City of Northglenn
11701 Community Center Drive
Northglenn, Colorado 80233

CITY OF NORTHGLENN

2024 Financial Audit Services
RFP 2024-019

ADDENDUM NO. 1
DATED: July 19, 2024

TO: PROSPECTIVE BIDDERS

The following adds to, supplements, amends or clarifies by way of explanation, portions of the Contract Documents, Specifications, and Drawings for the above named project.

NOTE: It will be the responsibility of the Bidder to acknowledge receipt of Addenda on the Bid Form as part of their submitted proposal. Failure to do so will be grounds for the City to reject the proposal.

The Contract Documents, including the Specifications and Drawings are hereby modified by the following items:

Q1. Does the City have any significant new leases or new subscription based IT arrangements that would be applicable under GASB 87 and GASB 96, for consideration for the 2024 fiscal year?

A1. At this time there is one new lease under GASB 87 and potentially three new subscription based IT arrangements under GASB 96 for the 2024 fiscal year. The City did not use an external software to implement these standards; they are currently tracked in spreadsheets as the implementation has been minimal thus far. The City prefers to discuss these additional items prior to the end of the current fiscal year to ensure timely completion of the ACFR.

Q2. Are there improvements that the City would like to see made in the overall audit process, timing, communication, other areas?

A2. There have been no issues with the current audit process; however, ongoing communication of course is imperative for a successful audit completion.

Q3. What were the fees charged for the 2023 and 2022 services listed in the RFP? Were there any additional audit fees billed last year pertaining to services provided outside the scope of the services listed in the RFP? If so, can you provide a list of services and additional fees pertaining to those services?

A3. For the fiscal year ending 2022, the audit fee was $39,500, single audit fee $8,000 (2 major programs) and $5,000 for GASB 87 implementation. For the fiscal year ending 2023, the audit fee was $41,000 and single audit fee was $8,000 (2 major programs).
Q4. We noted some future year items in the RFP, are there any other known significant transactions or activities planned for the future periods that should be considered in our proposed fee structure? Are there any items to consider for the audits of CDWA or NURA as component units?

A4. None other than identified in Special Considerations of the RFP.

Q5. Are audit request items available electronically? Including access to general ledger detail, supporting schedules, supporting invoices/contracts/etc.?

A5. Yes, request items are provided based on type – the format provided has been mainly .pdf and .xlsx.

Q6. Can you clarify, does the City prepare the ACFR or does the auditor assist with this process?

A6. City staff is responsible for the preparation of the ACFR. Assistance provided by the auditor would be in the form of clarification and technical assistance related to GASB/GAAP implementation/compliance, and responses to questions that arise during the year prior to audit. The City prefers ongoing communication of important issues in advance of the audit, and training if available, to be able to prepare the ACFR timely and accurately.

Q7. Can you provide a copy of audit adjustments that were made related to your 2023 audit (if any), and any findings or recommendations made by the auditor?

A7. There were no findings or recommendations made by the auditor for the fiscal year ending 2023.

Q8. How many auditors worked on your audit in the prior year?

A8. Two auditors were assigned for interim; three were assigned for final, exclusive of Audit Manager.

Q9. Were the audits mostly remote or mostly on-site? What are your expectations on this topic?

A9. Recent audits have been remote, with the option for on-site at the discretion of the Audit Manager. The City is happy to accommodate the needs of the audit firm if on-site is required, with advanced planning.

Q10. We are assuming that the City received ARPA funds. Does the City expect to exceed the Single Audit threshold in future years?

A10. Yes, please refer to the Special Considerations in the RFP for more details.

Q11. Will the City need any assistance from the auditors with non-audit services such as the preparation of the financial statements and application of GASB 87, 96, and 101?

A11. As noted in the response to Q1 above, the City would like to discuss the incorporation of the new lease and possible subscription based IT arrangements prior to year end. It is not anticipated that assistance will be needed for the implementation of GASB 101; however, the City of course will provide their interpretation and reporting plan to the audit team prior to implementation to ensure compliance.

Q12. Do you expect any significant changes at the City that may add significant time to the audit in FY 2023 and in the future?

A12. Not at this time, unless the audit firm believes that the items outlined in the Special Considerations in the RFP, specifically those noted under future years, will require significant additional time.
Q13. The City had several SBITAs and leases. Did the City develop processes and procedures to identify and maintain these leases and SBITAs moving forward?

A13. The continued implementation of GASB 87 and 96 is a work in progress for the City. GASB 87 has had and is anticipated to have minimal impact. GASB 96 was implemented with the assistance of the City’s IT department and current processes are being reviewed for improvements. Please refer to responses noted for Q1 and Q11 for possible additional insight.

Q14. Does the City’s Finance Department manage the component units' finances?

A14. The City only manages the finances of the Northglenn Urban Renewal Area component unit.

Q15. What did you like about the prior auditor's process and what improvements are you expecting with a new auditor?

A15. Great communication.

Q16. What was the prior year audit fee? Also, if possible, please provide a breakdown of the prior year audit fee.

A16. Please refer to the response in Q3 above.

City of Northglenn

ALL ITEMS IN CONFLICT WITH THIS ADDENDUM ARE HEREBY DELETED.

END OF ADDENDUM NO 1