances by professional independent auditors practicing in the same or similar locality. The Consultant shall be responsible for the professional and technical accuracy and the coordination of all services furnished under this Agreement. The Consultant shall furnish appropriate competent professional services for each aspect and task so that detailed checking or reviewing by the City is not necessary. The City's review, approval, acceptance of, or payment for any of the services furnished shall not be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

**9. Indemnification.**

For claims arising out of or relating to negligent errors and omissions in the performance of professional services rendered by the Consultant, to the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the City and its officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever which may be incurred by the City to the extent caused by the negligence of, or the breach of this Agreement by, the Consultant, its officers, or any person employed by the Consultant, or any consultant for whom the Consultant is responsible under this Agreement.

For all other claims, to the fullest extent permitted by law, Consultant shall defend, indemnify and hold harmless the City and its officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever brought because of any injury (including death) or damage received or sustained by any person, persons or property arising out of, or resulting from the Consultant's breach of any provision of this Agreement or any asserted negligent act, error or omission of the Consultant, its officers, employees, consultants or other person for whom the Consultant is responsible under this Agreement.

The Indemnifications required hereunder shall not be limited by reason of the specification of any particular insurance coverage under this Agreement. Further, the Consultant's obligations hereunder shall not terminate with the expiration or termination of this Agreement, but shall survive it.

**10. Insurance.**

The Consultant shall obtain professional liability insurance covering the negligent acts, errors and omissions of the Consultant, and of any person or business entity for whose performance the Consultant is legally liable arising out of the performance of this Agreement. The amount of this coverage shall be not less than one million dollars (\$1,000,000) for the

applicable period of limitations. If the coverage is on a “claims made” basis (rather than occurrence basis), the Consultant shall obtain from its insurer a six year extending reporting coverage (“tail”) policy covering continuing such coverage.

The Consultant shall also obtain and maintain in force at all times during the term of this Agreement, occurrence basis insurance coverages pertaining to commercial liability, property damage and motor vehicle in at least the following amounts:

- a. Commercial General Liability - \$1,000,000 per occurrence/\$2,000,000 aggregate
- b. Excess/Umbrella Liability - \$2,000,000
- c. Automobile Liability/Combined Single Limit - \$1,000,000  
(all owned, scheduled, hired, and non-owned autos)

The Consultant shall also obtain and maintain in force at all times during the term of this Agreement Workers Compensation insurance satisfying the Massachusetts statutory requirements.

The City shall be named as an additional insured on said coverage and certificates, except professional liability coverage and workers compensation coverage.

The City Manager, Room 306, City Hall, Worcester, Massachusetts, shall be identified as a Certificate Holder. The Consultant shall require its insurance company(ies) to notify the Certificate Holder of any reduction or cancellation of the insurance at least thirty (30) days prior to the effective date of such reduction or cancellation.

The Consultant shall furnish certificates of insurance evidencing coverage of the types and amounts required above, in a form satisfactory to the City.

Such insurance amounts shall not serve to limit Consultant’s liability arising under this Agreement.

## **11. Termination of Contract.**

**A. Termination of Contract for Cause.** If either party fails to fulfill in a timely and proper manner its obligations under this Agreement for any cause, or if either party violates any of the terms, covenants and conditions of this Agreement, then the offended party shall have the right to terminate this Agreement by giving written notice to the breaching party of such termination and specifying the effective date thereof, said written notice to be given at least five (5) days before the effective date of such termination. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Consultant with federal, state or City funds under this Agreement shall, at the option of the City, become its property. Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City for personal injury, property damage or otherwise by virtue of any termination of the Agreement, and the City may withhold

any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages to the City from the Consultant is determined.

**B. Termination for Convenience of the City of Worcester.** The City may terminate this Agreement at any time by giving not less than thirty (30) days notice in writing to the Consultant. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Consultant with federal, state or City funds under this Agreement shall, at the option of the City, become its property.

Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City for personal injury, property damage or otherwise by virtue of any termination of this Agreement, and the City may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages sustained by the City is determined.

**C. Termination Expenses.**

In the event of any termination of this Agreement, the Consultant shall be paid in accordance with the appropriate invoicing procedure defined in Section 3 herein, for all authorized services performed to the termination date. No other termination expenses shall be allowed.

**12. Records.**

The Consultant shall maintain records with respect to all matters covered by this Agreement for a period of six (6) years, or such greater period set forth in Exhibit A, after receipt of the final payment under this Agreement.

**13. Reports and Information.**

At such times and in such forms as the City may require, the City may request and the Consultant shall not unreasonably refuse to provide such statements, records, reports, data and information, pertaining to matters covered by this Agreement.

**14. Audits and Inspections.**

At any time during business hours and as often as the City may deem necessary, the Consultant shall make available to the City or its representatives for examination all non-confidential records with respect to all matters covered by this Agreement and shall permit the City or its representatives to audit, examine and make excerpts of transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

**15. Records – Confidentiality.**

The City reserves the right of access to the non-confidential records of the Consultant and its sub-contractors in accordance with provisions of federal and state laws and regulations.

**16. Independent Contractor.**

The Consultant is an independent contractor and not an employee of the City of Worcester.

**17. Discrimination Prohibited.**

A. In all hiring or employment made possible by or resulting from this Agreement, the Consultant (1) shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age or national origin, and (2) shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin.

B. No person in the United States shall, on the ground of race, color, religion, sex, age, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from the contract. The Consultant and each employer shall comply with all requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964.

**18. Compliance with Laws.**

In the performance of this Agreement, each party shall comply with all applicable federal, state and local laws, rules, ordinances and regulations, as well as all administrative and judicial positions known to it, except for such period as it may in good faith be contesting the validity or application thereof.

**19. Conflict of Interest.**

The Consultant warrants that it has complied with all provisions of law regarding the award of this Agreement and that it, or its employees, agents, officers, directors or trustees have not offered or attempted to offer, and shall not during the course of this Agreement offer, anything of any value to any employee of the City in connection with this Agreement.

The Consultant further warrants that no employee of the City, including unpaid members of City boards and commissions, serves as an officer, director, trustee or employee of Consultant, and that no employees of the City have or will have a direct or indirect financial interest in this Agreement.

Violation of this section shall be a material breach of this Agreement and shall be grounds for immediate termination of this Agreement by the City without regard to any



enforcement activities undertaken or completed by any enforcement agency. Termination of this Agreement pursuant to this section shall not waive any claims for damages the City may have against the Consultant.

**20. Certifications Required by Law.**

The Consultant, by executing this document, certifies the following:

(a) it has not given, offered or agreed to give any person, corporation or other entity any gift, contribution or offer of employment as an inducement for, or in connection with, the award of this Agreement for independent auditing services;

(b) that no consultant to or subcontractor for the Consultant has given, offered or agreed to give any gift, contribution or offer of employment to the Consultant, or to any other person, corporation, or entity as an inducement for, or in connection with, the award to the consultant or subcontractor of a contract by the Consultant;

(c) that no person, corporation or other entity, other than a bona fide full time employee of the Consultant, has been retained or hired by the Consultant to solicit for or in any way assist the Consultant in obtaining this Agreement for independent auditing services upon an agreement or understanding that such person, corporation or other entity be paid a fee or other consideration contingent upon the award of this Agreement to the Consultant; and

(d) that the Consultant, and any consultant to or subcontractor for the Consultant, represents, warrants and certifies that it has complied with all laws of the Commonwealth of Massachusetts relating to taxes and all Ordinances and Orders of the City of Worcester relating to taxes, fees and charges, or is lawfully contesting the validity of the same. The Consultant, and any consultant to or subcontractor for the Consultant, further represents, warrants and certifies that it will remain in such compliance during the term of this Agreement, including any amendments or extensions hereto. Breach of any of these provisions shall be deemed a material breach which shall entitle the City to immediately terminate this Agreement pursuant to Section 11(A) and take any other action authorized by law to collect any amounts due the City.

**21. Applicable Law.**

The laws of the Commonwealth of Massachusetts shall govern the validity, interpretation, construction and performance of this Agreement. The Parties agree that venue shall be in any court of competent jurisdiction located within the Commonwealth of Massachusetts.

**22. Rights Reserved.**

The City reserves the right to change policy expounded herein due to policy changes dictated by federal, state or municipal agencies. The Consultant shall comply with any and all federal, state and local laws, regulations and rules controlling or relating to this Project, as may be issued from time to time.

**23. Notices.**

Any formal notices necessary under this Agreement shall be given by certified mail, return receipt requested, and addressed to the City at the City Manager, Room 306, City Hall, Worcester, Massachusetts 01608 and addressed to the Consultant at the address appearing in the first paragraph of page 1 of this Agreement.

**24. Severability.**

If any provision of this Agreement is held invalid by any court or body of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

**25. Headings.**

The section headings in this Agreement are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

**26. Amendments.**

This Agreement may be amended or modified only by written instrument duly executed by the parties.

**27. Entire Agreement.**

This Agreement contains the entire understanding of the parties and supersedes all prior agreements, representations, proposals and undertakings of the parties.

[remainder of page intentionally blank – signature page to follow]

**IN WITNESS WHEREOF**, the parties hereto, intending to be legally bound, have caused this Agreement to be executed as a sealed instrument by their duly authorized representatives the day and year first above written.

