



**City of Pompano Beach, Purchasing Division
1190 N.E. 3rd Avenue, Building C
Pompano Beach, Florida, 33060**



May 9, 2011

**ADDENDUM #2, RFP H-34-11
INDEPENDENT AUDITING SERVICES**

To All Proposers,

Please review the following requests for information, and answers provided by the City:

1. Have the auditors recommended Journal Entries (entries that were either posted or passed on by the City) in any of the last several years? If so, what were they for?

Response: 2010, None recommended; 2009, none recommended; for 2008 there was a \$610k adjustment proposed by the auditors and booked by the City related to the CDBG Disaster Recovery Grant. The Grant was a pass through from Broward County. City made one payment to a vendor related to the Grant in FY 2009 and accrued the payment back to FY 2008 and accrued amount due from the County, as the service period for the vendor related to FY 2008. However, it was concluded that City should reflect activity in FY 2009, the year in which the cash flow occurred for the City to meet the eligibility criteria for revenue recognition.

2. Have you performed a GASB 54 analysis? What will the impact be to the City?

Response: There will be no material impact to the City to implement this pronouncement. All current special revenue funds are correctly reflected as such and City will be moving forward with obtaining Commission approval to effect fund balance commitments.

3. Are there any material current events that will affect the City during the 9/30/11 fiscal year?

Response: None that the City's Finance Director is currently aware of.

4. What changes are expected on the SEFA for 9/30/11? Any new grants or elimination of grants? Significant changes in expenditures?

Response: Significant New Grants:

Law Enforcement Forfeiture Funds from DOJ - Previously administered by Broward Sheriff's Office, the City's Law Enforcement contractor. City took custody of funds in FY 2011. City has approximately \$2.1 million in funds on deposit.

Hardest Hit Fund Grant - will replace the SHIP Grant.

NSP 3 - \$1.5 million.

DOE Efficiency Block Grant - (Not new, but anticipated expenditures for 2011 of \$850k which will end the grant).

Aviation Runway Grant - not new, but anticipated increase in expenditures reported, approximately \$800k.

FEMA/Department of Homeland Security - \$520k for purchase of a fire ladder truck.

5. Are grants administered from a centralized office or is it a decentralized process?

Response: Grants are decentralized in terms of general administration and compliance. The majority of grant dollars are managed by the City's Office of Housing and Urban Improvement. Accounting is centralized to the Finance Department in terms of account setup and tracking, fixed assets, drawdown requests, as applicable. Finance provides reporting for the CDBG grant cash transactions report. All other reporting is provided for by the department administering the program with review provided by Finance for ledger activity reported.

6. What were the prior year audit fees? Were there any additional billings due to additional scope?

Response: \$132,000 for FY 2010. No additional fees were assessed the City beyond this contracted amount.

7. Can you provide a copy of the Single Audit Report and Management Letter for the past 2 years?

Response: FY 2010 was provided in the RFP documents. FY 2009 will be posted to the City's website with this Addendum.

8. What is the current status of any prior year material weaknesses?

Response: There were no material weaknesses noted in the FY 2010 management letter or compliance reports.

9. Can you provide a resume or biography for the Deputy Internal Auditor who will be providing the assistance during the audit?

Response: This information will be posted to the City's website with this Addendum.

The remainder of the RFP is unchanged at this time. The deadline for receipt of sealed proposals remains 2:00 p.m., May 13, 2011, in the Purchasing office, 1190 N.E. 3rd Avenue, Building C, Pompano Beach, Florida, 33060. Acknowledge receipt of this Addendum in the area provided on Exhibit I.

Very truly yours,



Leeta Hardin
General Services Director

cc: website
file