



Brian Johnson
City Manager

Vaughn Stewart
Mayor

ADDENDUM NUMBER 1

RFP For Financial Audit Services

July 26, 2016

To All Prospective Offerors:

The Due Date remains as 2:00 p.m. on Thursday, August 11, 2016.

Below are the questions the City received which may be pertinent to this solicitation. (If you believe you asked a question that was not answered satisfactorily, please contact the Single Point of Contact):

1. Will auditors have "read only" access to the accounting software? **Answer: Yes.**
2. Do you anticipate the same level of federal funding for 2016 as 2015? **Answer: Yes.**
3. We typically place an information technology auditor on similar engagements. In addition to documenting controls related to this area, procedures are also applied to certain databases related to accounts payable, payroll and electronic funds transfer (if applicable). Will our information system auditor have limited access to perform comparisons on selected databases? **Answer: Auditor will have access to the Tyler Munis Financial Software.**
4. What did you like about your relationship with the prior firm? If you could, what things would you have changed? **Answer: The City's expectation for auditing services is to provide a high quality professional audit with superior service.**
5. Will the previous auditor be allowed to participate in this RFP? **Answer: Yes.**

6. What are the expectations regarding the fees? What have you been paying and what have you budgeted? **Answer: The City is looking for the highest quality of service with price being a consideration. The City paid \$45,000 for the FY2015 Audit.**
7. Have there been any instances of noncompliance with grant agreements? **Answer: Yes. There were findings on HUD related grants in prior years. All findings have been corrected and cleared through HUD.**
8. Have there been any instances of fraud related to financial reporting or misappropriation of assets? **Answer: No.**
9. When was the last inventory of fixed assets performed? **Answer: The City performed an inventory count of all vehicles and equipment during summer of 2015.**
10. Who handles continuing disclosures on debt, debt covenants, and performs in-house testing of debt covenants? **Answer: City staff**
11. Is any portion of the accounting function decentralized? **Answer: No.**
12. Can we get a copy of the single audit report? **Answer: The single audit report is included with the City's Financial Audit Report, which can be found on the City's website.**
13. Will you please provide the prior year's audit adjustments as well as any management points noted by the firm. **Answer: See Exhibit A. No management points provided via letter.**
14. Will there be a compliance audit in accordance with the Uniform Guidance (Single Audit)? **Answer: Yes. The City receives a Single Audit every year.**
15. Are there any local or state specific grants that require special compliance testing? **Answer: None outside of the Single Audit.**

COMPLETE THIS ADDENDUM, SIGN and SUBMIT with the RFP to:

**City of Anniston – Finance Department
Anniston City Hall
1128 Gurnee Ave.
Anniston, AL 36201**

I hereby acknowledge receipt of Addendum 1 and have incorporated the changes into my proposal response for the above mentioned RFP.