**RECOMMENDED:**  
Auditing Department

**CONSULTANT**

\_\_\_\_\_  
City Auditor

\_\_\_\_\_  
name  
title

Approved As To Form:

**CITY OF WORCESTER**

\_\_\_\_\_  
Assistant City Solicitor

\_\_\_\_\_  
City Manager

I certify that funds are available in Account No. CC1030 – Ord Maint.

\_\_\_\_\_  
Finance Manager  
Department Administration & Finance

## **EXHIBIT A**

### **Scope of Services**

Consultant shall provide the services for each year ending June 30, 2025, 2026, and 2027, as set forth in this Exhibit A. \_\_\_\_\_, the Consultant, may also be referred to in this Exhibit A as “\_\_\_\_,” “we,” “us,” and “our”. The City may be referred to as “you,” “your,” or “the entity”.

\_\_\_\_\_, CPA is responsible for the services provided to you.

In addition to the services and related requirements set forth in the Request for Proposals, RFP No. CR-8386-W5, issued on March 10, 2025, and the services set forth in the Proposal submitted in response, dated \_\_\_\_\_, we shall provide the following services. In the event of a conflict between the services set forth in this Exhibit A, the RFP and/or the Proposal which cannot be harmonized, this Exhibit A shall take precedence over the RFP and the Proposal, and the RFP shall take precedence over the Proposal. For clarity, no terms and conditions shall be incorporated from the RFP or the Proposal.

#### **Audit services**

We will audit the financial statements (part of the Annual Comprehensive Financial Report [“ACFR”]) of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Worcester, Massachusetts, as of and for the year ending June 30, 2025, 2026, and 2027, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity’s basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management’s discussion and analysis.
2. Budgetary comparison schedules.
3. GASB-required supplementary pension, OPEB and other required information.

We will also evaluate and report on the presentation of the following supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole:

1. Combining and individual fund statements and schedules
2. Schedule of expenditures of federal awards

The following information other than RSI accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditors’ report will not provide an opinion or any assurance on that information:

1. Introductory Section
2. Statistical Section

#### **Audit objectives**

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of COW independent audit FY25 through FY27

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* (Uniform Guidance). Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions on the financial statements or the single audit compliance opinion are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

**Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements and compliance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to

render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under

AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal

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awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review during annual audit fieldwork.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree

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that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

### **Use of financial statements**

If the parties (i.e., you and \_\_\_ ) agree that \_\_\_ will not be involved with your official statements related to municipal securities filings or other offering documents, you will endeavor to make official statements or other offering documents issued by you with which we are not involved clearly indicate that \_\_\_ is not involved with the contents of such documents. Such disclosure should read as follows: \_\_\_\_\_, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. \_\_\_\_\_ also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on.

### **Engagement administration and other matters**

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we reasonably request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation (as distinct from the audit report(s) and documents identified in Section 5 of the Agreement) for this engagement is the sole and exclusive property of \_\_\_\_ and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators, cognizant or oversight agencies for audit, or pass-through entities, or their designees, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of \_\_\_\_ personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by regulators, cognizant or oversight agencies for audit, or pass-through entities. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

\_\_\_\_ will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Our scope of services end on delivery of our signed report.

*Government Auditing Standards* require that we make our most recent external peer review report publicly available. The report is posted on our website at \_\_\_\_.

**EXHIBIT B**  
**FEE BREAKDOWN**

The total fee amount of \$xxx,xxx for the three year term shall be broken down as follows:

I. Fiscal Year ending June 30, 2025: \$xxx,xxx

General accounts	\$ xx,xxx
Single audit/federal grants (A)	xx,xxx
Water enterprise	xx,xxx
Sewer enterprise	xx,xxx
Golf enterprise	<u>x,xxx</u>
Total audit fee	<u>\$xxx,xxx</u>

(A) The total audit fee FY 2025 includes audit of three (3) major federal grants. If an additional grant(s) is required to be audited under the Single Audit Act, the additional audit fee related to each additional grant award tested will at the rate of \$x,xxx per grant. If we are required to audit less than three (3) major federal grants, the total audit fee will be reduced so that it is based on the cost of \$x,xxx per grant.

II. Fiscal Year ending June 30, 2026 \$xxx,xxx

General accounts	\$ xx,xxx
Single audit/federal grants (B)	xx,xxx
Water enterprise	xx,xxx
Sewer enterprise	xx,xxx
Golf enterprise	<u>x,xxx</u>
Total audit fee	<u>\$xxx,xxx</u>

(B) The total audit fee for FY 2026 includes audit of three (3) major federal grants. If an additional grant(s) is required to be audited under the Single Audit Act, the additional audit fee related to each additional grant award tested will be at the rate of \$x,xxx per grant. If we are required to audit less than three (3) major federal grants, the total audit fee will be reduced so that it is based on the cost of \$x,xxx per grant.

III. Fiscal Year ending June 30, 2027 \$xxx,xxx

General accounts	\$ xx,xxx
Single audit/federal grants (C)	xx,xxx
Water enterprise	xx,xxx
Sewer enterprise	xx,xxx
Golf enterprise	<u>x,xxx</u>
Total audit fee	<u>\$xxx,xxx</u>

(C) The total audit fee for FY 2027 includes audit of three (3) major federal grants. If an additional grant(s) is required to be audited under the Single Audit Act, the additional audit fee related to each additional grant award tested will be

at the rate of \$x,xxx per grant. If we are required to audit less than three (3) major federal grants, the total audit fee will be reduced so that it is based on the cost of \$x,xxx per grant.

## **EXHIBIT C SCHEDULE**

The Consultant's services shall be performed in accordance with the following schedule:

I. Fiscal Year ending June 30, 2025:

- The ACFR audit shall commence (preliminary work) in May or June, 2025, and shall be completed no later than December 31, 2025.
- The single audit shall commence in January, 2026, and shall be completed no later than March 31, 2026.

II. Fiscal Year ending June 30, 2026:

- The ACFR audit shall commence in May or June, 2026, and shall be completed no later than December 31, 2026.
- The single audit shall commence in January, 2027, and shall be completed no later than March 31, 2027.

III. Fiscal Year ending June 30, 2027:

- The ACFR audit shall commence in May or June, 2027, and shall be completed no later than December 31, 2027.
- The single audit shall commence in January, 2028, and shall be completed no later than March 31, 2028.

**TAX CERTIFICATION**

DATE: \_\_\_\_\_

Pursuant to Mass. G.L. c. 62C, Section 49A, I certify under the penalties of perjury that I, to my best knowledge and belief, have complied with all laws of the commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

Signature: \_\_\_\_\_

Print below signature line name and title  
of Individual or Corporate Officer (as applicable)

\_\_\_\_\_  
Company Name

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tel No. \_\_\_\_\_

\_\_\_\_\_  
SOCIAL SECURITY NUMBER  
OR  
FEDERAL IDENTIFICATION NUMBER

## **CERTIFICATE OF AUTHORITY**

At a duly authorized meeting of the Board of Directors of the \_\_\_\_\_ held on \_\_\_\_\_ Directors were present or waived notice,  
(name of corporation) (date)  
it was voted that \_\_\_\_\_ of this company be and hereby is  
(officer and title)  
authorized to execute contracts and bonds in the name and behalf of said company, and affix its Corporate Seal thereto, and such execution of any contract or bond of obligation in this company's name shall be valid and binding upon this company.

A TRUE COPY, ATTEST:

\_\_\_\_\_  
[Signed]

\_\_\_\_\_  
[Company Name and Address]  
\_\_\_\_\_

I hereby certify that I am the \_\_\_\_\_ of the \_\_\_\_\_  
(Title) (Name of Corporation)  
that \_\_\_\_\_ is the duly elected \_\_\_\_\_  
(Name of Officer) (Title)  
of said company, and the above vote has not been amended or rescinded and remains in full force and effect as of the date of this contract.

Signature: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_  
(Corporate Seal)

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, SS.

On this \_\_\_\_ day of \_\_\_\_\_, 2025, before me the undersigned notary public, personally appeared \_\_\_\_\_, who proved to me through satisfactory evidence of identification, which was/were \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
My commission expires:



## **PROFESSIONAL SERVICES AGREEMENT**

**This Agreement** made this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the City of Worcester, a municipal corporation duly established under the laws of the Commonwealth of Massachusetts, acting through its Auditing Department (“City”), and \_\_\_\_\_ with a principal place of business at \_\_\_\_\_ (“Consultant”).

### **W I T N E S S E T H:**

**WHEREAS**, the City desires to obtain independent professional auditing services for fiscal years 2025 through 2027 for portions of the DCU Center (“Project”) with two one-year extensions at the option of the City; and

**WHEREAS**, the Consultant was selected as the most advantageous bidder and it has represented to the City that it possesses the expertise, experience, and capacity to perform the required work; and

**WHEREAS**, the Consultant has submitted a scope of services and fee proposal that is acceptable to the City; and

**WHEREAS**, the City desires to engage the Consultant to undertake the Project; and

**NOW THEREFORE**, the parties mutually agree as follows:

#### **1. Consultant’s Services.**

The Consultant shall provide the independent auditing services described in Exhibit A, Scope of Services, attached hereto and incorporated herein by this reference.

