

City of Olean
Financial Services RFP
Pre-Proposal Conference
Friday, January 26, 2024 – 10:00 a.m.

Present: Mayor William Aiello
Lens Martial, City Auditor
Tiffany Taylor, Managerial Confidential Administrative Secretary
Dave DiTanna, Buffamante Whipple Buttafaro, P.C.
Randy Shepard, The Bonadio Group (via Zoom)

City Background:

- The City of Olean was founded in 1804 and incorporated in 1893.
- The City of Olean has approximately 220 full time employees including the police and fire departments.

City Expectations: GAAP

- City-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements
- Book closes May 31st; desire to have annual audit completed by end of October / beginning of November

Fund Structure

- General Fund (Legally Adopted Annual Budget by Common Council)
- Water Fund (Legally Adopted Annual Budget by Common Council)
- Sewer Fund (Legally Adopted Annual Budget by Common Council)
- Special Fund
- Capital Fund
- Debt Service Fund
- Agency Fund

Questions and Answers:

1. When was the last time the City went out to bid for its audit services?

Mr. Martial explained he is unsure the last time the City went out for bid for its audit services, and it was most likely quite some time ago. This is one of the reasons the City feels compelled to go out bid for audit services at this time.

2. The content included in the City's financial statements is more than what is typically required. Is all of this information requested by the City to be included, or has this been the historical presentation?

Mr. Martial explained the statements are the historical presentation the City has been following. He explained the City would be willing to adapt to a new format; however, the financial statements need to satisfy requirements by the New York State Comptroller's Office.

3. What was the City's conclusion regarding GASB 87?

Mr. Martial the City has very little in terms of leased equipment. He explained there is already a procedure in place with Municipal Solutions, whom the City hires every year and pays a fee to in order to report the City's debt service to the State.

4. What has the City done in preparation for implementing GASB 96?

Mr. Martial explained he is working with IT to put together a list of all of the City's software leasing for Subscription-Based Information Arrangements (SBITA) to see if it is feasible to implement this for the City.

5. Does the City anticipate needing a Federal Single Audit during any of the years of the proposed contract?

Mr. Martial explained the City generally receives more than \$750,000 in federal funds, so a Federal Single Audit will be required.

6. Is this RFP being done as a part of the standard cycle for going to RFP?

Mr. Marital explained it is not, and the City would like to see what is out there and get a different set of eyes for our financial activities. He explained we have been using Buffamante Whipple Buttafaro, P.C. for some time, and Mr. DiTanna estimated this time is between 15 and 20 years. Mr. Marital explained in a prior position his company went out to bid every five years for financial services and he does not think it should be any different for the City of Olean. He explained the RFP was written as a one year agreement that could be extended up to five years, based on performance in the first year of services.

7. What were the fees for the previous RFP cycle that was awarded?

Mr. Martial explained as he is unaware when the last RFP cycle was awarded, he is unsure of the fees.

8. Have there been any disagreements between management and the current auditor? If so, please describe the nature thereof.

Mr. Martial explained to his knowledge there have not been any disagreements. He explained recently the amount of time between the end of the fiscal year and the completion of the audit, however, is one of the reasons the City chose to do an RFP for financial services.

9. Have the material weaknesses identified in the 2022 audit been addressed and rectified for 2023 such that you anticipate there being findings?

Mr. Marital explained he feels material weaknesses have been addressed; Mr. DiTanna, an employee of the City's current independent auditing firm, explained he does not feel the weaknesses have been addressed.

10. AS of 01/02/2024, the 2023 statements are not yet posted to the City's website. Is there a reason for the delay if presented by October 30th?

Mr. Martial explained the financial statements have not yet been presented to the City and we are currently waiting for the current independent auditing firm to present them to the City. He explained he is unsure when this will be, and explained in the future the City would like to have these completed and delivered to the City of Olean by the end of October or beginning of November.

11. Is the current audit done remotely, on-site or a hybrid of the two?

Mr. Marital explained currently, the audit is done as a hybrid of the two. He explained the current firm does about two to three weeks of fieldwork in the Municipal Building and the remainder of the audit is completed off site.

12. Who is responsible for preparing financial statements and notes?

Mr. Martial explained the auditing firm will prepare the financial statements and notes, and then will be presented to the City of Olean and Common Council when they are complete.

13. What is the typical timing of fieldwork each year?

Mr. Martial explained fieldwork ususally takes between two and three weeks.

14. What was the fee for prior year services?

Mr. Martial explained the fee is between \$45,000 and \$60,000.

15. How many audit adjustments were there in the prior year?

Mr. Marital explained there were 50 to 60 adjustments made already and after having the auditor on site several weeks ago to work on additional paperwork, there are possible additional adjustments that will be done.

Timeline

Email Mr. Martial (lmartial@cityofolean.org) with additional questions by 01/30/2024.

The City will provide an addendum with answers by 02/01/2024.

Proposals are due by 02/16/2024.

The selection and notification of the firm will occur on 02/28/2024.

The preproposal meeting ended at approximately 10:25 a.m.