

ADDENDUM

1. How long has the current auditors been performing the audit for the City of Tracy?
 - a. See RFP page D-1.
2. Were you pleased with Moss, Levy and Hartzheim?
 - a. Yes.
3. Will Moss, Levy and Hartzheim be permitted to participate in this RFP process?
 - a. See RFP page D-1.
4. Why have you issued this RFP?
 - a. See RFP page D-1.
5. How many auditors and how many weeks were the auditors on site for both interim and year end field work?
 - a. See RFP page D-1.
6. When were the interim and year end field work scheduled?
 - a. Interim and year-end field work typically take place in June and September.
7. How many major programs were tested each year for the Single Audit?
 - a. FY13-14; 2 Major programs each of the past three years.
8. Are there any new services requested in this RFP that were not included in the prior year audit fee?
 - a. No.
9. How many journal entries were proposed by the auditors?
 - a. The auditors proposed about five journal entries, mostly relating to reclassifications plus an adjustment relating to GASB 65 (See RFP Attachment D-1).
10. Were there any findings?
 - a. Yes, there were five Significant Deficiencies; no Material Weaknesses.
11. Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?
 - a. No.
12. Were there any difficulties encountered during the prior audits? Were there any problems in completing the close of the books and preparing for the audit?
 - a. There were difficulties with having limited staffing available to assist the auditors and problems relating to RDA Dissolution in FY12-13.
13. Has the City entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?
 - a. Nothing out of the normal business operations except:
 - i. Beginning construction of a railroad overpass in June; a major CIP project (\$50M);
 - ii. Allocated money for construction to begin on a City-owned sports complex (\$5M).

14. Any New Debt Issuances in the Current Fiscal Year?
a. No.
15. Is the City involved in any litigation not included in the Prior Year Financial Statements?
a. No.
16. Any other Major Changes in the Current Fiscal Year that would affect the operations of the City?
a. No.
17. How did you measure the quality of the audit performed?
a. Ability to assist staff in interpreting new GASB pronouncements, consistency of audit staff/knowledge of our operations, timeliness of reporting, accuracy.
18. What audit areas, in your opinion, were cumbersome?
a. CIP's, Cost-allocation/Internal Service charges.
19. What efficiencies would you like to see in the audit of the City's financials?
a. The audit process is already fairly efficient. Our biggest complaint would be that parts of the audit seem to drag on long after the fieldwork is complete.
20. Please provide the prior year fees with details on the fees for the City audit, Gann Report, Single Audit, and preparation of the state controllers report for the City.

a.

City Audit Report (incl CAFR prep)	\$ 52,500
Single Audit (2 major prgms)	6,878
SCO Report	4,500
Total Actual	\$ 63,878
Total Encumbered	\$ 70,378

21. Does the City have a finance or audit committee? If so, did the auditor meet with this committee before the start of the audit and at the conclusion?
a. No.
22. How many adjustments did the City propose after the auditor started the fieldwork?
a. Staff made approx. 12 journal entries after the start of final fieldwork due to unfinished schedules.
23. Does the City have access to the grouping schedules for the fund financial statements and statement of activities?
a. Yes, in an excel file.
24. If auditor prepares CAFR, please expand on how the City provides the auditor the information for preparation of the CAFR? Does the City prepare the rolled up funds or would the auditor obtain a trial balance to develop the funds from scratch?
a. The City will provide a trial balance and assist with the grouping schedules.

25. Did the City have any disagreements with the prior auditor for matters related to financial reporting?
 - a. No.

26. The City has requested optional services which may impair independence under Government Audit Standards. Can we submit a proposal without providing a fee for these services?
 - a. Yes; however preference will be given to those providing the most complete response.

27. Will the City stay with GEMS financial system after restructuring or is changing systems part of the restructure?
 - a. The GEMS financial system is will no longer be used after June 30, 2015. See RFP page 6 for more details.

28. Who are the key employees assigned to work with the auditors? What is their tenure with the organization?
 - a. Senior Accountant; 3 yrs with City of Tracy and 19 yrs total municipal gov't;
 - b. Budget Officer; 26 yrs with City of Tracy, 30 yrs total municipal gov't;
 - c. Accounting Technician; 16 with City of Tracy;
 - d. Various other dept staff with tenures of 5+ to 15 yrs with City of Tracy.

29. Have there been any turnovers in the finance department at the City?
 - a. Beside the Administrative Services Director (see RFP page 6(E));
 - b. Utility Billing clerk (retirement replaced with internal candidate);
 - c. Business License clerk (the backup replaced the incumbent who was promoted within dept);
 - d. Payroll Coordinator (the backup replaced the incumbent who was promoted within dept)

30. What has the City done to prepare for the implementation of GASB 68?
 - a. The City has ordered the GASB 68 reports from CalPERS.