

MEMORANDUM

TO: Honorable Mayor & City Council Members
FROM: Debbie Renner, City Clerk *dr*
DATE: October 20, 2009
SUBJECT: Agreement for Auditing Services

OCT 23 2009

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PURPOSE

To execute an agreement with Holland & Reilly, CPA for auditing services for the fiscal years ending September 30, 2009, September 30, 2010, and September 30, 2011.

BACKGROUND

At the direction of the City Council acting as the Audit Committee, an RFP was issued on August 28, 2009 for the performance of the City's annual financial audit for the fiscal years 2009 through 2011. The deadline for response to the RFP was September 18th and a total of eleven proposals were received. A special meeting was held on September 30th to review the proposals and five were selected to participate in interviews on October 6th. At the conclusion of the interview process, you voted to negotiate an agreement with Holland & Reilly, CPA.

The City Attorney and Mayor entered into negotiations with Tom Reilly of Holland & Reilly, CPA and drafted an Agreement in accordance with the terms of the RFP. This agreement is before you tonight for your consideration and approval via Resolution No. 571-09.

RECOMMENDATION

Approval of Resolution No. 571-09 authorizing the execution of an Agreement with Holland & Reilly, CPA for auditing services for the Fiscal years ending September 30, 2009, 2010, and 2011.

RESOLUTION NO. 571-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF ORANGE CITY AND HOLLAND & REILLY FOR AUDITING SERVICES FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2009, SEPTEMBER 30, 2010, AND SEPTEMBER 30, 2011; REPEALING ALL RESOLUTIONS IN CONFLICT HERewith AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Orange City has retained the services of Greene Dycus and Co., C.P.A. to perform the City's annual financial audit since 1991; and

WHEREAS, the City Council, acting as the Auditor Selection Committee, directed the issuance of a Request for Proposals (RFP) for audit services for the Fiscal Years ending September 30, 2009, September 30, 2010, and September 30, 2011 in accordance with Section 218.31, Florida Statutes, the City Charter and the City's Purchasing Procedures; and

WHEREAS, eleven responses to the RFP were received and reviewed by the Auditor Selection Committee in accordance with Chapter 12.3-27 of the City Code and the terms of the RFP. Five of the respondents were invited to appear before the Selection Committee for interviews; and

WHEREAS, after concluding the interview process, the Auditor Selection Committee has elected to award a contract for auditing services for the City of Orange City to Holland & Reilly, CPA.

WHEREAS, the City Attorney, as directed by the City Council, has negotiated an agreement with Holland and Reilly, attached hereto as Exhibit A.

WHEREAS, The City Council hereby authorizes the Mayor to execute said agreement on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE CITY, FLORIDA:

SECTION 1. That the Mayor is hereby authorized and directed to execute the agreement with Holland & Reilly, attached hereto as Exhibit A, for the provision of auditing services in accordance with the terms of the RFP and City code.

SECTION 2. That all Resolutions or parts of Resolutions in conflict herewith be and the same are hereby repealed.

SECTION 3. That this Resolution shall take effect immediately upon its adoption by the City Council of the City of Orange City, Florida.

ROLL CALL VOTE AS FOLLOWS:

Jim Mahoney	_____	Donald C. Sherrill	_____
R. Paul Rasch	_____	Tom Abraham	_____
Tom Laputka	_____	Jeff H. Allebach, Vice Mayor	_____
Harley Strickland, Mayor	_____		

ADOPTED THIS _____ DAY OF _____, 2009.

ATTEST:

AUTHENTICATED:

Deborah J. Renner, City Clerk

Harley Strickland, Mayor

This Resolution approved
as to form and legal sufficiency:

William Reischmann, City Attorney

HOLLAND & REILLY

CERTIFIED PUBLIC ACCOUNTANTS

601 NORTH FERN CREEK

SUITE 200

ORLANDO, FLORIDA 32803

(407) 894-6803

(407) 896-3044 FAX

DAVID S. HOLLAND, CPA

THOMAS F. REILLY, CPA

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
ASSOCIATION OF
CERTIFIED FRAUD EXAMINERS

October 27, 2009

City Council
City of Orange City
205 East Graves Avenue
Orange City, Florida 32763

Dear City Council:

We are pleased to confirm our understanding of the services we are to provide for the City of Orange City (City) for years ending 2009, 2010 and 2011. We will provide these professional services, to the extent not inconsistent with the terms of this letter, pursuant to the RFP attached hereto as Exhibit A. In the event of any conflict the terms of this letter agreement shall control. We will conduct a financial and compliance audit of the annual basic financial statements of the City for the purpose of expressing an opinion on the fairness of presentation of the City's financial statements. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the City's basic financial statements. As part of our engagement, we will apply certain limited procedures to the City's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