In the performance of the Consultant’s services hereunder, the Consultant, *when apt*, shall review the Project construction plans with the Center for Living and Working, the City Manager’s Advisory Committee on Persons with Disabilities and Rights Equality & Dignity for the Disabled to ensure that the Project design meets or exceeds accessibility requirements. The city department in charge of the administration of the Consultant’s services shall be responsible for coordinating the aforementioned reviews.

#### **2. Schedule.**

The Consultant shall perform the services required by this Agreement in accordance with the Schedule set forth in Exhibit C, attached hereto and incorporated herein.

**3. Fee.**

The City shall pay the Consultant for all services performed pursuant to this Agreement an amount not to exceed \_\_\_\_\_ Dollars and no cents (\$xx,xxx) for audit services in accordance with the procedures set forth herein. The above sum includes all labor, overhead, profit, transportation, and direct expenses. The City shall pay the Consultant for services performed under this Agreement only on the basis of written invoices or official documentation evidencing in complete detail, the propriety of the charges. The City shall make payments within thirty (30) days after receipt of such invoice, excluding any review and approval period performed by the Commonwealth of Massachusetts as may be required as a condition to the receipt of funds for the Project. The fee breakdown is set forth at Exhibit B.

**4. Information Furnished by City.**

The City shall, so far as the work under this Agreement may require, furnish the Consultant with the relevant information it may have concerning this Project.

**5. Ownership of Documents.**

Reports (financial statements, single audit and management letter) furnished pursuant to this Agreement are instruments of service and are the property of the City, whether the work for which they are made is executed or not, and said instruments of service shall not be used by the Consultant on other work except by written agreement with the City. Additionally, such instruments of service are not intended or represented to be suitable for reuse by the City. If the City reuses such instruments of service on any project other than this Project without the involvement or prior written authorization from the Consultant, said reuse shall be at the City's sole risk; provided however, the City shall not be responsible for uses or actions by any third party.

**6. Successors and Assignments.**

The City and the Consultant each binds itself, its partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Agreement.

**7. Consultants, Subcontracting, Successors & Assignments.**

The Consultant shall not employ consultants, subcontract, assign or transfer any part of its services or obligations under this Agreement without the prior approval of and written consent of the City. The City shall not unreasonably withhold such approval. The written consent shall not in any way relieve the Consultant from its responsibility for the professional and technical accuracy and the coordination of all data, designs, specifications, estimates and other work or materials furnished.

**8. Professional Responsibility.**

The Consultant shall perform all services required by this Agreement in accordance with the professional skill and care ordinarily exercised under similar circumstances by professional independent auditors practicing in the same or similar locality. The Consultant shall be responsible for the professional and technical accuracy and the coordination of all services furnished under this Agreement. The Consultant shall furnish appropriate competent professional services for each aspect and task so that detailed checking or reviewing by the City is not necessary. The City's review, approval, acceptance of, or payment for any of the services furnished shall not be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

## **9. Indemnification.**

For claims arising out of or relating to negligent errors and omissions in the performance of professional services rendered by the Consultant, to the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the City and its officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever which may be incurred by the City to the extent caused by the negligence of, or the breach of this Agreement by, the Consultant, its officers, or any person employed by the Consultant, or any consultant for whom the Consultant is responsible under this Agreement.

For all other claims, to the fullest extent permitted by law, Consultant shall defend, indemnify and hold harmless the City and its officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever brought because of any injury (including death) or damage received or sustained by any person, persons or property arising out of, or resulting from the Consultant's breach of any provision of this Agreement or any asserted negligent act, error or omission of the Consultant, its officers, employees, consultants or other person for whom the Consultant is responsible under this Agreement.

The Indemnifications required hereunder shall not be limited by reason of the specification of any particular insurance coverage under this Agreement. Further, the Consultant's obligations hereunder shall not terminate with the expiration or termination of this Agreement, but shall survive it.

## **10. Insurance.**

The Consultant shall obtain professional liability insurance covering the negligent acts, errors and omissions of the Consultant, and of any person or business entity for whose performance the Consultant is legally liable arising out of the performance of this Agreement. The amount of this coverage shall be not less than one million dollars (\$1,000,000) for the applicable period of limitations. If the coverage is on a "claims made" basis (rather than occurrence basis), the Consultant shall obtain from its insurer a six year extending reporting coverage ("tail") policy covering continuing such coverage.

The Consultant shall also obtain and maintain in force at all times during the term of this Agreement, occurrence basis insurance coverages pertaining to commercial liability, property damage and motor vehicle in at least the following amounts:

- a. Commercial General Liability - \$1,000,000 per occurrence/\$2,000,000 aggregate
- b. Excess/Umbrella Liability - \$2,000,000
- c. Automobile Liability/Combined Single Limit - \$1,000,000  
(all owned, scheduled, hired, and non-owned autos)

The Consultant shall also obtain and maintain in force at all times during the term of this Agreement Workers Compensation insurance satisfying the Massachusetts statutory requirements.

The City shall be named as an additional insured on said coverage and certificates, except professional liability coverage and workers compensation coverage.

The City Manager, Room 306, City Hall, Worcester, Massachusetts, shall be identified as a Certificate Holder. The Consultant shall require its insurance company(ies) to notify the Certificate Holder of any reduction or cancellation of the insurance at least thirty (30) days prior to the effective date of such reduction or cancellation.

The Consultant shall furnish certificates of insurance evidencing coverage of the types and amounts required above, in a form satisfactory to the City.

Such insurance amounts shall not serve to limit Consultant's liability arising under this Agreement.

## **11. Termination of Contract.**

**A. Termination of Contract for Cause.** If either party fails to fulfill in a timely and proper manner its obligations under this Agreement for any cause, or if either party violates any of the terms, covenants and conditions of this Agreement, then the offended party shall have the right to terminate this Agreement by giving written notice to the breaching party of such termination and specifying the effective date thereof, said written notice to be given at least five (5) days before the effective date of such termination. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Consultant with federal, state or City funds under this Agreement shall, at the option of the City, become its property. Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City for personal injury, property damage or otherwise by virtue of any termination of the Agreement, and the City may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages to the City from the Consultant is determined.

**B. Termination for Convenience of the City of Worcester.** The City may terminate this Agreement at any time by giving not less than thirty (30) days notice in writing to the

Consultant. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Consultant with federal, state or City funds under this Agreement shall, at the option of the City, become its property.

Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City for personal injury, property damage or otherwise by virtue of any termination of this Agreement, and the City may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages sustained by the City is determined.

### **C. Termination Expenses.**

In the event of any termination of this Agreement, the Consultant shall be paid in accordance with the appropriate invoicing procedure defined in Section 3 herein, for all authorized services performed to the termination date. No other termination expenses shall be allowed.

### **12. Records.**

The Consultant shall maintain records with respect to all matters covered by this Agreement for a period of six (6) years, or such greater period set forth in Exhibit A, after receipt of the final payment under this Agreement.

### **13. Reports and Information.**

At such times and in such forms as the City may require, the City may request and the Consultant shall not unreasonably refuse to provide such statements, records, reports, data and information, pertaining to matters covered by this Agreement.

### **14. Audits and Inspections.**

At any time during business hours and as often as the City may deem necessary, the Consultant shall make available to the City or its representatives for examination all non-confidential records with respect to all matters covered by this Agreement and shall permit the City or its representatives to audit, examine and make excerpts of transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

### **15. Records – Confidentiality.**

The City reserves the right of access to the non-confidential records of the Consultant and its sub-contractors in accordance with provisions of federal and state laws and regulations.

### **16. Independent Contractor.**

The Consultant is an independent contractor and not an employee of the City of Worcester.

**17. Discrimination Prohibited.**

A. In all hiring or employment made possible by or resulting from this Agreement, the Consultant (1) shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age or national origin, and (2) shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin.

B. No person in the United States shall, on the ground of race, color, religion, sex, age, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from the contract. The Consultant and each employer shall comply with all requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964.

**18. Compliance with Laws.**

In the performance of this Agreement, each party shall comply with all applicable federal, state and local laws, rules, ordinances and regulations, as well as all administrative and judicial positions known to it, except for such period as it may in good faith be contesting the validity or application thereof.

**19. Conflict of Interest.**

The Consultant warrants that it has complied with all provisions of law regarding the award of this Agreement and that it, or its employees, agents, officers, directors or trustees have not offered or attempted to offer, and shall not during the course of this Agreement offer, anything of any value to any employee of the City in connection with this Agreement.

The Consultant further warrants that no employee of the City, including unpaid members of City boards and commissions, serves as an officer, director, trustee or employee of Consultant, and that no employees of the City have or will have a direct or indirect financial interest in this Agreement.

Violation of this section shall be a material breach of this Agreement and shall be grounds for immediate termination of this Agreement by the City without regard to any enforcement activities undertaken or completed by any enforcement agency. Termination of this Agreement pursuant to this section shall not waive any claims for damages the City may have against the Consultant.

