MEMORANDUM

TO: School Committee
FROM: Dr. Zielinski
DATE: July 6, 2017
SUBJ: Approval of Engagement Letter
       Lynch, Malloy, Marini, LLP

I have attached a copy of the proposed engagement letter dated April 25, 2017 for auditing services for Fiscal Years 2017, 2018 and 2019 received from Lynch, Malloy, Marini, LLP. The fees shown represent a modest increase in fees from year to year. This firm has been our auditors for the last three years.

The Budget & Finance Subcommittee has met and reviewed the letter and recommends approval.

MOTION: That the King Philip Regional School Committee accept the proposal from the audit firm of Lynch, Malloy, Marini, LLP, Norwell, MA to provide auditing services related to the District Audit and the DESE Compliance Audit for the dates and fees as follows:

- Fiscal Year 2017 - $21,500
- Fiscal Year 2018 - $22,250
- Fiscal Year 2019 - $23,000
April 25, 2017

School Committee
c/o Mr. Thomas Caliento
Director of Finance and Operations
King Philip Regional School District
18 King Street
Norfolk, MA 02150

Dear Tom,

As discussed, submitted herein is our audit proposal relative to the financial statements of the King Philip Regional School District (District). We, at this time, offer the King Philip Regional School District our auditing services for the years ended June 30, 2017, 2018, and 2019, on the same contractual terms and conditions as agreed upon for the June 30, 2016 and prior years’ audits, exclusive of single audit. Our annual fee for the years ending June 30, 2017, 2018, and 2019, would be as noted below.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>District Audit</th>
<th>DESE Audit</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017:</td>
<td>$19,000</td>
<td>$2,500</td>
<td>$21,500</td>
</tr>
<tr>
<td>2018:</td>
<td>$19,500</td>
<td>$2,750</td>
<td>$22,250</td>
</tr>
<tr>
<td>2019:</td>
<td>$20,000</td>
<td>$3,000</td>
<td>$23,000</td>
</tr>
</tbody>
</table>

The District audit amount above includes services relating to the financial reporting changes as a result of implementation of GASB #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

This proposal does not include any services related to Student Activity Funds Guidelines established by DESE. Should the District choose to have an engagement conducted under these guidelines for Student Activity Funds, we will arrive at a mutually agreed-upon amount related thereto. Current regulations require procedures to be performed by Certified Public Accountants once every three years.

As noted, this proposal does not include (the provisions for) a single audit. Should the District be required to have a single audit conducted, we will arrive at a mutually agreed-upon amount related thereto.

It should be noted that these fee structures assume no significant changes in the current regulations, cooperation of District personnel and that we will be provided with the financial records, including a final trial balance, general ledger, account reconciliations, bank statements, contracts, and other documentation as may be required to complete our audit. In addition, we understand that the services requested include a conversion of the cash basis trial balance to full accrual GAAP basis financial information in compliance with GASB financial reporting model and related statements. This fee structure also assumes that District personnel will make the information necessary to complete the conversions available. To the extent that any of these records are not in order, reconciliations are not completed, or information is unavailable and additional work is required by our firm to assist in correcting a particular problem, additional fees would be charged. No work of this nature would be initiated without your approval.

If the District is in agreement with the above proposal, please have the approval section below completed and return the signed copy to us.
Thank you for your consideration on this matter, and we look forward to working together again in the future.

Sincerely,

[Signature]

Lynch, Malloy, Marini, LLP
Robert J. Lynch, Partner

Approval: King Philip Regional School District

Authorized signature __________________________

Date __________________________