1. Management's Discussion and Analysis
2. Budget to Actual Comparison – General Fund and Major Special Revenue Funds

Supplementary information other than RSI also accompanies the City's basic financial statements. We will subject the following information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Combining Statements and Individual Fund Schedules

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our accountant's report will disclaim an opinion:

1. Statistical Information

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally

accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of the City Council, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You will prepare a draft of your financial statements, related notes, and all other components comprising the Comprehensive Annual Financial Report (CAFR), subject to our review. You are responsible for the reproduction and binding of the CAFRs. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes, and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we may provide and or evaluating the adequacy and results of those services and accepting responsibility for them.

We will prepare the general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the City's general ledger into a working trial balance.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, of the City and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the City involving a) management,

b) employees who have significant roles in internal control, and c) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements, and grants, and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those financial audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from a) errors, b) fraudulent financial reporting, c) misappropriation of assets, or d) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and revenues, and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the City's attorneys as part of the engagement, and they may bill the City for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance

matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, debt, revenue, and other confirmations we request and will locate any documents selected by us for testing.

We expect to begin our audit no later than the month of December and to issue our reports no later than the month of March, provided we receive the necessary cooperation from the City to meet the deadline.

The audit documentation for this engagement is the property of Holland & Reilly and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal or state agencies providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Holland & Reilly personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. Those parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by federal or state agencies. If we are aware that a federal or state awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit findings for guidance prior to destroying the audit documentation.

The term of this agreement is for three (3) consecutive fiscal years ending September 30, 2009, 2010 and 2011. This agreement also provides for options to renew on a year-by-year basis for two additional years (September 30, 2012, and 2013).

Our fees for service will be as follows (plus travel costs):

Fiscal year ended	Audit Fee	Single Audit, if applicable
9/30/09	\$21,500	\$5,000
9/30/10	\$22,000	\$5,000
9/30/11	\$22,500	\$5,000

If additional services are required or requested outside the terms of this engagement, we would charge a standard hourly rate which ranges from \$90-\$175 depending on the staff or partner performing the work.

If the agreement is renewed for any of the two renewal years our fees for service will be at our hourly rate or as follows (plus travel costs):

Fiscal year ended	Audit Fee	Single Audit, if applicable
9/30/12	\$23,500	\$5,500
9/30/13	\$24,000	\$5,500

If additional services are required or requested outside the terms of this engagement, we would charge a standard hourly rate which ranges from \$95-\$185 depending on the staff or partner performing the work.

These fees assume the following:

- Your accounting records are in good order and that we can complete our normal testing procedures. However, if we find numerous errors, incomplete records, poor bookkeeping, or the use of improper accounting methods, we may be required to perform additional work, which may cause our fees to be higher than our original fee estimate.
- The engagement has been scheduled based in part on the availability of your key personnel, deadlines, and working conditions. We will plan the engagement assuming your personnel will cooperate and provide assistance by performing tasks such as preparing schedules, retrieving supporting documents, and typing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we must do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.
- Although we plan the engagement, unforeseen circumstances can occur that require additional time to be spent to complete our work. Examples of such circumstances could be accounting problems, litigation, and a change in your business, or contractual problems with vendors or customers. These types of situations may require us to perform additional work, which may cause our fees to be higher than our original fee estimate.

Should circumstances such as the above occur, or if the City requests additional work outside the scope of this engagement, the Auditor shall submit a Scope of Services to include an estimated fee for such work for City approval.

Our invoices for these fees will be rendered as work progresses and are payable within 30 days of receipt by the City. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. Furthermore, if audit services are suspended for non-payment written notification will be provided via the City Clerk to the Mayor and Council. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. The suspension or termination of our work may result in adverse consequences to you including your failure to meet deadlines imposed by governments, lenders, or other third parties. You agree that we will not be responsible for your failure to meet such deadlines, or for penalties or interest that may be assessed against you resulting from such failure.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate new engagement. A new, specific engagement letter for that service will govern the terms and conditions of that new engagement.

You have been made aware of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash and other assets). We are available to perform, as a separate engagement, extended procedures specifically designed to detect fraud and you have declined to engage us to do so at this time.

In the event that we receive a subpoena or summons requesting that we produce documents from this engagement or testify about the engagement, we will notify you prior to responding to it if we are legally permitted to do so. You may, within the time permitted for our firm to respond to any request, initiate such legal action, as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

In the event that any portion of this engagement letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this engagement letter.

