



City of Tigard

FINANCE AND INFORMATION SERVICES

Request for Proposals

ADDENDUM #1

PROFESSIONAL AUDITING SERVICES

Bids Due: Tuesday, March 1, 2016

Addendum Issue Date: Monday, February 1, 2016

Submit Bids To: City of Tigard – Contracts & Purchasing Office
Attn: Joe Barrett, Sr. Management Analyst
13125 SW Hall Blvd.
Tigard, Oregon 97223

Direct Questions To: Joe Barrett, Sr. Management Analyst
Phone: (503) 718-2477
Email: joseph@tigard-or.gov

Project Manager: Cara Fitzpatrick, CPA, Assistant Finance Director
Phone: (503) 718-2493
Email: cara@tigard-or.gov

Total Page of this Addendum: 3

Clarifying and Additional Information

Below is the City's response to significant questions that have been received with regards to the Request for Proposals for Professional Auditing Services.

- **Why is the City going out for proposal?**
The City's five-year audit contract ended with fiscal year 06/30/2015 audit.
- **Were there any journal entries discovered by the auditors during the 2015 audit process? If yes, what was the nature of those adjustments?**
The fiscal year June 30, 2015 audit will be finalized by 02/29/16. Attached (Exhibit A to this Addendum) is a draft listing of passed adjusting journal entries per our external auditors for the fiscal year 2015 audit.
- **What are the major audit issues anticipated for 2016, if any?**
The City does not anticipate any major audit issues for FY2016. We may have a Single Audit depending on the total federal expenditures.

- **How many auditors were out in the field during interim and final fieldwork and for how many days?**

There were two auditors on-site for a week for preliminary fieldwork. There were three auditors on-site for two weeks of final fieldwork.

- **What transition issues is the City concerned about if the audit is awarded to new auditors?**

Transition challenges include learning the City's lines of business. Developing a working relationship with management. Allocating adequate time to plan and perform the City's audit and meet timely filing requirements, without having request an extension.

- **Have there been any significant changes in key staff in the past year that would affect the 2016 audit?**

The City hired a new Assistant Finance Director in June 2015.

- **If the City could change one thing about the audit process, what would that be?**

The City plans to move up the audit timeline and publish the CAFR by mid-December and meet 12/31 filing requirements.

- **What were the fees for the 2015 and 2014 engagements?**

Fiscal year-end audit fees are as follows:

FY2014 audit fees = \$46,185

FY2015 audit fees = \$48,030

- Are there any anticipated changes in federal funding?

The City currently receives federal grants, but have not met the threshold requirements for a single audit. During this current fiscal year city has applied for significant additional federal awards. If the city is awarded the additional federal fund, management anticipates a single audit in the current fiscal year or shortly thereafter.

City of Tigard
 Passed Adjusting Journal Entries - DRAFT
 June 30, 2015

Exhibit A to Addendum #1
 Request for Proposal
 Professional Auditing Services

Description	ASSETS		LIABILITIES		INCOME STATEMENT					Beginning Equity	
	Current	Long-Term	Current	Long-Term	Revenue	Expenses/ Expenditures	Nonoperating	Transfers	Other		Income
Governmental Activities											
To record a liability for equipment financing. Note: The amount should have been recorded initially for 225k. As of 6.30.14, the liability s/b 150k (75k in LT and 75k in ST), as of 6.30.15 the liability should be amortized to 75k, by FY16 the liability will be fully amortized. The FY 16 entry will be dr ST liability for 75 and CR Exp for 75k. No entry necessary for FY17.	-	-	-	75,973	-	(75,973)	-	-	-	(75,973)	-
To reverse an invoice due in July for the first quarter of fiscal year 2015/2016 that was recorded as AP and Prepaid Asset in FY15.	144,936	-	(144,936)	-	-	-	-	-	-	-	-
To reduce the accrual and expense booked for prorated electric service of 9 days (out of 30) pertained to July 2015, the remainder pertained to June 2015 and was properly accrued.	9,549	-	-	-	-	(9,549)	-	-	-	(9,549)	-
Business Type Activities											
To adjust the capital projects not booked for utility undergrounding design services through 6/30/2015 and to increase capital additions	28,875	-	(28,875)	-	-	-	-	-	-	-	-
To adjust cumulative revenue and AR for UB amounts not accrued at 6/30/15 (see individual amts. At Sani Sewer, Storm, and Water tabs).	170,219	-	-	-	(170,219)	-	-	-	-	(170,219)	-
General Fund											
To reverse an invoice due in July for the first quarter of fiscal year 2015/2016 that was recorded as AP and Prepaid Asset in FY15	144,936	-	(144,936)	-	-	-	-	-	-	-	-
Gax Tax Fund											
To reduce the accrual and expense booked for prorated electric service of 9 days (out of 30) pertained to July 2015, the remainder pertained to June 2015 and was properly accrued.	9,549	-	-	-	-	(9,549)	-	-	-	(9,549)	-
Sanitary Sewer											
To adjust the capital projects not booked for utility undergrounding design services through 6/30/2015 and to increase capital additions	28,875	-	(28,875)	-	-	-	-	-	-	-	-
To adjust revenue and AR for UB amounts not accrued at 6/30/15.	5,721	-	-	-	(5,721)	-	-	-	-	(5,721)	-
Storm Fund											
To adjust revenue and AR for UB amounts not accrued at 6/30/15.	1,602	-	-	-	(1,602)	-	-	-	-	(1,602)	-
Water Fund											
To adjust revenue and AR for UB amounts not accrued at 6/30/15.	162,895	-	-	-	(162,895)	-	-	-	-	(162,895)	-
CCDA											
To reverse rental revenue recorded in FY15 which should have been recorded in FY16.	(7,200)	-	-	-	7,200	-	-	-	-	7,200	-
To record accrued interest payable on long-term debt.	-	-	(12,979)	-	-	12,979	-	-	-	12,979	-