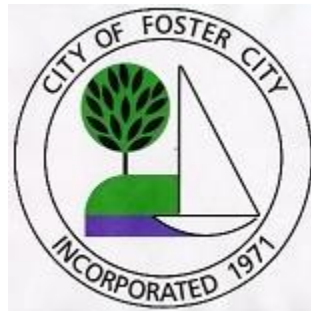


**CITY OF FOSTER CITY
ESTERO MUNICIPAL IMPROVEMENT DISTRICT
RESPONSES TO RFP QUESTIONS**



Updated on January 26, 2023

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1. What is the reason that the City is considering changing auditor?
The contract has expired.
2. How long has the current auditors been performing the audit for the City/District?
6 years
3. Will your prior auditors be invited to bid?
Yes.
4. How many auditors and how many weeks were the auditors on site for both interim and year end field work?
Interim fieldwork - 3 auditors for one week
Year-end fieldwork - 3 auditors for two weeks
5. How many hours did the prior auditors spend on the interim audit and the year-end audit?
The City staff did not track the number of hours spent on the audit; however, the City and audit staff had numerous calls and communicated through emails on open items, especially during the ACFR finalization & review phase.
6. What were the prior audit fee(s)? Did these fees include travel?
Below are all-inclusive, including travel, audit fees for FY 21 and FY22.

	<u>FY 21</u>	<u>FY 22</u>
ACFR	\$33,934	\$33,934
ACFR – Successor Agency ¹	3,771	3,771
Measure A	848	848
Measure W	1,250	1,250
GANN Limit Review and Report	848	848
Directed Study	4,335	1,500
Examination ²	N/A	5,200
Single Audit, if applicable	5,415	5,415
GASB 68 Cost Sharing Calculations	1,000	N/A

¹ – This was part of the City/District ACFR and audit. It was reflected separately to be reported to SCO.

² – Quote for the Examination report was added later and was not a part of the original contract/engagement letter.

7. If a member of the team has past experience with another firm on financial statement audits, such as the scope of work, does this satisfy the firm experience requirement?
Yes, as long as they can work on the audit effectively and efficiently.
8. Are there any new services requested in this RFP that were not included in the prior year audit fee?
Yes.

In this RFP, we have added Examination report for the ARPA assistance received by the City. However, this is only applicable for FY 2022-23

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9. What is the current year budget for auditing services?
The FY 2022-23 budget for audit services is \$61,270, including the audit fees for successor agency.
10. If required, who does the State Controller's Financial Transaction Report preparation and submission? If the auditors, how much was the last year's fees?
Currently, City staff prepare and submit FTR to SCO. However, we would still like a quote in case we decide to have our future auditors to prepare & submit.
11. Will there be a Single Audit? (If so, please include the most recent copy of the report with your response)
The City did not have any single audit in the last 10 years. We had one single audit in FY 12/13, which was for one major program. The City/District doesn't expect to have a single audit in FY 2022-23 either, unless circumstances change in the upcoming months.
12. How many journal entries were proposed by the auditors? Were there any findings?
There were no journal entries proposed by the auditors and no findings.
13. Are any management letter comments outstanding from the prior year(s)?
No
14. May we receive a copy of the last year's Management Letter, Directed Study (AUP), Measure A and Measure W compliance reports?
Please refer to the following link for the most recent auditors' reports.
[Auditor's Report | Foster City California](#)
15. Any known or suspected fraud?
No
16. Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?
There were no material adjustments made by the auditors.
17. How many significant deficiencies and/or material weaknesses were in the internal control letter for the most recent issued financial statements. What, if any, did those findings relate to?
None.
18. Has the City/District 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?
No.
19. Any New Debt Issuances in the Current Fiscal Year?
No.

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20. Any significant construction or capital projects?

