

RESOLUTION NO. 2019- 53

A RESOLUTION AWARDED A PROFESSIONAL SERVICES AGREEMENT TO FORD, SCOTT & ASSOCIATES, LLC, OCEAN CITY, NJ TO PERFORM THE DUTIES OF AUDITOR AND OTHER RELATED ACCOUNTING SERVICES.

WHEREAS, the City of Vineland has heretofore advertised for proposals for Professional Services for Municipal Auditing Services; and

WHEREAS, the Requests were published on the City of Vineland's official newspaper and official website; and

WHEREAS, two (2) proposals were received and referred to the Chief Financial Officer for evaluation and recommendation; and

WHEREAS, it has been recommended that a contract for the required services be awarded to Ford, Scott & Associates, LLC, Ocean City, NJ, for Municipal Auditing Services and related Accounting Services on behalf of the City of Vineland covering Calendar Year ending December 31, 2018, in an amount not to exceed \$81,000.00, in accordance with the fee schedule submitted based upon the proposal received, pursuant to a fair and open process; and

WHEREAS, the Auditor and City acknowledge that should the City request performance of additional services not contemplated by the engagement letter, the parties would discuss the scope and cost of the additional services which would be billed in accordance with the schedule of compensation work rates submitted; and

WHEREAS, the availability of funds for said Professional Services Contract to be awarded herein have been certified by the Chief Financial Officer; and

WHEREAS, the Local Public Contract Law (N.J.S.A. 40A:11-1, et seq) requires that the Resolution authorizing the award of contract for Professional Services without competitive bidding and the contract itself must be available for public inspection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vineland that said contract for Professional Services for Municipal Auditing Services and other related Accounting Services, be awarded to Ford, Scott & Associates, LLC, Ocean City, NJ, based upon the proposal received, pursuant to a fair and open process, in the amount not to exceed \$81,000.00, in accordance with the fee schedule submitted, for a contract period beginning February 1, 2019 through January 31, 2020;

BE IT FURTHER RESOLVED that additional Services out of the normal scope of the Audit engagement letter will be agreed upon in advance and be billed separately according to the submitted billing rate schedule and amount determined before services are rendered.

Adopted:

President of Council

ATTEST:

City Clerk

Reid Wanda

From: Baldosaro Susan M
Sent: Thursday, January 31, 2019 11:31 AM
To: Dickenson Bob
Cc: Fanucci Anthony R; Tonetta Richard; Spinelli Paul; Reid Wanda
Subject: Auditor

Bob,

I have reviewed the proposals received for Auditing Services. I would recommend the following:

Auditor: Ford-Scott & Associates, LLC

Sue

Susan M. Baldosaro, CMFO

Chief Financial Officer

City of Vineland

640 East Wood Street

P.O. Box 1508

Vineland, NJ 08362-1508

Phone: 856-794-4000 Ext. 4271

Fax: 856-405-4605

sbaldosaro@vinelandcity.org



CITY OF
VINELAND
WHERE IT'S ALWAYS GROWING SEASON



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

January 18, 2019

Miguel A. Mercado, QPA, Purchasing Agent
City of Vineland
640 E. Wood Street, 5th Floor
Vineland, New Jersey 08362

The certified public accounting firm of Ford, Scott & Associates, L.L.C., Ocean City, New Jersey is pleased to present a proposal to perform professional services as City Auditor for the City of Vineland for the period January 1, 2019 through December 31, 2019.

By submitting this proposal, we are making a commitment to the City of Vineland to perform all work within the time period outlined in state statutes. As you will see in this proposal, our firm is a leader in the municipal auditing and accounting field. Our staff consists of twenty-five professionals, ten of whom are Certified Public Accountants and five of whom are Registered Municipal Accountants. We currently audit the financial statements in excess of 90 governmental units in the Southern New Jersey region and as always, continue with our commitment to provide accounting and auditing services of the highest quality.

If you have any questions, please feel free to contact me by phone (609) 399-6333, ext. 225, by e-mail lcostello@ford-scott.com or by fax (609) 399-3710.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

SERVICES PROVIDED

Our expertise in the field of municipal accounting and auditing, combined with a highly qualified staff, enables us to perform governmental audits and related services in a timely manner, while providing personal attention to the engagement to ensure that each client receives the highest level of professional service possible. Our accounting and auditing experience, will allow us to perform the engagement in an efficient and very effective manner. We are available to attend regular and special meetings of City Council as needed.

To clarify what is entailed in a typical audit engagement, we have summarized in the section that follows the various stages of the audit.

