



# Town of Swampscott

Elihu Thomson Administration Building  
22 Monument Avenue  
Swampscott, MA 01907-1940

M. Ronald Mendes, Esq.  
Assistant Town Administrator, Administration & Finance  
Treasurer/Collector/Chief Procurement Officer  
Tel: (781) 596-9553  
Cell/Text: (781) 732-0192  
Email: rmendes@swampscottma.gov

## REQUEST FOR PROPOSALS #2020-14 MUNICIPAL AUDITING SERVICES

### **ANSWERS TO WRITTEN QUESTIONS**

Request for Proposals #2020-14 for Municipal Auditing Services was released on June 17, 2020, and in said Request for Proposals there was a deadline indicated for potential proposers to submit written questions (RFP #2020-14, paragraph. 7).

The following are the written questions received, along with their answers:

1. Has the Town received a management letter in connection with the audits for the past 2 years? If yes, is that letter available?
  - a. Yes, the Town has received management letters in each of the past 2 years, and those letters are attached.
2. What was the total cost of the audit for the fiscal year ended June 30, 2019? Please breakout between the portions expected to be completed as part of the services required in this RFP and any allocation of the fee between the General Fund and other Funds.
  - a. The total cost of the audit for FY2019 was \$59,500.00 and those are the same services expected to be completed as part of the services required in this RFP. The audit was fully funded from the general fund initially, with a cost share to the enterprise funds allocated based on a formula that considers FTE counts and relative cash balances.
3. When would the Town anticipate having all financial records available for audit (ledgers closed, accounts reconciled?)
  - a. Since cash and accounts receivable are reconciled through May 31<sup>st</sup> as of today, the town anticipates having all financial records available for audit, including ledgers closed, as well as cash and receivables reconciled, no later than September 30, 2020, likely sooner.

4. Does the Town complete its own fixed asset records and provide the records by function/classification/governmental and by each enterprise?
  - a. Yes, the Town utilizes a software solution called "Depreciation Works" to track fixed assets.
5. Who prepares the Town's OPEB valuation? Does the valuation allocate the liability between Governmental and Enterprise Activities?
  - a. The Town has used Stone Consulting and is currently under agreement to utilize Stone Consulting for the year ending June 30, 2020.
6. When do you anticipate having the Town's OPEB valuation and disclosures ready for fiscal year 2020?
  - a. It is our expectation that Stone Consulting will complete this year's valuation by early November as this is a "roll forward" year and not a full valuation year.
7. When do you anticipate having the Town's Net Pension Liability and the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer ready for fiscal year 2020?
  - a. It is expected that the pension liability and other required documents will be available by late November.
8. Were there any disagreements with the prior audit firm that led to this solicitation?
  - a. No. There were no disagreements. The Town has contracted with the current firm for many years and Management feels strongly that it is a best practice that this contract be competitively procured periodically.
9. The RFP specifically asks for evidence of our professional credentials. What specifically would you like us to provide?
  - a. Copies of Licenses from the Board of Public Accountancy evidencing that the primary members of the firm that will be managing this contract are Certified Public Accountants.
10. Will the Town have any new Enterprise funds for fiscal year 2020?
  - a. The Town has established an enterprise fund to handle Public, Educational and Governmental Cable TV Programming beginning in FY2020. Additionally, the Town has had established enterprise funds for Water and Sewer operations for many years.

11. How much does the Town plan to spend in Cares Act Federal Funds in fiscal year 2020?
  - a. The Town has applied for, and received, \$327,911 in CARES Act Funds through the Mass. Dept. of Revenue in FY2020, and is eligible for an estimated \$1.0 million in additional funding for which the Town expect to apply in the next round of funding.
  
12. Given the challenges imposed by COVID-19, does the Town anticipate having to reduce its workforce and if so, in what areas? Is there any anticipated reduction in workforce in the areas of finance, accounting and/or treasury?
  - a. There are no expected reductions in workforce amongst the municipal departments related to the COVID-19 emergency, including no COVID-19 related workforce reductions in finance, accounting and/or treasury. The School Department has engaged in furloughs and layoffs of certain employees that are related to in-class instruction.