**20. Certifications Required by Law.**

The Consultant, by executing this document, certifies the following:

(a) it has not given, offered or agreed to give any person, corporation or other entity any gift, contribution or offer of employment as an inducement for, or in connection with, the award of this Agreement for independent auditing services;

(b) that no consultant to or subcontractor for the Consultant has given, offered or agreed to give any gift, contribution or offer of employment to the Consultant, or to any other person, corporation, or entity as an inducement for, or in connection with, the award to the consultant or subcontractor of a contract by the Consultant;

(c) that no person, corporation or other entity, other than a bona fide full time employee of the Consultant, has been retained or hired by the Consultant to solicit for or in any way assist the Consultant in obtaining this Agreement for independent auditing services upon an agreement or understanding that such person, corporation or other entity be paid a fee or other consideration contingent upon the award of this Agreement to the Consultant; and

(d) that the Consultant, and any consultant to or subcontractor for the Consultant, represents, warrants and certifies that it has complied with all laws of the Commonwealth of Massachusetts relating to taxes and all Ordinances and Orders of the City of Worcester relating to taxes, fees and charges, or is lawfully contesting the validity of the same. The Consultant, and any consultant to or subcontractor for the Consultant, further represents, warrants and certifies that it will remain in such compliance during the term of this Agreement, including any amendments or extensions hereto. Breach of any of these provisions shall be deemed a material breach which shall entitle the City to immediately terminate this Agreement pursuant to Section 11(A) and take any other action authorized by law to collect any amounts due the City.

**21. Applicable Law.**

The laws of the Commonwealth of Massachusetts shall govern the validity, interpretation, construction and performance of this Agreement. The Parties agree that the venue shall be in any court of competent jurisdiction located within the Commonwealth of Massachusetts.

**22. Rights Reserved.**

The City reserves the right to change policy expounded herein due to policy changes dictated by federal, state or municipal agencies. The Consultant shall comply with any and all federal, state and local laws, regulations and rules controlling or relating to this Project, as may be issued from time to time.

**23. Notices.**

Any formal notices necessary under this Agreement shall be given by certified mail, return receipt requested, and addressed to the City at the City Manager, Room 306, City Hall,

Worcester, Massachusetts 01608 and addressed to the Consultant at the address appearing in the first paragraph of page 1 of this Agreement.

**24. Severability.**

If any provision of this Agreement is held invalid by any court or body of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

**25. Headings.**

The section headings in this Agreement are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

**26. Amendments.**

This Agreement may be amended or modified only by written instrument duly executed by the parties.

**27. Entire Agreement.**

This Agreement contains the entire understanding of the parties and supersedes all prior agreements, representations, proposals and undertakings of the parties.

[remainder of page intentionally blank/signature page to follow]



**IN WITNESS WHEREOF**, the parties hereto, intending to be legally bound, have caused this Agreement to be executed as a sealed instrument by their duly authorized representatives the day and year first above written.

**RECOMMENDED:**  
Auditing Department

**CONSULTANT**

\_\_\_\_\_  
name  
City Auditor

\_\_\_\_\_  
title

Approved As To Form:

**CITY OF WORCESTER**

\_\_\_\_\_  
Assistant City Solicitor

\_\_\_\_\_  
City Manager

I certify that funds are available in Account No.\_\_\_\_\_.

\_\_\_\_\_  
Finance Manager  
Department Administration & Finance

## **EXHIBIT A**

### **Scope of Services**

Consultant shall provide the services for the year(s) ending June 30, 2025, 2026, and 2027, as set forth in this Exhibit A. \_\_\_\_\_, the Consultant, may also be referred to in this Exhibit A as “\_\_\_\_,” “we,” “us,” and “our”. The City may be referred to as “you,” “your,” or “the entity”).

\_\_\_\_\_, CPA is responsible for the services provided to you.

In addition to the services and related requirements set forth in the Request for Proposals, RFP No. CR-8386-W5, issued on March 10, 2025, and the services set forth in the Proposal submitted in response, dated \_\_\_\_\_, we shall provide the following services. In the event of a conflict between the services set forth in this Exhibit A, the RFP and/or the Proposal which cannot be harmonized, this Exhibit A shall take precedence over the RFP and the Proposal, and the RFP shall take precedence over the Proposal. For clarity, no terms and conditions shall be incorporated from the RFP or the Proposal.

#### **Audit services**

We will audit the financial statements of the DCU Center related to the portion of the DCU Center’s activities that are attributable to the transactions of the DCU Center as maintained by ASM Global (ASM) as of and for the year(s) ending June 30, 2025, 2026 and 2027, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity’s basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management’s discussion and analysis.

We will also evaluate and report on the presentation of the supplementary information other than RSI in relation to the financial statements as a whole:

1. Schedule of management fees
2. Schedule of food and beverage management fees

#### **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of your financial statements and related notes.
- Preparation of adjusting journal entries.

#### **Audit objectives**

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any

assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts

by management or employees acting on behalf of the entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*. We will include in our report on internal control over financial reporting and compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining

the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design, implementation, and maintenance of effective internal control, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us

corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for those financial statements. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **Use of financial statements**

If the parties (i.e., you and \_\_\_\_ ) agree that \_\_\_\_ will not be involved with your official statements related to municipal securities filings or other offering documents, you will endeavor to make official statements or other offering documents issued by you with which we are not involved clearly indicate that \_\_\_\_ is not involved with the contents of such documents. Such disclosure should read as follows: \_\_\_\_\_, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. \_\_\_\_\_ also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on.

**Engagement administration and other matters**

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we reasonably request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation (as distinct from the audit reports and documents identified in Section 5 of the Agreement) for this engagement is the sole and exclusive property of \_\_\_ and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to certain third parties, or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of \_\_\_ personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by certain third parties. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Except as permitted by the "Consent" section of this agreement, \_\_\_ will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

*Government Auditing Standards* require that we make our most recent external peer review report publicly available. The report is posted on our website at \_\_\_\_\_.

**Consent**

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. The execution of the Agreement will serve as your consent to use of your information in these cost comparison, performance indicator, and/or benchmarking reports.

**EXHIBIT B**  
**FEE BREAKDOWN**

The total fee amount of \$xx,xxx for the three year term shall be broken down as follows:

I. Fiscal Year ending June 30, 2025:	\$xx,xxx
II. Fiscal Year ending June 30, 2026:	\$xx,xxx
III. Fiscal Year ending June 30, 2027:	\$xx,xxx



## **TAX CERTIFICATION**

DATE: \_\_\_\_\_

Pursuant to Mass. G.L. c. 62C, Section 49A, I certify under the penalties of perjury that I, to my best knowledge and belief, have complied with all laws of the commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

Signature: \_\_\_\_\_

Print below signature line name and title  
of Individual or Corporate Officer (as applicable)

\_\_\_\_\_  
Company Name

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tel No. \_\_\_\_\_

\_\_\_\_\_  
SOCIAL SECURITY NUMBER  
OR  
FEDERAL IDENTIFICATION NUMBER

## **CERTIFICATE OF AUTHORITY**

At a duly authorized meeting of the Board of Directors of the \_\_\_\_\_ held on \_\_\_\_\_ Directors were present or waived notice,  
(name of corporation) (date)  
it was voted that \_\_\_\_\_ of this company be and hereby is  
(officer and title)

authorized to execute contracts and bonds in the name and behalf of said company, and affix its Corporate Seal thereto, and such execution of any contract or bond of obligation in this company's name shall be valid and binding upon this company.

A TRUE COPY, ATTEST:

\_\_\_\_\_  
[Signed]

\_\_\_\_\_  
[Company Name and Address]

I hereby certify that I am the \_\_\_\_\_ of the \_\_\_\_\_  
(Title) (Name of Corporation)  
that \_\_\_\_\_ is the duly elected \_\_\_\_\_  
(Name of Officer) (Title)

of said company, and the above vote has not been amended or rescinded and remains in full force and effect as of the date of this contract.

Signature: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_  
(Corporate Seal)

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, SS.

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me the undersigned notary public, personally appeared \_\_\_\_\_, who proved to me through satisfactory evidence of identification, which was/were \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
My commission expires:

## **PROFESSIONAL SERVICES AGREEMENT**

**This Agreement** made this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the Worcester Redevelopment Authority, an independent body politic and corporate organized under c.121B of the General Laws of Massachusetts with its principal office located at 455 Main Street, 4<sup>th</sup> Floor, Worcester, Massachusetts 01608 (“WRA”), and \_\_\_\_\_, a \_\_\_\_\_ with a principal place of business at \_\_\_\_\_ (“Consultant”).

### **W I T N E S S E T H:**

**WHEREAS**, the WRA desires to obtain independent professional auditing services for fiscal years 2025 through 2027 for the WRA (“Project”); and

**WHEREAS**, the Consultant was selected as the most advantageous bidder and it has represented to the WRA that it possesses the expertise, experience, and capacity to perform the required work; and

**WHEREAS**, the Consultant has submitted a scope of services and fee proposal that is acceptable to the WRA; and

**WHEREAS**, the WRA desires to engage the Consultant to undertake the Project; and

**NOW THEREFORE**, the parties mutually agree as follows:

#### **1. Consultant’s Services.**

The Consultant shall provide the independent auditing services described in Exhibit A, Scope of Services, attached hereto and incorporated herein by this reference.