The Audit Process

Prior to beginning the audit, the engagement partner and audit manager will meet to discuss the audit and communicate with the Chief Financial Officer to determine the timing of the audit. Our primary objective will be to establish a workable schedule with City officials to ensure that the audit will be completed in an efficient and timely manner. Accordingly, it is important to provide the Chief Financial Officer and Tax Collector the necessary time to prepare proper year-end closing entries. In addition, we will review the scope of the audit and any applicable laws and regulations with the City. After this planning meeting, the audit process will begin.

Once a timeline has been established, we will coordinate the schedules of staff assigned to the engagement to ensure that audit fieldwork is completed efficiently and effectively, as well as provide for adequate time for filing of the audit with the State of New Jersey, Department of Community Affairs, Division of Local Government Services. During this planning phase, we will perform analytical review procedures to identify areas of potential audit risk.

During the next phase of the audit process we will perform a review of internal control systems to identify internal administrative and accounting controls and evaluate their effectiveness. From our prior documentation of the various internal control systems, we will look for and document changes in the systems and consider testing to determine if control procedures are operating as described. At this time, we will also perform risk assessments, perform preliminary testing, and determine the level of substantive testing deemed necessary.

As part of our examination of year-end account balances, we will confirm account balances and transactions with individuals (for property tax and utility transactions as applicable), banking institutions, and other governmental entities as deemed necessary. In addition, we will obtain legal counsel's representation as to the status of legal matters pending which may have an effect on the City's financial statements. We will also obtain representation from City officials regarding completeness of disclosure and the integrity of the accounting records.

The final phase of our audit process concludes with a draft version of the audit report and financial statements, as well as supplementary schedules, including the Schedules of Expenditures of Federal and State Awards, if required. After this draft version has been reviewed by appropriate City personnel, we will proceed with the preparation of the final audit report, which will be filed with the Division of Local Government Services, the City Clerk, and other City officials. Included in our final audit is the Management Letter, which is furnished to management and members of City Council, and suggests improvements in internal controls, and other recommendations, noted during our audit.

Other Services

Municipal Budget Assistance

Our firm has extensive experience in assisting municipalities with their annual budgets. Our services include a review of the annual budget developed by management and City Council, and attendance at budget meetings and the budget hearing. Our knowledge of Local Budget Laws (N.J.S.A. 40A:4) has often been called upon by our clients to assist them during the budget process.

Accounting and Financial Reporting

With most of our municipal clients, in addition to performing the annual audit, we are often engaged to assist in preparing other financial documents required by State statutes. The Annual Debt Statement and the Annual Financial Statement (unaudited) for the year ended December 31st are required to be filed with the State of New Jersey by January 31 and February 10, respectively, of the following year. Ford, Scott & Associates, L.L.C. has always ensured that the State mandated deadlines for these filings are met for each of its clients. However, as with all such requirements, proper accounting records maintained by local units is critical to timely preparation and filing.

Long-Term and Short-Term Debt Issues

When issuing long-term and short-term debt, there are many things for local units to consider, including the timing of bond and note sales, compliance with statutory requirements, and the potential impact on property taxes. We provide assistance to our clients by preparing illustrations of the affect of such financing on local tax rates, which provide a tool for good management over long-term debt and municipal budgeting. In addition, our services include:

- Assistance in compiling data with relation to the preparation of Official Statements
- Assistance in compiling data with relation to the preparation of Local Finance Board applications
- Assistance in compiling data with relation to Secondary Market Disclosure Requirements

FEE SCHEDULE

The following is a schedule of compensation rates for work to be performed in calendar year 2019 according to staff position:

<u>LEVEL</u>	<u>HOURLY RATE</u>
Partners	\$120.00 to \$200.00
Managers	\$95.00 to \$150.00
Supervisors	\$70.00 to \$120.00
Senior Accountants	\$60.00 to \$95.00
Staff Accountants	\$50.00 to \$75.00
Assistants	\$45.00 to \$70.00

Our fees are on a "not to exceed" basis, and is based on the number of hours estimated to perform the engagement. As indicated previously, we anticipate the following staff levels to be assigned to this engagement:

- Partner - 1
- Manager - 1
- Staff Accountant - 1
- Additional staff to be assigned as needed to meet the requirements of the engagement

81,000 The proposed fee for the audit of the City of Vineland for the year ended December 31, 2018 is \$79,500.

The proposed fee for the review of the financial statements of the Length of Service Awards Program for the year ended December 31, 2018 is \$1,500.

The proposed fee for the audit of the Vineland Public Library for the year ended December 31, 2018 is \$4,000.

At the time of preparation of this proposal, we do not anticipate potential audit problems. If a matter should arise during the course of our fieldwork, we will discuss the issue with City management. In the event that it is determined that further audit fieldwork or other special procedures are required to be performed that are outside of the scope of our audit engagement, we will request a separate engagement letter to confirm the work to be performed by us.