During the course of our engagement, we will request information and explanations from management regarding the organization's operations, internal controls, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The procedures we will perform in our engagement and the conclusions we reach, as a basis for our report will be heavily influenced by the written and oral representations that we received from management. In view of the foregoing, the City agrees to release our firm and its personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the City's management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or a fraud to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the City's financial statements that we may fail to detect as a result of false or misleading representations that are made to us by management.

Insurance Terms and Conditions

The Auditor shall provide insurance consistent with the requirements of the RFP attached hereto as Exhibit A.

Hold Harmless Agreement

As a part of the agreement with the CITY OF ORANGE CITY, and for the same consideration as provided for in the contract, the contractor agrees to indemnify, hold harmless and defend the City Council, its officials and employees from liabilities, damages, losses and costs, including but not limited to reasonable attorney's fees, to the extent caused by the negligence, recklessness, intentionally wrongful conduct of the contractor and other person employed by the contractor in the performance of the contract.

Disputes arising under this agreement (including scope, nature and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third party, acceptable to both parties, shall be appointed to mediate and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceeding shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. In the event that the dispute is required to be litigated, the court shall be authorized to assess litigation costs against any party found not to have participated in the mediation process in good faith.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report. Our 2008 peer review report accompanies this letter.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material before it is distributed.

With regard to using the auditors' report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering statements or other documents, such consent shall not be unreasonably withheld. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically to websites, you understand that electronic sites are a means to distribute information, and therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

This letter will remain in effect until cancelled by either party.

We believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with our above understanding of the engagement, please sign the enclosed copy and return it to us.

We appreciate the opportunity to serve you and look forward to a mutually beneficial long-lasting relationship.

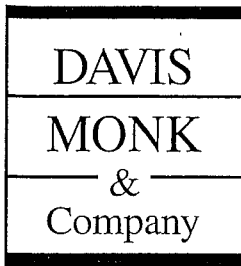
Holland & Reilly
Holland & Reilly

This letter correctly sets forth the understanding of City of Orange City:

By: _____

Title: _____

Date: _____



December 9, 2008

To the Partners
Holland & Reilly

Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

Gainesville
4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka
906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine
1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
Phone: (904) 471-3445
Fax: (904) 471-3825

Website:
www.davismonk.com

We have reviewed the system of quality control for the accounting and auditing practice of Holland & Reilly (the "firm") in effect for the year ended August 31, 2008. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included, among others, audits of Employee Benefit Plans and engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests, therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Holland & Reilly in effect for the year ended August 31, 2008, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Davis, Monk & Company
DAVIS, MONK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF
ORANGE CITY, FLORIDA**



**REQUEST FOR PROPOSALS
FOR AUDITING SERVICES
2009**

Request for Proposals
Auditing Services
City of Orange City, Florida

Sealed proposals will be accepted for, AUDITING SERVICES, no later than 4:00 P.M., local time, on September 18, 2009. Proposals received after that time will not be accepted or considered, and will be returned unopened. No exceptions will be made. The City reserves the right to reject any and all proposals and waive informalities.

The City of Orange City, Florida, in conformance with Florida Statutes, Section 218.391 (Auditor Selection Procedures), and the policies and procedures of the City of Orange City (City) is soliciting proposals from Certified Public Accounting Firms with Governmental Accounting experience to submit a response to our RFP to provide Independent Financial Auditing Services in accordance with the RFP documents. The fiscal years ending September 30, 2009, 2010, and 2011 will be included in this RFP with the option to renew on a year-by-year basis for three (3) additional years. The firm must be duly licensed under Florida Statutes, Chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.

Each respondent shall submit ten **(10) copies** of the required proposal documents, in a sealed envelope plainly marked on the outside with "RFP for Auditing Services" with the respondent's name. Proposals will be received by Deborah Renner, City Clerk, City of Orange City, 229 E. Graves Avenue, Orange City, FL 32763.

Interested firms may secure a copy of the documents from the City website at www.ourorangecity.com or copies are available from Deborah Renner, City Clerk, at 229 E. Graves Avenue, Orange City, FL 32763, phone number 386/775-5403. Copies via e-mail are not available and partial sets of RFP documents will not be issued.

To ensure fair consideration for all respondents to this RFP, firms interested in providing the required services may be disqualified if they have contacts during the submission or selection process with the Mayor and/or City Council Members. Only the City Clerk, may be contacted during the submission or selection process.

Award of Contract: The City of Orange City reserves the right to waive technicalities or irregularities, reject any or all proposals, and/or accept that proposal that is in the best interest of the City, price, qualifications and other factors taken into consideration.