COMPANY NAME: _____ **CONTACT PERSON:** _____

ADDRESS: _____ **CITY:** _____ **STATE:** ____ **ZIP:** ____

PHONE: _____ **FAX:** _____ **EMAIL ADDRESS:** _____

SIGNATURE: _____ **DATE:** _____

Exhibit A

CITY OF ANNISTON		Adjusting Entries	Feb 06/07/16	9/30/2015
FULL ACCOUNT				
Acct Org Code	Acct Object Code	ACCOUNT DESCRIPTION	DR	CR
ADJ 01				
'1000-00-000-000-000-00-00-0-28270 -		'PRIOR YEAR ENCUMBRANCE	22,384.22	
'1000-00-000-000-000-00-00-0-427100-		'FUND BALANCE-UNRESERVED		22,384.22
'8600-00-000-000-000-00-00-0-427100-		'FUND BALANCE-UNRESERVED	64,322.94	
'8600-00-000-000-000-00-00-0-427200-		'APPROPRIATED FUND BALANCE		64,322.94
'9530-00-000-000-000-00-00-0-28270 -		PRIOR ENCUMBRANCES	2,486.24	
'9530-00-000-000-000-00-00-0-427100-		FUND BALANCE-UNRESERVED		2,486.24
'9541-00-000-000-110-42-00-0-28270 -		PRIOR YEAR ENCUMBRANCES	190.00	
'9541-00-000-000-110-42-00-0-427100-		FUND BALANCE		190.00
To Adjust beginning fund balances				
ADJ 02				
'8600-00-000-000-000-00-00-0-13300 -		Due from other Govt		28,317.03
8600-50-000-000-000-00-00-0-39430 -		STATE OF ALA ALEP	28,317.03	
8600-00-000-000-000-00-00-0-19200		Revenue Control	28,317.03	
Posted by SE-To reverse prior year receivables				
ADJ 03				
'7020-00-000-000-000-00-00-0-20200 -		ACCOUNTS PAYABLE		8,750.00
7000-20-000-000-000-00-00-0-28200 -		'EXPENDITURE CONTROL	8,750.00	
7020-10-000-000-000-00-00-0-530310-		PROFESSIONAL SERV	8,750.00	
'7000-00-000-000-000-00-00-0-20200 -		'ACCOUNTS PAYABLE		8,750.00
7000-00-000-000-000-00-00-0-28200 -		'EXPENDITURE CONTROL	8,750.00	
7000-10-000-000-000-00-00-0-530360-		INSURANCE AND BONDING	8,750.00	
Posted by SE-to Record Marsh Payment				
ADJ 04				
'1000-00-000-000-000-00-00-0-19200 -		'REVENUE CONTROL		3,086.91
1000-90-000-000-000-00-00-0-39530 -		PARD-PROGRAM FEE		3,086.91
'1000-00-000-000-000-00-00-0-13300 -		'DUE FRM OTHER GOVERNMENTAL UNT	3,086.91	
Posted by SE- to record 3rd qtr receivable from EARPC				
ADJ 05				
9530-10-000-000-000-00-00-0-530310-		PROFESSIONAL SER	2,486.24	
'9530-00-000-000-000-00-00-0-203-00-		'ACCOUNTS PAYABLE-YEAR END CLSG		2,486.24
9530-00-000-000-000-00-00-0-28200-		'EXPENDITURE CONTROL	2,486.24	
1000-00-000-000-000-00-00-0-20300 -		'ACCOUNTS PAYABLE		24,592.61
'1000-00-000-000-000-00-00-0-28200 -		'EXPENDITURE CONTROL	24,592.61	
1000-60-600-608-000-00-00-0-530310-		PROFESSIONAL SERV	23,192.61	
1000-10-850-100-000-48-00-0-530310-		PROFESSIONAL SERV	1,400.00	
Posted by SE- to move 2015 to correct period				
ADJ 06				
'8600-00-000-000-000-00-00-0-13300 -		'DUE FRM OTHER GOVERNMENTAL UNT	20,095.83	
'8600-00-000-000-000-00-00-0-19200 -		'REVENUE CONTROL		20,095.83
8600-50-000-000-000-00-00-0-39430 -		STATE OF ALA ALEP		20,095.83
Posted by SE-to record 3rd qtr grant payment				