#### **2. Schedule.**

The Consultant shall perform the services required by this Agreement as set forth in Exhibit C, attached hereto and incorporated herein:

#### **3. Fee.**

The WRA shall pay the Consultant for all services performed pursuant to this Agreement an amount not to exceed Sixty One Thousand Five Hundred Dollars and no cents (\$xx,xxx) for audit services in accordance with the procedures set forth herein. The above sum includes all labor, overhead, profit, transportation, and direct expenses. The WRA shall pay the Consultant for services performed under this Agreement only on the basis of written invoices or official documentation evidencing in complete detail, the propriety of the charges. The WRA shall make payments within thirty (30) days after receipt of such invoice, excluding any review and

approval period performed by the Commonwealth of Massachusetts as may be required as a condition to the receipt of funds for the Project. The fee breakdown is set forth at Exhibit B.

**4. Information Furnished by WRA.**

The WRA shall, so far as the work under this Agreement may require, furnish the Consultant with the relevant information it may have concerning this Project.

**5. Ownership of Documents.**

Reports (financial statements, single audit and management letter) furnished pursuant to this Agreement are instruments of service and are the property of the WRA, whether the work for which they are made is executed or not, and said instruments of service shall not be used by the Consultant on other work except by written agreement with the WRA. Additionally, such instruments of service are not intended or represented to be suitable for reuse by the WRA. If the WRA reuses such instruments of service on any project other than this Project without the involvement or prior written authorization from the Consultant, said reuse shall be at the WRA's sole risk; provided however, the WRA shall not be responsible for uses or actions by any third party.

**6. Successors and Assignments.**

The WRA and the Consultant each binds itself, its partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Agreement.

**7. Consultants, Subcontracting, Successors & Assignments.**

The Consultant shall not employ consultants, subcontract, assign or transfer any part of its services or obligations under this Agreement without the prior approval of and written consent of the WRA. The WRA shall not unreasonably withhold such approval. The written consent shall not in any way relieve the Consultant from its responsibility for the professional and technical accuracy and the coordination of all data, designs, specifications, estimates and other work or materials furnished.

**8. Professional Responsibility.**

The Consultant shall perform all services required by this Agreement in accordance with the professional skill and care ordinarily exercised under similar circumstances by professional independent auditors practicing in the same or similar locality. The Consultant shall be responsible for the professional and technical accuracy and the coordination of all services furnished under this Agreement. The Consultant shall furnish appropriate competent professional services for each aspect and task so that detailed checking or reviewing by the WRA is not necessary. The WRA's review, approval, acceptance of, or payment for any of the services furnished shall not be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

## **9. Indemnification.**

For claims arising out of or relating to negligent errors and omissions in the performance of professional services rendered by the Consultant, to the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the WRA and the City of Worcester, and their respective officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever which may be incurred by the WRA or City of Worcester to the extent caused by the negligence of, or the breach of this Agreement by, the Consultant, its officers, or any person employed by the Consultant, or any sub-consultant for whom the Consultant is responsible under this Agreement.

For all other claims, to the fullest extent permitted by law, Consultant shall defend, indemnify and hold harmless the WRA and City of Worcester and their respective officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever brought because of any injury (including death) or damage received or sustained by any person, persons or property arising out of, or resulting from the Consultant's breach of any provision of this Agreement or any asserted negligent act, error or omission of the Consultant, its officers, employees, consultants or other person for whom the Consultant is responsible under this Agreement.

The Indemnifications required hereunder shall not be limited by reason of the specification of any particular insurance coverage under this Agreement. Further, the Consultant's obligations hereunder shall not terminate with the expiration or termination of this Agreement, but shall survive it.

## **10. Insurance.**

The Consultant shall obtain professional liability insurance covering the negligent acts, errors and omissions of the Consultant, and of any person or business entity for whose performance the Consultant is legally liable arising out of the performance of this Agreement. The amount of this coverage shall be not less than one million dollars (\$1,000,000) for the applicable period of limitations. If the coverage is on a "claims made" basis (rather than occurrence basis), the Consultant shall obtain from its insurer a six year extending reporting coverage ("tail") policy covering continuing such coverage.

The Consultant shall also obtain and maintain in force at all times during the term of this Agreement, occurrence basis insurance coverages pertaining to commercial liability, property damage and motor vehicle in at least the following amounts:

- a. Commercial General Liability - \$1,000,000 per occurrence/\$2,000,000 aggregate
- b. Excess/Umbrella Liability - \$2,000,000
- c. Automobile Liability/Combined Single Limit - \$1,000,000  
(all owned, scheduled, hired, and non-owned autos)

The Consultant shall also obtain and maintain in force at all times during the term of this Agreement Workers Compensation insurance satisfying the Massachusetts statutory requirements.

The WRA shall be named as an additional insured on said coverage and certificates, except professional liability coverage and workers compensation coverage.

The Chief Executive Officer, Room 402, City Hall, Worcester, Massachusetts, shall be identified as a Certificate Holder. The Consultant shall require its insurance company(ies) to notify the Certificate Holder of any reduction or cancellation of the insurance at least thirty (30) days prior to the effective date of such reduction or cancellation.

The Consultant shall furnish certificates of insurance evidencing coverage of the types and amounts required above, in a form satisfactory to the WRA.

Such insurance amounts shall not serve to limit Consultant's liability arising under this Agreement.

## **11. Termination of Contract.**

**A. Termination of Contract for Cause.** If either party fails to fulfill in a timely and proper manner its obligations under this Agreement for any cause, or if either party violates any of the terms, covenants and conditions of this Agreement, then the offended party shall have the right to terminate this Agreement by giving written notice to the breaching party of such termination and specifying the effective date thereof, said written notice to be given at least five (5) days before the effective date of such termination. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Consultant with federal, state or WRA funds under this Agreement shall, at the option of the WRA, become its property. Notwithstanding the above, the Consultant shall not be relieved of liability to the WRA for damages sustained by the WRA for personal injury, property damage or otherwise by virtue of any termination of the Agreement, and the WRA may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages to the WRA from the Consultant is determined.

**B. Termination for Convenience of the WRA.** The WRA may terminate this Agreement at any time by giving not less than thirty (30) days notice in writing to the Consultant. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Consultant with federal, state or WRA funds under this Agreement shall, at the option of the WRA, become its property.

Notwithstanding the above, the Consultant shall not be relieved of liability to the WRA for damages sustained by the WRA for personal injury, property damage or otherwise by virtue of any termination of this Agreement, and the WRA may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages sustained by the WRA is determined.

### **C. Termination Expenses.**

In the event of any termination of this Agreement, the Consultant shall be paid in accordance with the appropriate invoicing procedure defined in Section 3 herein, for all authorized services performed to the termination date. No other termination expenses shall be allowed.

### **12. Records.**

The Consultant shall maintain records with respect to all matters covered by this Agreement for a period of six (6) years, or such greater period set forth in Exhibit A, after receipt of the final payment under this Agreement.

### **13. Reports and Information.**

At such times and in such forms as the WRA may require, the WRA may request and the Consultant shall not unreasonably refuse to provide such statements, records, reports, data and information, pertaining to matters covered by this Agreement.

### **14. Audits and Inspections.**

At any time during business hours and as often as the WRA may deem necessary, the Consultant shall make available to the WRA or its representatives for examination all non-confidential records with respect to all matters covered by this Agreement and shall permit the WRA or its representatives to audit, examine and make excerpts of transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

### **15. Records – Confidentiality.**

The WRA reserves the right of access to the non-confidential records of the Consultant and its sub-contractors in accordance with provisions of federal and state laws and regulations.

### **16. Independent Contractor.**

The Consultant is an independent contractor and not an employee of the WRA.

### **17. Discrimination Prohibited.**

A. In all hiring or employment made possible by or resulting from this Agreement, the Consultant (1) shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age or national origin, and (2) shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin.

B. No person in the United States shall, on the ground of race, color, religion, sex, age, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from the contract. The Consultant and each employer shall comply with all requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964.

**18. Compliance with Laws.**

In the performance of this Agreement, each party shall comply with all applicable federal, state and local laws, rules, ordinances and regulations, as well as all administrative and judicial positions known to it, except for such period as it may in good faith be contesting the validity or application thereof.

**19. Conflict of Interest.**

The Consultant warrants that it has complied with all provisions of law regarding the award of this Agreement and that it, or its employees, agents, officers, directors or trustees have not offered or attempted to offer, and shall not during the course of this Agreement offer, anything of any value to any employee of the WRA in connection with this Agreement.

The Consultant further warrants that no employee of the WRA serves as an officer, director, trustee or employee of Consultant, and that no employees of the WRA have or will have a direct or indirect financial interest in this Agreement.

Violation of this section shall be a material breach of this Agreement and shall be grounds for immediate termination of this Agreement by the WRA without regard to any enforcement activities undertaken or completed by any enforcement agency. Termination of this Agreement pursuant to this section shall not waive any claims for damages the WRA may have against the Consultant.