Pursuant to Section 287.133(2)(a), Florida Statutes, interested individuals or firms who have been placed on the convicted vendor list following a conviction for public entity crimes may not submit a Proposal on a contract to provide services for a public entity, may not be awarded a consultant contract and may not transact business with a public entity for services, the value of which exceeds CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

No fax or electronic submissions will be accepted.

City of Orange City, Florida
Request for Proposals
For Auditing Services

The Audit Committee of The City of Orange City, Florida (the City) is soliciting proposals from qualified certified public accounting firms (the Firm) duly licensed under chapter 473, *Florida Statutes*, to provide comprehensive financial auditing services. The City will contract for auditing services for the fiscal years ending September 30, 2009, 2010, and 2011, with the option to renew on a year-by-year basis for three (3) additional years.

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

1. Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants;
2. The standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards*;
3. The provisions of the Federal Single Audit Act of 1984 (as amended in 1996 and subsequently);
4. The Florida Single Audit Act;
5. The provisions of U.S. Office of Management and Budget (OMB) Circular A-133;
6. Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments (Revised) –AICPA;
7. Section 11.45, Florida Statutes;
8. State of Florida Department of Banking and Finance Regulations;
9. Rules adopted by the State of Florida Auditor General for form and content of governmental unit audits;
10. Any other applicable Federal, State and local laws or regulations.

Any updates of, or amendments to, these described auditing standards are to be incorporated in future audits performed by the selected auditor performing auditing engagements for the City in future fiscal years.

I. GENERAL INFORMATION

- A. Responses to this Request for Proposals (RFP) must be received no later than **4:00 P.M., local time, September 18, 2009** at the following address:

Deborah J. Renner, CMC, City Clerk
City of Orange City
229 E. Graves Avenue
Orange City, Florida 32763

Proposals should be in the form of ten (10) signed copies sealed in one package and clearly marked on the outside, "RFP for Auditing Services" with the Firm's name. Any proposals received after this deadline will be returned to the submitting firm unopened. It shall be the sole responsibility of the proposer to have their proposal delivered to the City Clerk's office, 229 E. Graves Avenue, Orange City, FL 32763 for receipt on or before the above stated time and date. If a proposal is sent by U.S. Mail or courier service, the proposer shall be responsible for its timely delivery. Proposals delayed by mail or courier service shall not be considered, shall not be opened at the public opening, and arrangements shall be made for their return at the proposers request and expense. "Postage Due" items will not be accepted. Expenses incurred in submitting this proposal will not be reimbursed by the City and these costs should not be included in the fees charged by the contracted firm.

Proposals or any information transmitted by fax or e-mail will not be accepted.

No proposal may be withdrawn and all proposed prices shall remain firm for a period of ninety (90) days after the time and date scheduled for the proposal deadline.

The City reserves the right to accept or reject any or all proposals, to waive informalities or irregularities, to request clarification of information submitted in any proposal, or to re-advertise for new proposals. The City may accept any item or group of items of any proposal.

The City will award a contract, at its absolute and sole discretion, to the most responsible and responsive proposer whose proposal, in the City's opinion, will be most advantageous to the City, price and other factors considered. The City reserves the right, to aid it in determining which proposal is responsible, to require a proposer to submit such evidence of qualifications as the City may deem necessary, and may consider any evidence available to the City of the financial, technical, and other qualifications and abilities of a proposer, including past performance (experience) with the City and others. The City Council shall be the final authority in the award of any and all proposals.

- B. Any requests for clarification or correction regarding this RFP should be reduced to writing and be received no later than September 11, 2009. Any response by the City to a request for clarification or correction will be made in the form of a written addendum. All parties to whom the RFP package has been issued will receive any

addenda issued. It will be mailed, e-mailed or faxed by the issuing party of the RFP documents. Every attempt will be made to notify all prospective proposers who have requested an RFP package of any addenda issued. However, it shall be the responsibility of each proposer, prior to submitting the proposal, to contact the City Clerk at 386/775-5403 to determine if addenda were issued and to make such addenda a part of the proposal. The City reserves the right to issue addenda concerning clarifications or corrections at any time up to the date and time set for proposal submission. Only interpretations or corrections provided by written addenda shall be binding on the City. Proposers are cautioned that any other source by which a proposer receives information concerning, explaining, or interpreting the RFP documents shall not bind the City. Proposers shall not contact other City staff or other City consultants for information before the award date. Any contact with any other member of the City Staff, City Council, or its agents during this time period may be grounds for disqualification. Questions or concerns should be addressed to:

Deborah J. Renner, City Clerk
City of Orange City
226 E. Graves Avenue
Orange City, FL 32763
e-mail: drenner@ourorangecity.com
Phone 386/775-5403
Fax 386/775-5407

