

Addendum #2 – Questions and Answers

July 10, 2024

1. Does the scope of the RFP include the preparation of the annual financial statements and AFR (formerly known as AUD)? **Yes**
2. Does the Village contract with an outside accounting firm to assist in accounting services of the village? **Yes, for preparation of the OPEB schedule**
3. Did the prior auditors issue a management letter and governance letter? **Yes** We were only able to locate the prior year financial statements on your website. If they did, could you please provide us with a copy? **Will advise**
4. Has the Village historically hit the \$750,000 threshold requiring a single audit over federal grants? **No** It looked like in 2023 the Village was well below the threshold.

First, the fixed asset summaries report, will the village provide the items to be added to this report?

A Capital Asset Report is in progress.

Is this a new type of service for the village?

No. It is an annual audit.

I noted that there was an adverse opinion related to this audit area in 2023, I'm assuming this is in response to that issue?

Yes

For the village justice courts, how many justices does the village have?

Two

Is this a routine RFP or is there a reason for possibly changing auditors?

Will become routine. Previous selections were made as appointments via professional services.

How many people were normally on site from your current auditors and how long would they stay?

Typically: 3 people on-site for five days

What is your current audit fee, and I'm assuming that this did not include the fixed assets report?

It did not.

The fee has varied from \$ 23,000 - \$ 26,300.

1. Why is the Village going out for audit proposals? **To follow RFP procedures**
2. Has your prior audit firm been invited to respond to this RFP? If not, why not? **Yes**
3. Have you encountered any difficulties with your audits in prior years? If so, please describe.

New Treasurer and Administration, so no prior personal experience,

4. Were there any instances of known or suspected fraud within the Village over the last year?
No
5. What is the overall condition of the accounting records when audit fieldwork begins? Are all accounts reconciled when the audit commences, **Yes** or are there certain funds or accounts that are reconciled at a later time? If so, which accounts and when is the information provided?
6. Any new debt in FY24? If so, how much and what for? **Conversion of BAN to bond in the amount of \$ 4,725,000**
7. Any large capital asset projects in FY24? **Yes** If so, how much and what for? **In excess of \$ 1,000,000**
8. Any significant change to your federal and/or state funding? **No** If so, related to what and for how much?
9. Does the Village use a portal to share work papers with its audit firm? **Yes** If not, are you open to using such a tool?
10. How long has audit fieldwork typically lasted? How many auditors were involved in previous years? **3 auditors, 5 days**
11. Our fieldwork strategy is typically split into two segments. One segment relates to preliminary audit fieldwork where we gather documents, evaluate internal controls and finalize our audit planning. The other (final) would take place once your financial records are available? Is this a similar structure that your previous auditors have taken? If not – are you opposed to this approach (which we will detail out further in our proposal)? Furthermore – could you provide details on your current auditor’s approach if it is different from ours? **That approach is acceptable.**
12. In relation to #11 – we performed a number of our audits remotely for the past two years. We would likely propose to perform your audit using a remote model. Do you have any concerns with such an approach? If so, what are your concerns? **In-person is preferred over a fully remote model.**
13. If your audit was completed remotely last year – what went well? What improvements would you like to see made to the process? **N/A**
14. If your audit was completed onsite entirely last year – what went well? What improvements would you like to see in the process? **See # 3 above**

15. How much has the Village paid in audit fees for the various segments of the audit for each of the last three audit cycles? **\$ 23,000 - \$ 26,300**
16. Has the prior auditor charged the Village fees outside the scope of the audit in the past several years? **No** If so, what is the nature of this and the amount of fees?
17. Does the Village have internal control documentation of key accounting cycles (disbursements, payroll, taxes, etc.)? If so, in what format (narratives, flowcharts, other)? **Yes, in a variety of formats.**
18. Does the Village utilize a specialist for determining any liabilities? **Yes, for OPEB**
19. How does the Village maintain their capital assets database (excel, capital asset module, other)? **Edmunds system**
20. Does the Village typically require assistance in adopting new GASB standards? **Yes** If so, please describe. **Dependent upon circumstance, uses staff consultants as required.**
21. Are there any major anticipated changes in the Village's operations or organization that will have a significant impact on the audit? **No**
22. Have there been any changes in management or accounting staff since last year? **Yes** Do you anticipate any changes coming up? **No**
23. Who prepares the audited financial statements? Management or audit firm? **Audit firm**
24. Report date for the May 31, 2023 year end was January 15, 2024 – is this typical timing of final issuance? **No**. If not, what is the expected timing? **Addressed in the RFP documents**
25. Section 7.1.1 and 7.1.2 – refer to water and sewer funds and electric utilities regulated by New York Power Authority – we do not see any of these fund in the May 31, 2023 audited financial statements – please explain. **Thank you for this question. We hereby correct the documents to note that none of these are required.**
26. Village capital projects fund has a large deficit fund balance – how will that be funded and when? **Awaiting confirmation from a third-party firm regarding the scope of the deficit.**
27. Village has an adverse opinion on the government wide statements due to lack of capital asset information – adds, deletes, depreciation, accumulated depreciation – does the Village look to address this in the near future? If so, when and how? **Awaiting the results of a third-party Capital Asset Valuation.**
28. Does the Village have supporting documents that detail the items in land, building, equipment and other? **See # 27 above**