RFP 2020-BO010
Audit Services

RFP ADDENDUM NO. 1 - QUESTIONS AND ANSWERS

To All Potential Bidders:

This addendum is issued to modify the previously issued bid document and/or given for informational purposes, and is hereby made a part of the bid documents. Please attach this addendum to the documents in your possession. The original RFP Documents remain in full force and effect, except as modified by this Addendum, which is hereby made part of the RFP. Respondents shall take this Addendum into consideration when preparing and submitting its Proposal. Per the RFP, the proposer shall acknowledge receipt of any and all addenda, if any, per item 9 under Certification Statement, page 12.

QUESTION/ANSWERS – submitted by email

1. Is the auditor for the 2020 audited financial statements included in the RFP process? If so, why is the College going through the RFP process?

The prior audit firm determined they did not have the resources to continue providing top quality auditing services due to staffing changes they experienced.

2. What were the audit fees for the 2020 audit and does this fee include out-of-pocket expenses? Were there any additional billings outside the fee estimate in the engagement letter?

The 2020 audit fees included out-of-pocket expenses. There was a supplemental payment above the estimate of 13%.

3. The audited financial statements contain the audited financial statements for the Foundation. Does this RFP also include audit services of the Foundation? If so, are 990 services needed for the Foundation?

No, the Foundation has separate auditors. 990 services are not part of this RFP.

4. Can you provide clarification on the fiscal year for this RFP? In several places in the proposal, it refers to fiscal year 2021. However, in the first paragraph of Section 2.1 it refers to the fiscal year beginning 9/1/2021 and ending 8/31/2022.

This is for Fiscal Year 2021 ending 8/31/2021.

5. The RFP indicates an estimated date of August 9 for approval of a firm by the Board. Will the approved firm be able to conduct interim procedures for this 2021 audit?
Yes, the firm will be able to conduct interim work after approval by the board.

6. Are there any anticipated bond issues for fiscal year 2021?

No.

7. What current year events do you feel will have an impact on the audit?

The College has had 100% turnover in key staff in the business office, which resulted in a loss of some institutional knowledge. The additional aid received due to COVID19 relief.

8. How many adjusting journal entries were proposed by the audit firm as part of the fiscal year 2020 audit?

We see 26 adjusting journal entries from the audit firm for FY2020.

9. Has the College started its GASB 87 implementation?

The College has not made any significant progress on GASB87 implementation.

10. Is the expectation for the audit to be performed all on-site, all remotely, or a blend of the two?

A blend of on-site and remote is anticipated.

1. Was the report for 8/31/20 filed late to the THECB?

Yes, the report was filed in February 2021.

2. Does this proposal include auditing the foundation?

No - the foundation is audited separately.

3. Is this audit for year ending 8/31/2021? Or 8/31/2022? (2.1 and Tab 5 have a discrepancy)

It is for the audit year ending 8/31/2021.

4. Do you have any issues with your federal or state money or with the DOE?

No issues.
5. Do you normally have a single audit for Texas?
Yes.

6. What COVID related grants or monies did you receive?
We have been awarded:
CARES (232) - Student 84.425E $1,954,443.00
CARES (189) - Institution 84.425R $1,954,443.00
HEERF I (373) - Supplemental 84.425M $192,545.00
CRRSA (232) - Student 84.425E $1,954,443.00
CRRSA (189) - Institution 84.425F $5,508,898.00
HEERF III (232) - Student 84.425E $6,480,161.00
HEERF III (189) - Institution 84.425F $6,253,597.00
HEERF II (373) - Supplemental 84.425M $310,721.00

7. Why are you changing auditors?
Due to personnel changes with the auditors, they determined they did not have the resources to continue providing top quality auditing services to Kilgore College.

8. Will the prior auditors workpapers be available for review?
We are in the process of obtaining workpapers from the prior auditors.

9. Was there a management letter in addition to the findings for 8/31/2020?
No.

10. Will we be able to receive information electronically and be able to work remotely for some portions of the audit?
Yes.