**20. Certifications Required by Law.**

The Consultant, by executing this document, certifies the following:

(a) it has not given, offered or agreed to give any person, corporation or other entity any gift, contribution or offer of employment as an inducement for, or in connection with, the award of this Agreement for independent auditing services;

(b) that no consultant to or subcontractor for the Consultant has given, offered or agreed to give any gift, contribution or offer of employment to the Consultant, or to any other person, corporation, or entity as an inducement for, or in connection with, the award to the consultant or subcontractor of a contract by the Consultant;

(c) that no person, corporation or other entity, other than a bona fide full time employee of the Consultant, has been retained or hired by the Consultant to solicit for or in any way assist the Consultant in obtaining this Agreement for independent auditing services upon an agreement or understanding that such person, corporation or other entity be paid a fee or other consideration contingent upon the award of this Agreement to the Consultant; and



(d) that the Consultant, and any consultant to or subcontractor for the Consultant, represents, warrants and certifies that it has complied with all laws of the Commonwealth of Massachusetts relating to taxes and all Ordinances and Orders of the City of Worcester relating to taxes, fees and charges, or is lawfully contesting the validity of the same. The Consultant, and any consultant to or subcontractor for the Consultant, further represents, warrants and certifies that it will remain in such compliance during the term of this Agreement, including any amendments or extensions hereto. Breach of any of these provisions shall be deemed a material breach which shall entitle the WRA to immediately terminate this Agreement pursuant to Section 11(A) and take any other action authorized by law to collect any amounts due the WRA.

**21. Applicable Law.**

The laws of the Commonwealth of Massachusetts shall govern the validity, interpretation, construction and performance of this Agreement. The Parties agree that venue shall be in any court of competent jurisdiction located within the Commonwealth of Massachusetts.

**22. Rights Reserved.**

The WRA reserves the right to change policy expounded herein due to policy changes dictated by federal, state or municipal agencies. The Consultant shall comply with any and all federal, state and local laws, regulations and rules controlling or relating to this Project, as may be issued from time to time.

**23. Notices.**

Any formal notices necessary under this Agreement shall be given by certified mail, return receipt requested, and addressed to the WRA at the Executive Director, Room 402, City Hall, Worcester, Massachusetts 01608 and addressed to the Consultant at the address appearing in the first paragraph of page 1 of this Agreement.

**24. Severability.**

If any provision of this Agreement is held invalid by any court or body of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

**25. Headings.**

The section headings in this Agreement are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

**26. Amendments.**

This Agreement may be amended or modified only by written instrument duly executed by the parties.

**27. Entire Agreement.**

This Agreement contains the entire understanding of the parties and supersedes all prior agreements, representations, proposals and undertakings of the parties.

[remainder of page intentionally blank/signature page to follow]

**IN WITNESS WHEREOF**, the parties hereto, intending to be legally bound, have caused this Agreement to be executed as a sealed instrument by their duly authorized representatives the day and year first above written.

**RECOMMENDED:**  
Auditing Department

**CONSULTANT**

\_\_\_\_\_  
name  
City Auditor

\_\_\_\_\_  
title

Approved As To Form:

**WORCESTER REDEVELOPMENT  
AUTHORITY**

\_\_\_\_\_  
Assistant City Solicitor

\_\_\_\_\_  
Chief Executive Officer/W.R.A.  
Chief Development Officer/City of Worcester

I certify that funds are available in Account No.\_\_\_\_\_.

\_\_\_\_\_  
Finance Manager  
Department Administration & Finance

## **EXHIBIT A**

### **Scope of Services**

Consultant shall provide the services for the year(s) ending June 30, 2025 through 2027, as set forth in this Exhibit A. \_\_\_\_\_, the Consultant, may also be referred to in this Exhibit A as “\_\_\_\_,” “we,” “us,” and “our”. The Worcester Redevelopment Authority may be referred to as “you,” “your,” or “the entity”.

\_\_\_\_\_, is responsible for the services provided to you.

In addition to the services and related requirements set forth in the Request for Proposals, RFP No. CR-8386-W5, issued on March 10, 2025, and the services set forth in the Proposal submitted in response, dated \_\_\_\_\_, we shall provide the following services. In the event of a conflict between the services set forth in this Exhibit A, the RFP and/or the Proposal which cannot be harmonized, this Exhibit A shall take precedence over the RFP and the Proposal, and the RFP shall take precedence over the Proposal. For clarity, no terms and conditions shall be incorporated from the RFP or the Proposal.

#### **Audit services**

We will audit the financial statements of the Worcester Redevelopment Authority, as of and for the individual years ending June 30, 2025, 2026 and 2027, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity’s basic financial statements. The RSI will be subjected to certain limited procedures, but will not be audited. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management’s discussion and analysis.

We will also evaluate and report on the presentation of the supplementary information other than RSI in relation to the financial statements as a whole:

1. Statements of Net Position by Program
2. Statements of Revenues, Expenses and Changes in Net Position by Program

A single audit if required for federal awards expended by the WRA.

#### **Nonaudit services**

We will also provide the following nonaudit services:

- **Preparation of your financial statements and related notes.**
- **Preparation of adjusting journal entries.**
- **Meeting with the WRA Board to discuss final report**

#### **Audit objectives**

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller

General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing*

WRA independent audit FY25 through FY27

*Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, we represent that the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

## **Management responsibilities**

WRA independent audit FY25 through FY27

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design, implementation, and maintenance of effective internal control, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review during annual audit fieldwork.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:



- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for those financial statements. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.
- We will prepare a draft of the single audit report and schedule of federal awards for each year the single audit is required.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.
- We will meet with the Board of the WRA to discuss the final report of the WRA.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **Use of financial statements**

If the parties (i.e., you and \_\_\_\_ ) agree that \_\_\_\_ will not be involved with your official statements related to municipal securities filings or other offering documents, you will endeavor to make official statements or other offering documents issued by you with which we are not involved clearly indicate that \_\_\_\_ is not involved with the contents of such documents. Such disclosure should read as follows: \_\_\_\_\_, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. \_\_\_\_\_ also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on.

### **Engagement administration and other matters**

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance

procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation (as distinct from the audit reports(s) and documents identified in Section 5 of the Agreement) for this engagement is the sole and exclusive property of \_\_\_\_ and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to certain third parties, or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of \_\_\_\_ personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by certain third parties. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Except as permitted by the "Consent" section of this agreement, \_\_\_\_ will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

*Government Auditing Standards* require that we make our most recent external peer review report publicly available. The report is posted on our website at \_\_\_\_ .

### **Consent**

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. The execution of the Agreement will serve as your consent to use of your information in these cost comparison, performance indicator, and/or benchmarking reports.

**EXHIBIT B**  
**FEE BREAKDOWN**

The total fee amount of \$xx,xxx for the three year term shall be broken down as follows:

I.	Fiscal Year ending June 30, 2025:	\$xx,xxx
II.	Fiscal Year ending June 30, 2026:	\$xx,xxx
III.	Fiscal Year ending June 30, 2027:	\$xx,xxx

## **EXHIBIT C SCHEDULE**

The Consultant's services shall be performed in accordance with the following schedule:

- I. Fiscal Year ending June 30, 2025:
  - The financial audit shall commence in August, 2025, and shall be completed no later than October 15, 2025.
  - The single audit shall commence in January, 2026, and shall be completed no later than March 31, 2026.
- II. Fiscal Year ending June 30, 2026:
  - The financial audit shall commence in August, 2026, and shall be completed no later than October 15, 2026.
  - The single audit shall commence in January, 2027, and shall be completed no later than March 31, 2027.
- III. Fiscal Year ending June 30, 2027:
  - The financial audit shall commence in August, 2027, and shall be completed no later than October 15, 2027.
  - The single audit shall commence in January, 2028, and shall be completed no later than March 31, 2028.

**TAX CERTIFICATION**

DATE: \_\_\_\_\_

Pursuant to Mass. G.L. c. 62C, Section 49A, I certify under the penalties of perjury that I, to my best knowledge and belief, have complied with all laws of the commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

Signature: \_\_\_\_\_

Print below signature line name and title  
of Individual or Corporate Officer (as applicable)

\_\_\_\_\_  
Company Name

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tel No. \_\_\_\_\_

\_\_\_\_\_  
SOCIAL SECURITY NUMBER  
OR  
FEDERAL IDENTIFICATION NUMBER

## **CERTIFICATE OF AUTHORITY**

At a duly authorized meeting of the Board of Directors of the \_\_\_\_\_ held on \_\_\_\_\_ Directors were present or waived notice,  
(name of corporation) (date)  
it was voted that \_\_\_\_\_ of this company be and hereby is  
(officer and title)

authorized to execute contracts and bonds in the name and behalf of said company, and affix its Corporate Seal thereto, and such execution of any contract or bond of obligation in this company's name shall be valid and binding upon this company.

A TRUE COPY, ATTEST:

\_\_\_\_\_  
[Signed]

\_\_\_\_\_  
[Company Name and Address]

I hereby certify that I am the \_\_\_\_\_ of the \_\_\_\_\_  
(Title) (Name of Corporation)  
that \_\_\_\_\_ is the duly elected \_\_\_\_\_  
(Name of Officer) (Title)

of said company, and the above vote has not been amended or rescinded and remains in full force and effect as of the date of this contract.

Signature: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_  
(Corporate Seal)

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, SS.

