

**Firefighters' Retirement Plan
Request for Proposals to Provide Audit Services**

Summary of Questions and Answers

1. Do you prepare the financial statements and footnotes?

It is anticipated that assistance will be needed in preparing these documents.

2. What have you done in preparation of GASB 67? How much assistance will you need/expect from your audit firm? (effective 9/30/14)

As this is a new plan, the FRP will need considerable assistance in establishing proper schedules and preparing to meet GASB 67 requirements.

3. Can we see a recent statement of plan net assets for the new plan? What are total assets/asset mix?

The FRP began receiving deposits in June of 2013 and as of October 2, 2013 the net assets of the plan total approximately \$1.5 million which are currently deposited in a single checking account. It is anticipated that as assets accumulate the FRP will be establishing investment policies and investing funds accordingly.

4. Just to confirm:

- a) We won't be doing anything with the old plan.

Yes, that is correct.

- b) No old plan funds will be transferring into this new plan.

Yes, that is correct. There may be some minor reconciliations of amounts due between systems for benefit payments paid prior to FRP becoming operational but otherwise it is not anticipated that any funds will be transferring from the old FRS plan.

If either of the above is not the case, please provide additional detail of any cross-over.

5. What is the average number of employees participating in the plan?

As of October 1, 2012, there were 557 active members in the old FRS retirement system and 78 participants in the DROP program. Those active members on payroll as of February 1, 2013 automatically became members of the new FRP. Those who were participating in DROP prior to February 1, 2013 may also accrue benefits under the new plan upon exiting DROP.

6. Are you using an actuary, and if so, which one. Also, does the plan own any property or equipment it uses in the operation of the plan at this time?

We are in the process of engaging an actuarial firm. The plan does not own any property or equipment.

7. According to the plan summary, the benefits are paid from each plan (new and old) based on the service years under each. Does this mean that the amounts from the old plan will be rolled into the new plan, or are there actual separate payments made to each participant?

The FRP plan is making payments that are separate from the old FRS plan.

8. Under the heading Selection Criteria, Section A refers to an "...attached questionnaire...". We could not locate a separate questionnaire in the packet we received. Would you kindly provide us with a questionnaire or clarify its location in the RFP.

Please disregard Item A under Selection Criteria as there is no questionnaire.

9. Might you have a report showing the current market value, asset allocation as well as roster of external providers such as investment managers, consultant, etc.?

As of 9/30/13, the FRP plan assets are \$1,505,601.05.

Mr. Paul Payne currently serves as Chairperson and I (Richard Frank) am the Secretary of the plan by virtue of being Director of Personnel for the City. There are no other elected positions.

We are currently finalizing our search for an actuary, and have commenced RFP searches for auditor and medical services provider. We have not yet selected an investment consultant. The custodian of the Plan is the Treasurer of the City, Ms. Tishaura Jones.

10. Are there finalists for the actuary and investment consultant searches? If not, when might those be identified? When do you expect final selection of each?

We have not yet executed the contract for actuary, but anticipate announcing the selection in the near future. We have not started the search for an investment consultant yet due to the size of the fund.

11. We would like to obtain a copy of the most recent audited financial statements of the Plan. Is it possible for you to email them to me or do I need to come to your office to make a copy of them?

Since this is a brand new plan there are no audited financial statements to provide you with.