FULL ACCOUNT				
Acct Org Code	Acct Object Code	ACCOUNT DESCRIPTION	DR	CR
ADJ 07				
1000-00-000-000-00-00-0-20300 -	'	ACCOUNTS PAYABLE		2,423.43
'1000-00-000-000-00-00-0-28200 -	'	EXPENDITURE CONTROL	2,423.43	
1000-60-600-604-000-00-00-0-530310-		PROFESSIONAL SERV	112.48	
1000-10-850-100-000-42-00-0-570700-		PROGRAMMED EXPENS	2,310.95	
Postd By SE- To record East AI Sept Payment				
ADJ 08				
1000-10-850-100-000-48-00-0-510110-		SALARIES AND WAGE	5,245.60	
1000-10-850-100-000-48-00-0-570700-		PROGRAMMED EXPENS		5,245.60
Posted by SE- To Adjust Salaries				
ADJ 09				
'9540-00-000-000-000-00-00-0-20800 -	'	DUE TO OTHER FUNDS		245,000.00
9540-10-000-000-000-00-00-0-580810		TRANSFER TO LONGLEAF	245,000.00	
9540-00-000-000-000-00-00-0-28200 -		EXPENDITURES	245,000.00	
'9542-00-000-000-115-00-00-0-20800 -	'	DUE TO OTHER FUNDS	245,000.00	
9541-00-000-000-110-42-00-0-192200 -		REVENUE		245,000.00
9542-90-430-000-115-00-00-0-39900 -		TRANSFERS IN FROM GENERAL FUND		245,000.00
Postd by SE- To record transfer from AMNH to Longleaf				
ADJ 10				
'1000-00-000-000-000-00-00-0-14000 -	'	PREPAID EXPENSES		24,566.66
'1000-00-000-000-000-00-00-0-28200 -	'	EXPENDITURE CONTROL	24,566.66	
1000-50-501-100-000-00-00-0-510170-		RETIREMENT EXPENS	21,224.06	
1000-50-508-100-000-00-00-0-510170-		RETIREMENT EXPENS	3,342.60	
Posted by SE- Reduce Prepaid retirement				
ADJ 11				
'1000-00-000-000-000-00-00-0-11500 -	'	ACCOUNTS RECEIVABLE-CURRENT		15,000.00
'1000-00-000-000-000-00-00-0-19200 -	'	REVENUE CONTROL	15,000.00	
1000-10-000-000-000-00-00-0-37200 -		MISCELLANEOUS	15,000.00	
Posted by SE- To reverse A/R that became uncollectible				
ADJ 12				
'2000-00-000-000-000-00-00-0-24000 -	'	LONG TERM PORTION-SICK LEAVE		27,903.81
'2000-00-000-000-000-00-00-0-427500-	'	AMOUNT TO BE PROVIDED LTD	27,903.81	
To Adjust Compensated Absences				
ADJ 13				
1000-50-501-100-000-00-00-0-570745-		POLICE CARS	37,635.00	
1000-50-000-000-000-00-00-0-39790 -		FEDERAL FUNDS		37,635.00
1000-60-600-100-000-00-00-0-570740-		MACHINERY AND EQU	25,000.00	
1000-60-000-000-000-00-00-0-39790		FEDERAL FUNDS		25,000.00
1000-00-000-000-000-00-00-0-20800 -		EXPENDITURES CONTROL	62,635.00	
'1000-00-000-000-000-00-00-0-19200 -	'	REVENUE CONTROL		62,635.00
To record dodge durango and rubber truck received through federal grant				