C. Proposed time line:

August 26, 2009	Request for Proposals issued
September 18, 2009 (4:00 P.M.)	Proposal Submission Deadline
September 23, 2009	Audit Committee Evaluates & Short Lists Proposals
October 6, 2009	Presentation of Short-Listed Proposers/Ranking by Audit Committee
October 13, 2009	Approval to Execute Contract

- D. Firms that anticipate subcontracting portions of the engagement must state this fact in their proposal and clearly identify the subcontracting firm(s). Following the award of the audit contract, no additional subcontracting will be allowed without the express, prior written consent of the City.
- E. All conditions and requirements set forth in this RFP shall become conditions of the annual price proposal for auditing services unless otherwise stated. The failure or neglect of a proposer to receive or examine a document shall in no way relieve it from any obligations under its proposal or the contract. No claim for additional compensation will be allowed which is based upon a lack of knowledge or

understanding of any of the contract documents or the scope of services. Proposals shall be in compliance with the contract documents/scope of services.

F. The City's previous contract for auditing services was awarded to:

Greene, Dycus & Co., P.A.
205 North Elm Avenue
Sanford, FL 32772
(407) 322-0561

G. The prior year's Comprehensive Annual Financial Report (Fiscal Year Ended September 30, 2008) is available on the City's website www.ourorangecity.com under the Finance Department.

H. Proposals will be reviewed by the City Council, which also serves as the auditor selection committee, and will be ranked in accordance with the established evaluation criteria. The date, time, and location of any scheduled selection committee meeting(s) for this RFP will be posted on the City's website at least six (6) hours prior to the meeting date and time. The audit committee shall rank the proposals for approval. Please be aware that all City Council meetings are duly noticed public meetings and all documents submitted to the City as part of a bid constitute public records under Florida law.

I. All proposers shall thoroughly examine and become familiar with this RFP package and carefully note the items specifically called for in this RFP which must be submitted.

J. Any proposer seeking to file a bid protest shall use the City's procedure contained in Chapter 12.3 of the City's code of ordinances available on the City's website or on file in the City Clerk's office, 229 E. Graves Avenue, Orange City, FL 32763.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

1. The proposing firm selected will be required to perform an audit in accordance with auditing standards generally accepted in the United States of America and all other standards applicable to financial audits on the financial accounts and records of the City of Orange City.
2. The proposing firm selected will also be required to perform a single audit of all state and/or federal financial assistance provided to the City, if applicable, in compliance with the Rules of the Auditor General of the State of Florida and in accordance with the Single Audit Act of 1984 and amendments of 1996 and subsequent amendments thereof.

3. The auditor is also required to express an opinion that the basic financial statements and the individual fund financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funds of the City of Orange City.

B. Reports to be issued as a result of the audit:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
3. A report on compliance with applicable laws and regulations.
4. A report on the internal control structure used in administering federal, state, and local financial assistance programs.
5. A report on the fair presentation of Supplementary Information Schedules of Federal, State, and Local financial assistance in relation to the City's financial statements taken as a whole.
6. Any other attestations as may be required by Florida Statutes or Florida Administrative Code.
7. Management letters for the City with required elements as required by the Rules of the Auditor General.
8. The auditor shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware. Such report shall be made to the City Council and to the City Manager responsible for the operations of the City being audited and to the Finance Director.
9. The auditors shall assure themselves that the City is informed of each of the following:
 - o The auditor's responsibility under generally accepted auditing standards.
 - o Significant accounting policies
 - o Management judgments and accounting estimates
 - o Significant audit adjustments
 - o Other information in documents containing audited financial statements
 - o Disagreements with management
 - o Management consultation with other accountants
 - o Major issues discussed with management prior to retention
 - o Difficulties encountered in performing the audit.

C. Special Considerations

The City has received the Certificate of Achievement for Excellence in Financial Reporting for the last seven fiscal years. The CAFR for each of the fiscal years covered by this RFP will be submitted to the Government Finance Officers Association of the United States and Canada for consideration for the certificate. It is possible that the auditor may be required to provide special assistance to the City to meet the requirements of that program.

D. Reporting to the City Council. Auditors shall also disclose the following:

1. The auditor's responsibility under generally accepted auditing standards, and assurances that the independent auditor is currently licensed, and that the members of the audit team have the minimum required Continuing Professional Education credits required for performing audits under *Government Auditing Standards*.
2. Significant accounting policies.
3. Significant audit adjustments.
4. Disagreements with management.
5. Management consultation with other accountants.
6. Major issues discussed with management prior to retention.
7. Difficulties encountered in performing the audit.
8. Any other matter the auditor finds necessary to discuss or disclose.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, in accordance with the retention requirements of the State of Florida found in the records schedule GS1-L, unless the firm is notified in writing by the City of Orange City of the need to extend the retention period. The auditor will be required to make working papers available upon request without charge to any federal, state, or City of Orange City agency.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

F. Miscellaneous services

Provide guidance or information to the City's finance staff on matters of a financial nature regarding the City's records.

