CITY OF FARMINGTON
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REQUEST FOR PROPOSALS
Annual Financial Audit Services
RFP #14-103157

IMMEDIATE ATTENTION
ADDENDUM ONE

April 3, 2014

Notice to Offerors: The above referenced Request for Proposal (RFP) is hereby amended per the following questions received and answers provided below:

1. What is the reason for the RFP for audit services?

The Office of the NM State Auditor requires the City have an annual financial audit. The RFP was done to establish a new contract for the required annual audit services.

2. Were there entries proposed by the auditors in the past?

Not in the past three years.

3. Any significant changes expected to your federal awards and expenditures?

No significant changes – total amounts vary from year to year.

4. Any debt issues in FY2014?

An NMFA water meter loan is in the works but it is indeterminable at this time if the loan will be finalized by June 30, 2014.

5. How long were the prior auditors on-site performing test work? How many individuals?

Approximately six (6) weeks (3-4 auditors).

6. When would the audit work papers be ready?

The City of Farmington schedules the completion of its last accounting period for August 15 with post-close internal audit work and trial balances completed by August 30. Internal backup

for the financial statements will be available by September 30.

7. When are the financial statements ready?

September 30.

8. What type of assistance do you expect from the auditors for the implementation of new GASB standards?

We rely on the IPA's experience to help us interpret and implement any new GASB standards.

9. Are you willing to share your audit fees paid in FY2013?

$82,092.

10. Will the audit contract be only for fiscal year 2014? Is there going to be option years for the awarded firm or will the audit go out again for RFP in fiscal year 2015?

See RFP page 13, Section 18 and pages 22-23 (Exhibit A). The RFP is for a one year contract, with an option to renew for 2 additional one year terms. The contract and any subsequent renewals will require approval by the State Auditor.

11. How long has the current Audit Firm been performing the single audit of the City?

Three (3) years.

12. Does the City have a policy of mandatory auditor rotation?

We follow the requirements of the New Mexico State Auditor (NMAC Audit Rule) – see Audit Rule section 2.2.2.8 (H)(1)(b).

13. Regarding the level of effort of the current Audit Firm:

a. **What was the duration of time the Audit Firm was on-site performing audit procedures? How many staff assigned?**

   Approximately six (6) weeks (3-4 auditors).

b. **What was the duration of time the Audit Firm was off-site performing audit procedures/finalizing work papers and preparation of required reports?**

   Unknown.

14. Does the City expect any significant changes in its federal funding levels in fiscal year 2014?

No.

15. When does the City normally close and finalize its general ledger?

Generally by August 30.

16. Does the City prepare the following documents or is the audit firm expected to perform this function?

a. Comprehensive Annual Financial Report;
b. Notes to the financial statements;
c. Schedule of Expenditures of Federal Awards;
d. PFC Revenues and Expenditure Schedule (Four Corners Regional Airport);
e. Schedule of Pledge Collateral;
f. Schedule of Joint Power Agreement

The City staff prepares these documents.

If your request for proposal has already been submitted to this office, and this addendum will affect your proposal, please contact this office and we will return your proposal. Any proposals that have been received, and are not requested to be returned will remain in this office unopened until April 10, 2014 at 2:00 p.m.

Receipt of this addendum shall be noted on Page 4 in the Request for Proposal documents for the above referenced RFP.

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