Yes, currently there are two major projects in progress.

a) Levee Improvements Project

b) Wastewater treatment plant, in collaboration with and managed by the City of San Mateo

21. Is the City/District involved in any litigation not included in the FY 22 Financial Statements?

No

22. Have there been any changes in your accounting system or software since last year or any planned changes in the future? What is the accounting system that the City uses?

No, and as of now there are no plans to replace the current ERP. The City/District is using SunGard NaviLine accounting system.

23. Do you expect or plan to have any retirement or replacement of key employees?

The prior Assistant Finance Director (AFD) retired in August 2022 and a new AFD joined the City in November 2022. There are no other retirements or replacements expected.

24. Provide list of staff members in finance and their years of experience with the organization at that position

Position Title	Years of Experience with Foster City
Finance Director	8 years
Assistant Finance Director	2.5 months
Financial Services Manager	14 years
Senior Accountant	15 years
Accountant II	1.5 years
Senior Accounting Technician	9.5 years
Accounting Technician – Payroll	9 months
Accounting Technician – Accounts Payable	5 months
Administrative Assistant	12.5 years

25. Do you currently have vacant or frozen positions within finance?

No.

26. Was the FY 2022 audit performed remotely? If so, is the City open to continuing remote audits in the future?

For the audit filed work, the audit staff was present at the City Hall. We would like to continue this practice, unless necessary due to unforeseen circumstances. The City had it's audit performed during COVID, however, it was quite inconvenient for staff to scan and send documents to auditors.

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27. Are financial records available electronically?

Majority of the financial records are on paper, such as A/P, fixed assets, A/R, JVs are all on paper. There are some supporting workpapers and worksheets that reside on the hard drive.

28. Do you permit third parties to access the City Financial software remotely?

No.

29. Will there be any significant events in FY 2022-23?

None so far and not expected in the remainder of this fiscal year.

30. Any other Major Changes in the Current Fiscal Year that would affect the operations, funding sources or reporting requirements of the City/District?

No

31. Any changes to the governance structure of the organization?

No

32. How did you measure the quality of the audit performed?

Very Good.

- 1) Minimum errors on reports.
- 2) Able to deliver all reports timely.
- 3) Minimum number of comments from GFOA
- 4) Audit staff, specifically Partner, was always available to discuss different items.

33. What audit areas, in your opinion, were cumbersome?

Newly implemented GASB 87 took a little bit of time to work through the details, however, we do understand that it was the first year of implementation and was a learning experience for both the auditors and the City staff.

34. Is there anything specific that you are looking for with the successor auditors?

- a. Ability to prepare Comprehensive Annual Financial Report (CAFR).
- b. Meet agreed upon timelines/schedule and responsiveness to City staff inquiries.
- c. Ability to provide advice/guidance and assist with implementing new GASB pronouncements.
- d. Provide training opportunities for City/District's Finance staff.

35. What efficiencies would you like to see in the audit of the City/District's financials?

The City/District would like to see:

- e. The audit is substantially completed and reviewed by audit Manager and Partner before leaving the fieldwork.
- f. An exit meeting with the audit manager for the interim and final fieldwork to communicate if there are any findings or outstanding/open items.
- g. Avoidance of duplicate requests of paperwork/documentation.
- h. Provide the same staff (continuity) if it is possible.

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36. Will digital proposals be accepted in lieu of hard copies?
No, the City would like to receive hard copies as requested in the RFP. However, digital copy can still be emailed for our records and further printing needs.
37. When will the books be ready for the audit?
The City usually has its final audit fieldwork scheduled in first week of September. We provide trial balance to auditors before the start of the fieldwork.
38. Any audits or inspections by regulatory agencies?
No
39. Describe the progress and/or plan related to implementation of GASB 96, Subscription-Based Information Technology Arrangements.
As of the date, the City has not spent significant time to evaluate & implement GASB 96 yet. City will be looking for the auditors' help in the implementation.
40. Provide a listing of other GASB statements of which is believed to have a material impact on the financial statements for fiscal years 2023.
GASB 96 – applicable
GASB 94 – still evaluating