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me the undersigned notary public, personally appeared \_\_\_\_\_, who proved to me through satisfactory evidence of identification, which was/were \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
My commission expires:

## **PROFESSIONAL SERVICES AGREEMENT**

**This Agreement** made this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the Worcester Retirement System, established under chapter 32 of the General Laws of Massachusetts with its principal office located at 455 Main Street, 1<sup>st</sup> Floor, Worcester, Massachusetts 01608 (“WRS”), and \_\_\_\_\_ with a principal place of business at \_\_\_\_\_ (“Consultant”).

### **W I T N E S S E T H:**

**WHEREAS**, the WRS desires to obtain independent professional auditing services for **calendar years** 2024 through 2026 for the WRS (“Project”); and

**WHEREAS**, the Consultant was selected as the most advantageous bidder and it has represented to the WRS that it possesses the expertise, experience, and capacity to perform the required work; and

**WHEREAS**, the Consultant has submitted a scope of services and fee proposal that is acceptable to the WRS; and

**WHEREAS**, the WRS desires to engage the Consultant to undertake the Project; and

**NOW THEREFORE**, the parties mutually agree as follows:

#### **1. Consultant’s Services.**

The Consultant shall provide the independent auditing services described in Exhibit A, Scope of Services, attached hereto and incorporated herein by this reference.

#### **2. Schedule.**

The Consultant shall perform the services required by this Agreement as set forth below:

- The audit for calendar year 2024 shall commence in May, 2025, and shall be completed no later than June 30, 2025, extension available to July 2025;
- The audit for calendar year 2025 shall commence in April, 2026, and shall be completed no later than June 30, 2026;
- The audit for calendar year 2026 shall commence in April, 2027, and shall be completed no later than June 30, 2027;

#### **3. Fee.**

The WRS shall pay the Consultant for all services performed pursuant to this Agreement an amount not to exceed Seventy Six Thousand, Five Hundred Dollars and no cents (\$xx,xxx) for audit services in accordance with the procedures set forth herein. The above sum includes all labor, overhead, profit, transportation, and direct expenses. The WRS shall pay the Consultant for services performed under this Agreement only on the basis of written invoices or official documentation evidencing in complete detail, the propriety of the charges. The WRS shall make payments within thirty (30) days after receipt of such invoice, excluding any review and approval period performed by the Commonwealth of Massachusetts as may be required as a condition to the receipt of funds for the Project. The fee breakdown is set forth at Exhibit B.

**4. Information Furnished by WRS.**

The WRS shall, so far as the work under this Agreement may require, furnish the Consultant with the relevant information it may have concerning this Project.

**5. Ownership of Documents.**

Reports (financial statements and management letter) furnished pursuant to this Agreement are instruments of service and are the property of the WRS, whether the work for which they are made is executed or not, and said instruments of service shall not be used by the Consultant on other work except by written agreement with the WRS. Additionally, such instruments of service are not intended or represented to be suitable for reuse by the WRS. If the WRS reuses such instruments of service on any project other than this Project without the involvement or prior written authorization from the Consultant, said reuse shall be at the WRS's sole risk; provided however, the WRS shall not be responsible for uses or actions by any third party.

**6. Successors and Assignments.**

The WRS and the Consultant each binds itself, its partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Agreement.

**7. Consultants, Subcontracting, Successors & Assignments.**

The Consultant shall not employ consultants, subcontract, assign or transfer any part of its services or obligations under this Agreement without the prior approval of and written consent of the WRS. The WRS shall not unreasonably withhold such approval. The written consent shall not in any way relieve the Consultant from its responsibility for the professional and technical accuracy and the coordination of all data, designs, specifications, estimates and other work or materials furnished.

**8. Professional Responsibility.**



The Consultant shall perform all services required by this Agreement in accordance with the professional skill and care ordinarily exercised under similar circumstances by professional independent auditors practicing in the same or similar locality. The Consultant shall be responsible for the professional and technical accuracy and the coordination of all services furnished under this Agreement. The Consultant shall furnish appropriate competent professional services for each aspect and task so that detailed checking or reviewing by the WRS is not necessary. The WRS's review, approval, acceptance of, or payment for any of the services furnished shall not be construed to operate as a waiver of any rights under this Agreement or any cause of action arising out of the performance of this Agreement.

## **9. Indemnification.**

For claims arising out of or relating to negligent errors and omissions in the performance of professional services rendered by the Consultant, to the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the WRS and the City of Worcester, and their respective officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever which may be incurred by the WRS or City of Worcester to the extent caused by the negligence of, or the breach of this Agreement by, the Consultant, its officers, or any person employed by the Consultant, or any sub-consultant for whom the Consultant is responsible under this Agreement.

For all other claims, to the fullest extent permitted by law, Consultant shall defend, indemnify and hold harmless the WRS and City of Worcester and their respective officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever brought because of any injury (including death) or damage received or sustained by any person, persons or property arising out of, or resulting from the Consultant's breach of any provision of this Agreement or any asserted negligent act, error or omission of the Consultant, its officers, employees, consultants or other person for whom the Consultant is responsible under this Agreement.

The Indemnifications required hereunder shall not be limited by reason of the specification of any particular insurance coverage under this Agreement. Further, the Consultant's obligations hereunder shall not terminate with the expiration or termination of this Agreement, but shall survive it.

## **10. Insurance.**

The Consultant shall obtain professional liability insurance covering the negligent acts, errors and omissions of the Consultant, and of any person or business entity for whose performance the Consultant is legally liable arising out of the performance of this Agreement. The amount of this coverage shall be not less than one million dollars (\$1,000,000) for the applicable period of limitations. If the coverage is on a "claims made" basis (rather than occurrence basis), the Consultant shall obtain from its insurer a six year extending reporting coverage ("tail") policy covering continuing such coverage.

The Consultant shall also obtain and maintain in force at all times during the term of this Agreement, occurrence basis insurance coverages pertaining to commercial liability, property damage and motor vehicle in at least the following amounts:

- a. Commercial General Liability - \$1,000,000 per occurrence/\$2,000,000 aggregate
- b. Excess/Umbrella Liability - \$2,000,000
- c. Automobile Liability/Combined Single Limit - \$1,000,000  
(all owned, scheduled, hired, and non-owned autos)

The Consultant shall also obtain and maintain in force at all times during the term of this Agreement Workers Compensation insurance satisfying the Massachusetts statutory requirements.

The WRS shall be named as an additional insured on said coverage and certificates, except professional liability coverage and workers compensation coverage.

The Chairman of the Worcester Retirement Board, Room 103, City Hall, Worcester, Massachusetts, shall be identified as a Certificate Holder. The Consultant shall require its insurance company(ies) to notify the Certificate Holder of any reduction or cancellation of the insurance at least thirty (30) days prior to the effective date of such reduction or cancellation.

The Consultant shall furnish certificates of insurance evidencing coverage of the types and amounts required above, in a form satisfactory to the WRS.

Such insurance amounts shall not serve to limit Consultant's liability arising under this Agreement.

## **11. Termination of Contract.**

**A. Termination of Contract for Cause.** If either party fails to fulfill in a timely and proper manner its obligations under this Agreement for any cause, or if either party violates any of the terms, covenants and conditions of this Agreement, then the offended party shall have the right to terminate this Agreement by giving written notice to the breaching party of such termination and specifying the effective date thereof, said written notice to be given at least five (5) days before the effective date of such termination. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Consultant with federal, state or WRS funds under this Agreement shall, at the option of the WRS, become its property. Notwithstanding the above, the Consultant shall not be relieved of liability to the WRS for damages sustained by the WRS for personal injury, property damage or otherwise by virtue of any termination of the Agreement, and the WRS may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages to the WRS from the Consultant is determined.

**B. Termination for Convenience of the WRS.** The WRS may terminate this Agreement at any time by giving not less than thirty (30) days notice in writing to the Consultant. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Consultant with federal, state or WRS funds under this Agreement shall, at the option of the WRS, become its property.

Notwithstanding the above, the Consultant shall not be relieved of liability to the WRS for damages sustained by the WRS for personal injury, property damage or otherwise by virtue of any termination of this Agreement, and the WRS may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages sustained by the WRS is determined.

**C. Termination Expenses.**

In the event of any termination of this Agreement, the Consultant shall be paid in accordance with the appropriate invoicing procedure defined in Section 3 herein, for all authorized services performed to the termination date. No other termination expenses shall be allowed.

**12. Records.**

The Consultant shall maintain records with respect to all matters covered by this Agreement for a period of six (6) years, or such greater period set forth in Exhibit A, after receipt of the final payment under this Agreement.

**13. Reports and Information.**

At such times and in such forms as the WRS may require, the WRS may request and the Consultant shall not unreasonably refuse to provide such statements, records, reports, data and information, pertaining to matters covered by this Agreement.

**14. Audits and Inspections.**

At any time during business hours and as often as the WRS may deem necessary, the Consultant shall make available to the WRS or its representatives for examination all non-confidential records with respect to all matters covered by this Agreement and shall permit the WRS or its representatives to audit, examine and make excerpts of transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement.

**15. Records – Confidentiality.**

The WRS reserves the right of access to the non-confidential records of the Consultant and its sub-contractors in accordance with provisions of federal and state laws and regulations.

**16. Independent Contractor.**

The Consultant is an independent contractor and not an employee of the WRS.

**17. Discrimination Prohibited.**

A. In all hiring or employment made possible by or resulting from this Agreement, the Consultant (1) shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age or national origin, and (2) shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin.

