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May 1, 2020 –

Deadline has been extended to Wednesday, May 6<sup>th</sup>, 2020 2:00 pm Central.

### RFP Questions

- Completion of prior year audits

FY 16 audit was signed 6/27/17  
FY 17 audit was signed 6/22/18  
FY 18 audit was signed 10/28/19

- Prior year auditor adjusting entries

We have been unable to obtain the actual list of auditor proposed journal entries from past years. We have reached out to the auditor for the list, but it has not been provided as of yet. A cursory review of FY18 shows around 7 year end entries, but we are unable to ascertain who prepared or proposed those.

- Current accounting software

Springbrook

- Overview of the current accounting personnel

The City Clerk has traditionally been in charge of accounting. This position is currently vacant and an Interim City Clerk in house has been assigned. The City is currently advertising for a full time staff accountant to report directly to the City Administrator. A full time Accounts Payable and Utility billing clerk also on staff. The City also has hired an accounting consultant on a contract basis 2 days per week to assist during transition and to prepare for the upcoming audit

- Past years audit fees

FY 2016 audit: \$34,000  
FY 2017 audit: \$34,000  
FY 2018 audit: \$32,000

- Federal / State Single Audit requirements

We expect a Federal and State Single Audit for both FY19 and FY20 at least. The City has expended around \$40M to date expected to be funded by FEMA/State Sharing. In addition, there are another expected \$10M in State / Private grant funding.

- Expectations for timeline for FY19 audit and subsequent

The City is currently behind schedule due to Hurricane Michael and internal employee turnover. We are diligently working to prepare records in preparation for the audit. We anticipate these records to be ready for auditor review around 6/30/20.

For future years, our expectation is to be back on the normal schedule as discussed in the RFP, with City records ready for auditors around 12/15.

- Reason for consideration of auditor change

Considering change in audit firm due to challenges associated with Hurricane Michael

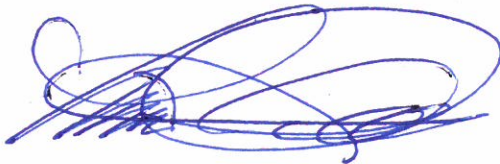
- Current auditor

The signing auditor is Vance CPA LLC for the FY14 thru FY18 audits. The fee, however, is paid to Roberson & Associates, PA. In addition to the audit fee paid to Roberson, the City has paid \$600 per month for accounting services to this firm during these years. That contract for monthly accounting services has since been terminated.

- Preference for cost proposals

The City expects substantial increases in revenues and expenses due to Hurricane Michael for FY19 with a gradual decrease over the following years to include this audit contract. Due to this, the City's preference is to include separate pricing for Federal and Single audit requirements each year (as needed). Due to the unknown and varying audit size for this contract, it is also requested that the City is billed in actual hours performed by the firm with a Do Not Exceed amount in the contract.

Respectfully,

A handwritten signature in blue ink, appearing to be 'Mario Gisbert', written in a cursive style.

Mario Gisbert  
City Administrator  
City of Mexico Beach