CITY OF ANNISTON		Adjusting Entries		peb 06/07/16	
FULL ACCOUNT				9/30/2015	
Acct Org Code	Acct Object Code	ACCOUNT DESCRIPTION	DR	CR	
ADJ 14					
1000-10-430-100-000-00-00-0-570740-		MACHINERY AND EQ	33,352.92		
1000-10-000-000-000-00-00-0-35500 -		PROCEEDS FROM NEW DEBT		33,352.92	
1000-00-000-000-000-00-00-0-20800 -		EXPENDITURES CONTROL	33,352.92		
'1000-00-000-000-000-00-00-0-19200 -		REVENUE CONTROL		33,352.92	
'2000-00-000-000-000-00-00-0-24005 -		'CAPITAL LEASE OBLIGATIONS		33,352.92	
'2000-00-000-000-000-00-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	33,352.92		
'2000-00-000-000-000-00-00-0-24005 -		'CAPITAL LEASE OBLIGATIONS		169,149.95	
'2000-00-000-000-000-00-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	169,149.95		
To record capital lease on phone system and lease on Toro Tractor					
ADJ 15					
1000-60-600-100-000-00-00-0-570740-		MACHINERY AND EQU	336,571.61		
		PROCEEDS FROM SALE		336,571.61	
1000-00-000-000-000-00-00-0-20800 -		EXPENDITURES CONTROL	336,571.61		
'1000-00-000-000-000-00-00-0-19200 -		REVENUE CONTROL		336,571.61	
To record trade in value of fixed assets					
ADJ 16					
'9540-00-000-000-000-00-00-0-427300-		'FUND BALANCE-RESERVED		2,023.72	
'9540-00-000-000-000-00-00-0-28270 -		PRIOR YEAR ENCUMBRANCES	2,023.72		
'9540-00-000-000-000-00-00-0-282-00-		'EXPENDITURE CONTROL	263.04		
'9540-00-000-000-000-00-00-0-427100-		FUND BALANCE UNRESERVED		263.04	
9540-10-000-000-000-00-00-0-530390-		MISCELLANEOUS SE	263.04		
'9540-00-000-000-000-00-00-0-427300-		'FUND BALANCE-RESERVED		35,000.00	
9540-10-000-000-000-00-00-0-580810		TRANSFER TO LONGLEAF	35,000.00		
'9540-00-000-000-000-00-00-0-282-00-		EXPENDITURES	35,000.00		
To correct beginning fund balances and record tranfers to Longleaf					
ADJ 17					
'9542-00-000-000-115-00-00-0-427300-		FUND BALANCE RESERVED	35,000.00		
9542-90-430-000-115-00-00-0-39920 -		TRANSFERS IN FROM GENERAL FUND		35,000.00	
9542-90-430-000-115-00-00-0-1920 -		REVENUE CONTROLS		35,000.00	
To adjust beginning fund balances					
ADJ 18					
9510-00-000-000-000-00-00-0-19200-		'REVENUE CONTROL	1,233.62		
'9510-00-000-000-000-00-00-0-282-00-		'EXPENDITURE CONTROL		1,233.62	
9510-10-430-000-000-00-00-0-37200 -		MISCELLANEOUS	1,233.62		
9510-10-000-000-000-00-00-0-550162-		DEPRECIATION EXP		1,233.62	
To adjust Depreciation					
ADJ 19					
'9550-00-000-000-000-00-00-0-16650 -		ACCUMLATED DEPREE		951.23	
9550-00-000-000-000-00-00-0-28200-		'EXPENDITURE CONTROL	951.23		
		DEPRECIATION	951.23		
to record Depreciation on Museum Store					

CITY OF ANNISTON		Adjusting Entries		peb 06/07/16	
FULL ACCOUNT				9/30/2015	
Acct Org Code	Acct Object Code	ACCOUNT DESCRIPTION	DR	CR	
ADJ 20					
9510-00-000-000-000-00-0-20200-		ACCOUNTS PAYABLE	223.37		
9510-00-000-000-000-00-0-19200-		REVENUE CONTROL		223.37	
9510-00-000-000-000-00-0-39911-		TRANSFERS FROM GENERAL FUND		223.37	
1000-00-000-000-000-00-0-20200 -		ACCOUNTS PAYABLE		223.37	
1000-10-801-100-000-00-0-580822-		TRANSFERS TO VICTORIA	223.37		
1000-00-000-000-000-00-0-28200 -		EXPENDITURES CONTROL	223.37		
To close out funds					
ADJ 21					
2060-60-000-000-000-00-0-590920-		INTEREST		250,000.00	
2060-60-000-000-000-00-0-590910-		PRINCIPAL	250,000.00		
'2060-00-000-000-000-00-0-24011 -		'2010 G.O. RECOVERY ZONE AQUATI	250,000.00		
'2060-00-000-000-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD		250,000.00	
2070-50-000-000-000-00-0-590920-		INTEREST		570,000.00	
2070-50-000-000-000-00-0-590910-		PRINCIPAL	570,000.00		
'2100-00-000-100-000-00-0-24012 -		'SERIES 2011 DHR PBA BRB	570,000.00		
'2100-00-000-100-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD		570,000.00	
'2000-00-000-000-000-00-0-24040 -		'HONDA FUNDING PLEDGE	138,498.00		
'2000-00-000-000-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD		138,498.00	
2000-10-801-100-000-00-0-590910-		PRINCIPAL		8,766.87	
2000-10-801-100-000-00-0-590920-		INTEREST	8,766.87		
'2000-00-000-000-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	8,766.87		
'2000-00-000-000-000-00-0-24005 -		'CAPITAL LEASE OBLIGATIONS		8,766.87	
9530-00-000-100-000-00-0-14153 -		ACCRUED INTEREST		21,976.20	
'9530-00-000-000-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	21,976.20		
2050-00-000-100-000-00-0-14153 -		ACCRUED INTEREST		29,699.67	
'2050-90-901-290-980-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	29,699.67		
2050-00-000-100-000-00-0-14153 -		ACCRUED INTEREST	5,388.00		
'2050-90-901-290-980-00-0-427500-		'AMOUNT TO BE PROVIDED LTD		5,388.00	
'2100-00-000-100-000-00-0-14153 -		ACCRUED INTEREST DHR	2,794.75		
'2100-00-000-100-000-00-0-14154 -		ACCRUED INTEREST JUSTICE CENTER	1,272.89		
'2100-00-000-100-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD		4,067.64	
'2050-90-901-290-980-00-0-14151 -		'WARRANT DISCOUNT		3,046.83	
'2050-90-901-290-980-00-0-14152 -		Unamortized Refund		206.15	
'2050-90-901-290-980-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	3,252.98		
'2060-00-000-000-000-00-0-21450 -		'WARRANT PREMIUM	2,252.41		
'2060-00-000-000-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD		2,252.41	
'2100-00-000-100-000-00-0-14155 -		'DHR ISSUANCE DISCOUNT		16,842.01	
'2100-00-000-100-000-00-0-14157 -		'JUSTICE CENTER ISSUANCE DISCOU		2,985.90	
'2100-00-000-100-000-00-0-14160 -		ACCUM AMORTIZATION		4,299.57	
'2100-00-000-100-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	24,127.48		
9530-00-000-100-000-00-0-14153 -		ACCRUED INTEREST		21,976.20	
'9530-00-000-000-000-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	21,976.20		
To record adjustment to Longterm debt for Gov't wide statements					