III. DESCRIPTION OF THE GOVERNMENT

A. The City of Orange City operates under the Council/Manager form of government as authorized by its charter and provides the following services: police and fire protection, planning, building inspections and code enforcement, public works, parks and recreation, other general governmental activities and water. The City serves a population of approximately 11,000.

The City currently has a budget consisting of 104.5 full time employees. The FY2010 General Fund budget is \$7,966,880 and the Enterprise Fund budget is \$4,942,400.

B. Fiscal Year

The City of Orange City's fiscal year begins October 1 and ends September 30.

C. City's Accounting Records

Currently, the City's records include: the General Fund, Impact Fee Fund, Forfeiture Fund, CIP Fund, and Special Assessment Fund.

The City of Orange City uses software from Donald Frey and Co. for the recording of its accounting transactions. The software modules used are the following :

1. Financial systems for cash receipts, global financial systems, including financial reporting and budgeting) payroll and purchasing.
2. Utility System for water system billing.

Payroll and vendor checks are processed on a weekly basis. Purchase orders are issued as evidence of commitments, which encumbers funds against the expenditure account at the time of commitment and liquidated at the time of payment. Fixed asset records are kept.

The City's approximate 4500 water and sewer utility customers are billed in house. Solid waste assessments are billed on the county tax bill.

D. Budgets

Budgets are adopted for the General Fund, and the Utility Fund. The adopted budgets are integrated with the financial records of the City.

E. Finance Department Staff

The Finance department consists of the Finance Director, a Financial Services Supervisor, Financial Specialist (2.5), and Customer Service Specialist (Utilities) 3

IV. TIME REQUIREMENTS

A. Audit Plan

An audit plan should be submitted with the response to the RFP. Each following year, this plan will need to be submitted prior to the beginning of the interim audit procedures. It is required that the CAFR be published by March 31st of each year. The auditing firm selected must be able to meet the following schedule which indicates approximate completion dates (dates may be adjusted for first year):

By November 30	Interim work complete
By December 30	The City will have adjustments made, books closed and trial balance prepared
By March 1	The firm's field work and review of CAFR will be completed
By Wednesday before the 2nd Meeting in February	Delivery to City Clerk of all required reports
2 nd meeting in February	Presentation of CAFR to City Council by the auditing firm

B. Conferences

1. Entrance Conference - To discuss prior audit problems and the interim work to be performed. Establish overall liaison for the audit, make arrangements for work space and establish time requirements.
2. Exit Conference - Summarize the results of the fieldwork and to review significant findings.
3. Progress Conferences - These should be held on an as needed basis to inform the Finance Director of preliminary results that need immediate attention (or of a significant nature).

V. ASSISTANCE PROVIDED BY CITY STAFF

- A. The Finance Department will prepare summary trial balances and provide other information, documentation and explanations, as needed. All information provided

will be in the format maintained by the City's Finance Department. Any additional or reformatted schedules will be discussed with the auditor.

- B. The City will provide the auditor with reasonable workspace, desks, and chairs. The auditor will also be provided access to telephones, photocopying facilities, and FAX machines.
- C. The preparation and printing of copies of the completed CAFR.

VI. PROPOSAL REQUIREMENTS

All proposals submitted should be arranged in the following manner:

A. Title Page

Information should include the subject of the RFP, the firm's name, the name of a contact person along with an address and phone number, and the date of the proposal.

B. Table of Contents

C. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the specified time period, a statement of why the proposer believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer to provide the services as outlined in the RFP. It also should contain the name of the person who will be authorized to make representations for the proposer, their title, address and telephone number and whether the firm is local, regional, national or international.

D. Detailed Proposal

1. The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the proposers seeking to undertake an independent audit of the City of Orange City in conformity with the requirements of the RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP's requirements.
2. The technical proposal should address all the points outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP.

E. Independence

The proposer should provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's "Government Auditing Standards (2003 revision)."

The proposer should also list and describe the proposer's professional relationships involving the City for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the proposer shall give the City written notice of any professional relationships entered into during the period of this agreement.

F. License to Practice in Florida

An affirmative statement should be included indicating that the proposer and all assigned key professional are CPAs who are properly licensed to practice in Florida.

G. Proposer's (Firm's) Qualifications and Experience

- a. The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.
- b. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve, as the principal auditor should be noted, if applicable.
- c. In accordance with "N" below, please provide a statement whether that quality control review included a review of specific government engagements.
- d. The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the three (3) years with state regulatory bodies or professional organizations.

H. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partner, manager, other supervisors and specialists, and the auditor-in-charge of field work, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Florida. The firm should provide information on the government auditing experience of each person.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional

education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement would be assured.

I. Prior Engagements with the City

The firm should list separately all engagements with the City within the last five years by type of engagement (i.e., audit, management advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

J. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

K. Public Entity Crimes

Pursuant to Section 287.133(2)(a), Florida Statutes, interested individuals or firms who have been placed on the convicted vendor list following a conviction for public entity crimes may not submit a Proposal on a contract to provide services for a public entity, may not be awarded a consultant contract and may not transact business with a public entity for services, the value of which exceeds CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

Any firm submitting a proposal in response to this request for proposals must indicate it has not been placed on the convicted vendor list following a conviction of public entity crimes.

L. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement, including time frames for each segment (keeping in mind the time schedule set forth in this RFP).

- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size methodology and the extent to which statistical sampling is to be used in the engagement.
- d. Type and extent of analytical procedures to be used in the engagement.
- e. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- f. Approach to be taken in drawing audit samples for purposes of tests of compliance.
- g. Approach to be taken to gain and document an understanding of the City's internal control.

M. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

N. Peer Review

A copy of the firm's latest peer review must be provided in the proposal.

O. Compensation

The proposal should contain a total all-inclusive price fee for each of the three (3) years including additional fees if the audit is subject to the single audit act and a total all-inclusive price fee for each of the three (3) years of the contract excluding additional fees for additional single audit act work. The proposal should also include a proposed price increase for each of the possible three (3) extension periods. In addition, please provide an hourly rate for time spent on any additional grant audit procedures or requirements with a not to exceed fee per audit year and an hourly rate for time spent on services requested outside of this RFP.

VII. EVALUATION PROCEDURES

Proposals will be reviewed and ranked by the City Council and will be ranked in accordance with the established criteria below.

Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the City.
- d. The firm submits a copy of its most recent external quality control review report (peer review) and the firm has a record of quality audit work.
- e. The firm adheres to the instructions in this Request for Proposals on preparing and submitting the proposal.

Any proposal that does not contain the mandatory elements will be rejected.

Technical Qualifications

- a. Ability of personnel 0-25 points

The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation

- b. Experience 0-25 points

The firm's (and specifically the local office's) past experience and performance on comparable government engagements; experience performing single audits of federal financial assistance and audits under the Florida Single Audit Act

- c. Ability to furnish required services 0-25 points

Adequacy of proposed staffing plan for various segments of the engagement; general approach to the audit; adequacy of sampling techniques; adequacy of analytical procedures

- d. Total compensation proposed 0-25 points

The proposed cost of services should contain all pricing information relative to performing the audit engagement as described in this RFP. The total all-inclusive price is to contain all direct and indirect costs including all out-of-pocket expenses. Prices should be determined for each year of the contract and proposed price increases for the possible extension periods.

Total available

100 points

1. Oral Presentations

The Audit Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions regarding their proposal. Not all firms may be asked to make such oral presentations.

2. Final Selection

The City Council shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm.

3. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Orange City and the firm selected. The City of Orange City reserves the right without prejudice to reject any or all proposals.

VIII. ADDITIONAL CONSIDERATIONS AND REQUIREMENTS

Manner of Payment

Progress payments may be billed based on the percentage of work completed and will be payable within 30 days of approved invoice by the City.

Insurance Terms and Conditions

Proof of Professional Liability Insurance: Provide a current insurance certificate providing proof of Professional Liability Insurance. The *successful* Respondent shall be required to provide evidence of both General (Public & Property) Liability and Professional Liability Insurance in the form of a certificate of insurance issued on behalf of the City of Orange City by companies acceptable to the City at the following minimum limits and coverage's with deductible amounts acceptable to the City:

Comprehensive General Liability Insurance: \$1,000,000.00
(The City of Orange City is to be named as an additional insured)

Professional Liability Insurance: \$1,000,000.00

Hold Harmless Agreement

The successful respondent shall sign the following Hold Harmless Agreement:

As a part of the agreement with the CITY OF ORANGE CITY, and for the same consideration as provided for in the contract, the contractor agrees to indemnify, hold harmless and defend the City Council, its officials and employees from liabilities, damages, losses and costs, including but not limited to reasonable attorney's fees, to the extent caused by the negligence, recklessness, intentionally wrongful conduct of the contractor and other person employed by the contractor in the performance of the contract.

Name of Contractor

Signature of Contractor

Date

**PRICE PROPOSAL FORM
RFP NO. 2008-09 AUDITING SERVICES**

TOTAL ALL-INCLUSIVE ANNUAL PRICE PROPOSAL FOR AUDITING SERVICES AS DESCRIBED IN THIS RFP FOR FISCAL YEARS ENDING 2009, 2010, 2011:

For audits not subject to State or Federal Single Audit Act.

\$ _____, _____ annually

_____ dollars & _____ cents

For audits subject to State or Federal Single Audit Act.

\$ _____, _____ annually

_____ dollars & _____ cents

An hourly rate of \$ _____ and a not to exceed fee of \$ _____ for additional grant audit procedures or requirements.

An hourly rate of \$ _____ for time spent on services requested outside of the RFP.

Proposed price increase for each of the possible three (3) extension periods, Fiscal Years Ending 2012, 2013, and 2014:

For audits not subject to State or Federal Single Audit Act

\$ _____ Annual increase

_____ dollars & _____ cents

For audits subject to State or Federal Single Audit Act.

\$ _____ Annual increase

_____ dollars & _____ cents

An hourly rate of \$ _____ and a not to exceed fee of \$ _____ for additional grant audit procedures or requirements.

An hourly rate of \$ _____ for time spent on services requested outside of the RFP.

Date Company Name

License Number Authorized Officer (Print) Authorized Signature

COMPANY INFORMATION/SIGNATURE SHEET

FAILURE TO COMPLY WITH THESE RFP INSTRUCTIONS WILL RESULT IN DISQUALIFICATION OF YOUR PROPOSAL. PLEASE SIGN BELOW ATTESTING THAT YOU HAVE READ AND UNDERSTAND ALL RFP INSTRUCTIONS AND THAT THE PRICES REFLECTED ON THE "PRICE PROPOSAL FORM" ARE ACCURATE AND WITHOUT COLLUSION.

COMPANY NAME

TELEPHONE (INCLUDE AREA CODE)

FAX (INCLUDE AREA CODE)

E-MAIL ADDRESS

AUTHORIZED SIGNATURE (manual)

IF REMITTANCE ADDRESS IS DIFFERENT
FROM PURCHASE ORDER ADDRESS,
PLEASE INDICATE BELOW:

NAME/TITLE (PLEASE PRINT)

STREET ADDRESS

CITY STATE ZIP

FEDERAL ID # _____

____ Individual ____ Corporation ____ Partnership ____ Other (Specify) _____

Addendum to City of Orange City Auditor RFP

September 9, 2009

See the following for Inquiries made by prospective bidders and responses by City of Orange City

Inquiry No. 1:

The budget for auditing services for the next fiscal year, as well as the fees paid for the past three years.

Response:

2008	\$27,000
2007	\$25,880
2006	\$24,885

Inquiry No. 2 and Responses:

1) Has anything significant occurred in the current year, which is different from prior years?

None known of

Is something significant expected and/or budgeted to occur in the current year, or soon thereafter, which a potential auditor should be aware of?

None known of

2) What has been exhibited by the current auditors that the City values the most? The least?

No comment

3) Please provide a copy of the prior agreement or contract with the current auditing firm (Green Dycus & Co.).

See attached file

4) How long has Greene Dycus been the auditor for the City?

Since 1991

5) Please provide the audit adjustments (proposed and posted) for 9/30/08 and 9/30/07 audits.

Most of the entries are post closing entries proposed by the city, not proposed by the auditor.

6) How much did the City pay for auditing services for the 9/30/08, 9/30/07 and 9/30/06 audits?

2008 \$27,000

2007 \$25,880

2006 \$24,885

7) Does the City anticipate being subject to state or Federal single audit for FY09?

No

8) Does City staff draft the basic financial statements and notes to financial statements, or is this part of the audit services?

The proposal should assume that City staff will draft the FS and notes to be reviewed by the auditing firm annually for their input.

9) Page 10 of the RFP, Section IV, A. is the delivery of the CAFR and presentation in February or March? Based on the timeline, it appears it should say March.

Delivery of the CAFR is required by March 17, 2010 with presentation to the City Council on March 23, 2010.

10) When has fieldwork taken place in the past? Early January or later in January?

Mid-November or December 2009. We anticipate 5-14 days for field work.

11) How early can fieldwork start?

We have advised staff that the following dates are not available for requests for time off, pending the determination for the auditor to be on-site, November 18-24, November 30-December 4, December 7-11, December 14-18. Any combination of the listed dates are available for the auditor to select.