

**CITY OF WEST HOLLYWOOD  
QUESTIONS AND ANSWERS: 3-15-19**

#	Professional Audit Services Questions	Answers
1	How long have the current auditors been performing the audit for the City?	The City has contracted White Nelson Diehl Evans LLP (WNDE) since Fiscal Year 2013-14.
2	What is the desired timeline for:	
	a. Interim	During the month of June 2019
	b. Year-End	During 1st week of October 2019
	c. Draft Reports	During 1st week of November 2019
	d. Final Reports	During 1st week of December. The City submits to GFOA for Award for Excellence in Financial Reporting which is due every December 31st.
3	How many auditors and how many weeks were the auditors on site for both interim and year end field work?	On the average, the total auditors on-site during both interim and year-end is around 2 to 3 auditors and the fieldwork is usually 4-5 days.
4	What were the prior audit fee(s)? Please provide breakdown by report.	<p>Total contract fees in the FY17-18 contract were \$73,349:</p> <p>a.) City Audit and Related Reports - \$45,068;  b.) Single Audit and Related Reports - \$3,591;  c.) GANN Limit Review Report - \$544;  d.) Cities Financial Transaction Report - \$4,146; and  e.) Others(agreed- upon procedures) - \$20,000.</p> <p>Note: Not all fees were charged since the City did not have a Single Audit during fiscal year 2017-18 and additional fees were charged for implementation of GASB 68.</p>
5	Are there any new services requested in this RFP that were not included in the prior year audit fee? Is the scope of service requested the same as last year?	There are no new audit services requested in this RFP. The audit services requested in this RFP are the same with prior years. The City may have special projects; such as TOT audits or agreed-upon procedures review on occasion.
6	If required, who does the State Controller's Financial Transaction Report preparation and submission? If the auditors, how much was the last year's fees? A	The preparation of the State Controller's Report is contracted to WNDE. The last year's fee is \$4,146.
7	How many major programs were tested each year for the Single Audit?	On the average, there is one major program tested for Single Audit. During the fiscal year 2017-2018, Single Audit was not required because the City's total federal expenditures is below the \$750,000 threshold.
8	How many journal entries were proposed by the auditors? Were there any findings?	The auditors have no proposed journal entries. All entries are client adjusting entries. There are also no audit findings.
9	Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?	There are no material adjustments made by the auditors.
10	Has the City entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?	There are new major contracts or projects that are not reflected in the prior year financial statements.

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11	Any New Debt Issuances in the Current Fiscal Year?	There are no new debt issuances in the current fiscal year 2018-2019. However, in FY2019, the City fully paid the Series 2009B Lease Revenue Bonds which was refunded through the issuance of the Series 2016 Lease Revenue Bonds.
12	Is the City involved in any litigation not included in the Prior Year Financial Statements?	The City is not aware of any litigation that are not included in the prior year financial statements.
13	Any other Major Changes in the Current Fiscal Year that would affect the operations of the City?	None. There are no major changes in the current fiscal year.
14	How did you measure the quality of the audit performed?	The City considers the audit of high quality.
15	What audit areas, in your opinion, were cumbersome?	The audit areas that are cumbersome are the areas covered by the new GASB pronouncements such as GASB 75.
16	What efficiencies would you like to see in the audit of the City's financials?	The efficiencies that the City prefers are ; a. Information is requested in advance; b. When auditors do not ask for the same item; c. When auditors are well-rounded and knowledgeable with governmental accounting standards; and d. There is continuity with the staff assigned to the city.
17	What is the reason that you are considering changing the auditor?	An RFP was issued in order to ensure that audit services along with the related costs are the best available.
18	Will your prior auditors be invited to bid?	Yes, the prior year auditor is allowed to bid. It is the intent of the City to make an award in the best interest of the City after all factors as discussed in the RFP have been evaluated.
19	Have there been any changes in your accounting system or software since last year?	The City of West Hollywood's accounting function are computerized using the Tyler Technology/EDEN systems software on a Unix/Windows based. The applications operating on this system are general ledger, accounts payable, accounts receivable, payroll, human resources and purchasing. The business license system used is HDL. The City is currently implementing the use of electronic timesheets, which will work in sync with EDEN systems. Other than the electronic timesheet, the City does not expect any changes in the EDEN software for maintenance of general ledger.
20	Do you expect to have any retirement or replacement of key employees?	The City does not expect any retirement or replacement of key employees.
21	When did the on-site fieldwork take place?	The interim fieldwork takes place during June and the year-end fieldwork takes place during October.
22	How many weeks did your prior auditors encounter for your last audit? How many weeks/hours were spent by the prior auditors in the field?	We are not provided with total auditor hours. However, on the average, during interim and year-end, auditors are on-site for 4-5 days. See answer to question#3.
23	What is the current year budget for auditing services?	The City's current budget for auditing services is within the same range as the previous fiscal year's audit fees.

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24	When will a closed trial balance be available for the audit with all closing entries recorded?	The closed trial balance will be available on the 1st day of the year-end fieldwork. If requested earlier, the City can provide the day before the 1st day of fieldwork.
25	Is there anything specific that you are looking for with the successor auditors?	There will be four (4) key considerations in the firm that will be selected which includes a.) Expertise and experience with similar projects; b.) Firm's qualifications related to municipal audits; c.) Presented approach and completeness of proposal; and d.) Fee/price.
26	What are the things you liked and didn't like about your current auditors?	The current auditors have done a great job for the City of West Hollywood. In order to ensure that audit services along with the related costs are the best available, an RFP was issued.
27	Do you expect to have a single audit this year?	We expect a Single Audit every year, unless our federal expenditures are below \$750,000 threshold. A separate fee for this service is requested as part of the RFP.
28	How many major programs you had last year? How much were the total federal expenditures last year?	The City's federal awards expenditure were less than \$750,000 during FY2017-18, therefore, there was no single audit required. During FY2016-17, there was one major program tested for Single Audit.
29	How can we obtain a copy of your prior year financial statements?	The City of West Hollywood CAFR for the fiscal year June 30, 2018 is available for review on the City's website at <a href="http://www.weho.org/financials">http://www.weho.org/financials</a> .
30	Were there any material weaknesses or significant deficiencies in the prior year?	There were no material weaknesses or significant deficiencies in the prior year audit.
31	How much were the total federal expenditures in prior years and can you provide a copy of your last single audit if you had one?	Last year's total federal expenditures was below the \$750,000 threshold. The most recent Single Audit report available is for the fiscal year ended June 30, 2017.
32	Will there be any significant events in FY 2019-20?	There are no significant events during fiscal year 2019-20.
33	Are there any significant changes in operations expected for FY 2019-20?	There are no significant changes in operations during FY2019-20. However, the City expects the completion of West Hollywood Park Phase II, which is a multi-million capital project, within the next two fiscal years. The current Construction-in-progress (CIP) balance as of 6-30-18 is \$33 million.