CITY OF ANNISTON		Adjusting Entries	feb 06/07/16	
FULL ACCOUNT			9/30/2015	
Acct Org Code	Acct Object Code	ACCOUNT DESCRIPTION	DR	CR
ADJ 22				
'2000-00-000-000-000-00-00-0-20600 -		'OPEB OBLIGATIONS		785,268.00
'2000-00-000-000-000-00-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	785,268.00	
'2000-00-000-000-000-00-00-0-20600 -		'OPEB OBLIGATIONS		1,079,900.00
'2000-00-000-000-000-00-00-0-427500-		'AMOUNT TO BE PROVIDED LTD	1,079,900.00	
'2000-00-000-000-000-00-00-0-427500-		'AMOUNT TO BE PROVIDED LTD		815,152.56
'2000-00-000-000-000-00-00-0-20600 -		'OPEB OBLIGATIONS	815,152.56	
Adjust beginning Balance, current year obligations, and payment toward obligation				
ADJ 23				
		DEFERRED OUTFLOW-STATE- ERS		541,741.00
		DEFERRED OUTFLOW-STATE- ERS	541,741.00	
		DEFERRED OUTFLOW-STATE- ERS	542,489.92	
		DEFERRED INFLOWS-STATE ERS		633,857.00
		NET PENSION LIABILITY-ERS		7,375,761.00
		NET PENSION LIABILITY-ERS	738,833.00	
		PENSION EXPENSES-ERS		542,489.92
		PENSION EXPENSES-ERS	436,765.00	
		NET POSITION	7,375,761.00	
		NET POSITION		541,741.00
To record net pension liability for Employee Retirement System			9,635,589.92	9,635,589.92
ADJ 24				
		DEFERRED OUTFLOW-STATE- P & F	3,448,470.00	
		NET POSITION		3,448,470.00
		NET POSITION	83,777,896.00	
		NET PENSION LIABILITY-P & F		83,777,896.00
		DEFERRED OUTFLOW-STATE- P & F		3,448,470.00
		DEFERRED OUTFLOW-STATE- P & F	2,615,749.00	
		PENSION EXPENSES-P & F	832,721.00	
		NET PENSION LIABILITY-P & F		5,047,221.00
		PENSION EXPENSES-P & F	5,047,221.00	
To record net pension liability for Policemen and Firemen Pension Plan			95,722,057.00	95,722,057.00
ADJ 25				
1000-10-801-000-000-00-00-0-570700-		ANNISTON DOWTOWN DEV AUTHORITY		250,000.00
1000-10-850-100-000-69-00-0-570700-		INDUSTRIAL DEVE AUTHORITY		68,000.00
		TRANSFER OUT TO ADA	250,000.00	
		TRANSFER OUT TO IDA	68,000.00	
To reclassify to transfers				
			217,913,085.75	217,820,168.25
Less Control Accounts			(106,187,763.68)	(106,094,846.18)
			111,725,322.07	111,725,322.07