B. No person in the United States shall, on the ground of race, color, religion, sex, age, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from the contract. The Consultant and each employer shall comply with all requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964.

**18. Compliance with Laws.**

In the performance of this Agreement, each party shall comply with all applicable federal, state and local laws, rules, ordinances and regulations, as well as all administrative and judicial positions known to it, except for such period as it may in good faith be contesting the validity or application thereof.

**19. Conflict of Interest.**

The Consultant warrants that it has complied with all provisions of law regarding the award of this Agreement and that it, or its employees, agents, officers, directors or trustees have not offered or attempted to offer, and shall not during the course of this Agreement offer, anything of any value to any employee of the WRS in connection with this Agreement.

The Consultant further warrants that no employee of the WRS serves as an officer, director, trustee or employee of Consultant, and that no employees of the WRS have or will have a direct or indirect financial interest in this Agreement.

Violation of this section shall be a material breach of this Agreement and shall be grounds for immediate termination of this Agreement by the WRS without regard to any enforcement activities undertaken or completed by any enforcement agency. Termination of this Agreement pursuant to this section shall not waive any claims for damages the WRS may have against the Consultant.

**20. Certifications Required by Law.**

The Consultant, by executing this document, certifies the following:

(a) it has not given, offered or agreed to give any person, corporation or other entity any gift, contribution or offer of employment as an inducement for, or in connection with, the award of this Agreement for independent auditing services;

(b) that no consultant to or subcontractor for the Consultant has given, offered or agreed to give any gift, contribution or offer of employment to the Consultant, or to any other person, corporation, or entity as an inducement for, or in connection with, the award to the consultant or subcontractor of a contract by the Consultant;

(c) that no person, corporation or other entity, other than a bona fide full time employee of the Consultant, has been retained or hired by the Consultant to solicit for or in any way assist the Consultant in obtaining this Agreement for independent auditing services upon an agreement or understanding that such person, corporation or other entity be paid a fee or other consideration contingent upon the award of this Agreement to the Consultant; and

(d) that the Consultant, and any consultant to or subcontractor for the Consultant, represents, warrants and certifies that it has complied with all laws of the Commonwealth of Massachusetts relating to taxes and all Ordinances and Orders of the City of Worcester relating to taxes, fees and charges, or is lawfully contesting the validity of the same. The Consultant, and any consultant to or subcontractor for the Consultant, further represents, warrants and certifies that it will remain in such compliance during the term of this Agreement, including any amendments or extensions hereto. Breach of any of these provisions shall be deemed a material breach which shall entitle the WRS to immediately terminate this Agreement pursuant to Section 11(A) and take any other action authorized by law to collect any amounts due the WRS.

## **21. Applicable Law.**

The laws of the Commonwealth of Massachusetts shall govern the validity, interpretation, construction and performance of this Agreement. The Parties agree that venue shall be in any court of competent jurisdiction located within the Commonwealth of Massachusetts.

## **22. Rights Reserved.**

The WRS reserves the right to change policy expounded herein due to policy changes dictated by federal, state or municipal agencies. The Consultant shall comply with any and all federal, state and local laws, regulations and rules controlling or relating to this Project, as may be issued from time to time.

## **23. Notices.**

Any formal notices necessary under this Agreement shall be given by certified mail, return receipt requested, and addressed to the WRS at the City Auditor, Room 102, City Hall, Worcester, Massachusetts 01608 and addressed to the Consultant at the address appearing in the first paragraph of page 1 of this Agreement.

## **24. Severability.**

If any provision of this Agreement is held invalid by any court or body of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

**25. Headings.**

The section headings in this Agreement are for convenience and reference only and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

**26. Amendments.**

This Agreement may be amended or modified only by written instrument duly executed by the parties.

**27. Entire Agreement.**

This Agreement contains the entire understanding of the parties and supersedes all prior agreements, representations, proposals and undertakings of the parties.

[remainder of page intentionally blank/signature page to follow]

**IN WITNESS WHEREOF**, the parties hereto, intending to be legally bound, have caused this Agreement to be executed as a sealed instrument by their duly authorized representatives the day and year first above written.

**CONSULTANT**

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**WORCESTER RETIREMENT SYSTEM**

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Worcester Retirement Board

## **EXHIBIT A**

### **Scope of Services**

Consultant shall provide the services for the year(s) ending December 31, 2024 through 2026, as set forth in this Exhibit A. \_\_\_\_\_, the Consultant, may also be referred to in this Exhibit A as “\_\_\_\_,” “we,” “us,” and “our”. The Worcester Retirement System may be referred to as “you,” “your,” or “the entity”.

\_\_\_\_\_ is responsible for the services provided to you.

In addition to the services and related requirements set forth in the Request for Proposals, RFP No. CR-8386-W5, issued on March 10, 2025, and the services set forth in the Proposal submitted in response, dated \_\_\_\_\_, we shall provide the following services. In the event of a conflict between the services set forth in this Exhibit A, the RFP and/or the Proposal which cannot be harmonized, this Exhibit A shall take precedence over the RFP and the Proposal, and the RFP shall take precedence over the Proposal. For clarity, no terms and conditions shall be incorporated from the RFP or the Proposal.

#### **Audit services**

We will audit the financial statements (part of the Annual Comprehensive Financial Report [ACFR]) of the Worcester Retirement System, as of and for the individual years ending December 31 2024, 2025 and 2026, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity’s basic financial statements. The RSI will be subjected to certain limited procedures, but will not be audited. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management’s discussion and analysis.

We will also evaluate and report on the presentation of the supplementary information other than RSI in relation to the financial statements as a whole:

1. Schedule of Administrative Expenses
2. Schedule of Investment and Consultants’ Expenses

#### **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of your financial statements and related notes.
- Preparation of adjusting journal entries.
- Preparation of ACFR sections including investment section; actuarial section and statistical section.
- Preparation and printing of the ACFR.
- Assistance filing ACFR with the GFOA by its due date.

#### **Audit objectives**

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance



with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, we represent that the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

## **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design, implementation, and maintenance of effective internal control, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could

cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for those financial statements. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **Use of financial statements**

If the parties (i.e., you and \_\_\_\_ ) agree that \_\_\_\_ will not be involved with your official statements related to municipal securities filings or other offering documents, you will endeavor to make official statements or other offering documents issued by you with which we are not involved clearly indicate that \_\_\_\_ is not involved with the contents of such documents. Such disclosure should read as follows: \_\_\_\_\_, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. \_\_\_\_\_ also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on.

### **Engagement administration and other matters**

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation (as distinct from the audit reports(s) and documents identified in Section 5 of the Agreement) for this engagement is the sole and exclusive property of \_\_\_ and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to certain third parties, or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of \_\_\_ personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by certain third parties. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Except as permitted by the "Consent" section of this agreement, \_\_\_ shall not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

WRS independent audit calendar 2024 through 2026

*Government Auditing Standards* require that we make our most recent external peer review report publicly available. The report is posted on our website at \_\_\_\_\_ .

### **Consent**

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. The execution of the Agreement will serve as your consent to use of your information in these cost comparison, performance indicator, and/or benchmarking reports.

**EXHIBIT B**  
**FEE BREAKDOWN**

The total fee amount of \$xx,xxx for the three year term shall be broken down as follows:

I.	Calendar Year 2024:	\$xx,xxx
II.	Calendar Year 2025:	\$xx,xxx
III.	Calendar Year 2026:	\$xx,xxx

**TAX CERTIFICATION**

DATE: \_\_\_\_\_

Pursuant to Mass. G.L. c. 62C, Section 49A, I certify under the penalties of perjury that I, to my best knowledge and belief, have complied with all laws of the commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

Signature: \_\_\_\_\_

Print below signature line name and title  
of Individual or Corporate Officer (as applicable)

\_\_\_\_\_  
Company Name

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tel No. \_\_\_\_\_

\_\_\_\_\_  
SOCIAL SECURITY NUMBER  
OR  
FEDERAL IDENTIFICATION NUMBER



## **CERTIFICATE OF AUTHORITY**

At a duly authorized meeting of the Board of Directors of the \_\_\_\_\_ held on \_\_\_\_\_ Directors were present or waived notice,  
(name of corporation) (date)  
it was voted that \_\_\_\_\_ of this company be and hereby is  
(officer and title)  
authorized to execute contracts and bonds in the name and behalf of said company, and affix its Corporate Seal thereto, and such execution of any contract or bond of obligation in this company's name shall be valid and binding upon this company.

A TRUE COPY, ATTEST:

\_\_\_\_\_  
[Signed]

\_\_\_\_\_  
[Company Name and Address]  
\_\_\_\_\_

I hereby certify that I am the \_\_\_\_\_ of the \_\_\_\_\_  
(Title) (Name of Corporation)  
that \_\_\_\_\_ is the duly elected \_\_\_\_\_  
(Name of Officer) (Title)  
of said company, and the above vote has not been amended or rescinded and remains in full force and effect as of the date of this contract.

Signature: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_  
(Corporate Seal)

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, SS.

On this \_\_\_\_ day of \_\_\_\_\_, 2025, before me the undersigned notary public, personally appeared \_\_\_\_\_, who proved to me through satisfactory evidence of identification, which was/were \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
My commission expires: