



Town of Scarborough, Maine

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KEITH L. MATHERNE
PURCHASING AGENT

To: All Auditors
From: Keith Matherne, Purchasing Agent
Subject: Questions concerning RFP 072008/Auditing Services

The following questions were asked as part of RFP 072008/Audit Services as prepared by the Town of Scarborough. The Town has made the determination that the information should be shared with the firms that have received the RFP and/or registered with the Town as having viewed the document online. We have also included copies of "Reports Required by Government Auditing Standards and OMB Circular A-133," and the Town of Scarborough School Department's Financial Statements for the Year Ended June 30, 2007 for your information.

1. "When are the financial statements prepared and completed; is it before or after the auditors perform fieldwork?"
 - The current auditors provide a spreadsheet of the annual financial statements. Generally speaking, we are able to update the spreadsheet for all non-general fund exhibits and statements. This is completed prior to the fieldwork. During the fieldwork, we work to complete the general fund. Once the fieldwork is mostly completed, the present auditors usually complete the remaining general fund and statements one and two. Additionally, the auditors generally complete most school related reports.

2. "When does the Town expect to be ready for auditors to perform fieldwork?"
 - Generally, auditors are scheduled to come in towards the end of September.

PHONE: 207.730.4089 • FAX: 207.730.4167 • E-MAIL: KMATHERN@CI.SCARBOROUGH.ME.US
www.scarborough.me.us

Celebrating our 350th Anniversary in 2008

3. "The school department recently lost its financial officer to the City of Portland, who is the replacement?"
 - No replacement as of yet.
4. "Does the town actively oversee the school department's accounting?"
 - The school is responsible for their state reporting requirements. The Town oversees and makes sure the school's funds are in balance, that all DT/DFs are in balance. The Town prepares the Capital Projects Fund income statement and balance sheet. Additionally, the Town prepares the debt service schedules for both school and town. Essentially, they oversee their revenues and expenditures and we oversee their balance sheet accounts. Auditors provide a list of what is expected from the Town and from the School.
5. "Who does the work for the Library and Economic Development Corporation (component units)? Is that work to be part of the audit bid as well?"
 - Other accounting firms prepare the financial reports for the Library and SEDCO. The Library is considered a component unit, however, SEDCO is considered as a department of the Town.
6. "Please explain the Town's potential exposure to GASB #45 and what the progress/plans are to comply if required."
 - The Town has hired an actuarial firm and we have had two meetings to date. We have compiled preliminary information for the actuary. Implementation of GASB 45 is for fiscal year ending 06-30-2009.

If there are any further questions that arise as a result of this correspondence, please feel free to contact me.

Best Regards,

Keith L. Matherne