FULL ACCOUNT			9/30/2015	
Acct Org Code	Acct Object Code	ACCOUNT DESCRIPTION	DR	CR
RECLASSIFY CAPITAL OUTLAY FOR FINANCIAL REPORTING ONLY				
1000-10-400-100-000-00-00-0-570780-		COMPUTER EQUIPMEN		69,440.97
1000-10-430-100-000-00-00-0-570740-		MACHINERY AND EQ		33,352.92
1000-50-501-100-000-00-00-0-570745-		POLICE CARS		37,635.00
1000-50-501-100-000-00-00-0-570780-		COMPUTER EQUIPMEN		136,500.00
1000-60-600-100-000-00-00-0-570740-		MACHINERY AND EQU		516,089.27
1000-90-901-290-915-92-00-0-570740-		MACHINERY AND EQ		169,149.95
1000-00-901-000-000-90-00-0-570740-		MACHINERY AND EQ		20,080.00
1000-90-901-940-000-00-00-0-570740-		MACHINERY AND EQU		9,991.55
1000-10-801-100-000-00-00-0-570710-		LAND		42,583.59
1000-10-801-100-000-00-00-0-570760-		PROJECTS		54,194.48
14010000-570780		CAPITAL OUTLAY	69,440.97	
14310000-570740		CAPITAL OUTLAY	33,352.92	
16010000-570740		CAPITAL OUTLAY	516,089.27	
19129915-570740		CAPITAL OUTLAY	169,149.95	
19129955-570740		CAPITAL OUTLAY	20,080.00	
19400000-570740		CAPITAL OUTLAY	9,991.55	
18110000-570710		CAPITAL OUTLAY	42,583.59	
18110000-570760		CAPITAL OUTLAY	54,194.48	
15110000-570745		CAPITAL OUTLAY	37,635.00	
15110000-570780		CAPITAL OUTLAY	136,500.00	
3900-50-508-100-000-00-00-0-570740-		MACHINERY AND EQU		11,390.40
3900		CAPITAL OUTLAY	1,833,752.51	
3900-50-508-100-000-00-00-0-570760-		PROJECTS		1,496,126.81
3900-50-508-100-000-00-00-0-571501-		FIRE CAP IMP - T		326,235.30
5000-00-706-700-000-29-00-0-570700-		PROGRAMMED EXPENS		48,237.08
5000-10-700-700-000-00-00-0-570700-		PROGRAMMED EXPENS		444,211.00
5000		CAPITAL OUTLAY	492,448.08	
5800-10-504-100-000-00-00-0-570780-		COMPUTER EQUIPME		17,922.12
5800		CAPITAL OUTLAY	17,922.12	
9530-10-000-000-000-00-00-0-530310-		PROFESSIONAL SER		209,655.18
9530-10-000-000-000-00-00-0-570760-		PROJECTS		1,499,260.88
9530		CAPITAL OUTLAY	1,708,916.06	
9540-10-000-000-000-00-00-0-570740-		MACHINERY AND EQ		43,014.50
9540-10-000-000-000-00-00-0-570760-		PROJECTS		79,866.48
9540		CAPITAL OUTLAY	122,880.98	
9542-90-000-000-115-00-00-0-570760-		PROJECTS	249,938.84	
9542		CAPITAL OUTLAY		249,938.84
4500-10-801-100-000-00-00-0-570710-		LAND		148,766.32
4500		CAPITAL OUTLAY	148,766.32	
			5,663,642.64	5,663,642.64
				0.00
			7,894,144.84	7,894,144.84

I have reviewed and approved posting of Adjusting Entries.

G. M. Sully

Title: *Asst. City Mgr./Fin. Director* Date: *6/21/16*