

Questions received in response to RFP No. FIN0117-001

Addendum #1

1. How long has the current auditors been performing the audit for the District?
 - Our most recent auditors served us for five years
2. How many auditors and how many weeks were the auditors on site for both interim and year end field work?
 - Interim has been 2-3 auditors for approximately 3 days. Final has been 2-3 auditors for approximately 3-4 days
3. What is the desired timeline for:
 - Interim
 - We prefer end of July
 - Year-End
 - Preferred 3rd week of September
 - Draft Reports
 - A week before final audit
 - Final Reports
 - By end of October for our committee meeting on the 2nd Wednesday of November
4. What were the prior audit fee(s)? Please provide breakdown by report.

Annual Financial Audit:

Fiscal Year	\$00.00
2011-12	17,900.00
2012-13	17,900.00
2013-14	17,900.00
2014-15	18,437.00
2015-16	18,437.00

Single Audit for One Major Program (as applicable):

Fiscal Year	\$00.00
2011-12	3,225.00
2012-13	3,225.00
2013-14	3,225.00
2014-15	3,322.00
2015-16	3,322.00

5. Are there any new services requested in this RFP that were not included in the prior year audit fee?
 - No new services
6. Will there be a Single Audit? (If so, please include the most recent copy of the report with your response)
 - No Single Audit is anticipated this fiscal year

7. If required, who does the State Controller's Financial Transaction Report preparation and submission? If the auditors, how much was the last year's fees?
 - We file our own report
8. How many journal entries were proposed by the auditors? Were there any findings?
 - Last year there was one journal entry. No significant findings
9. Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?
 - No material adjustments
10. Has the District entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?
 - No major contracts. Small Projects are:
 - Revise MWDOC's website \$50k
 - Building Improvements \$100k
 - Fully funded OPEB \$400k payment to trust and \$209 in designated reserve
 - Records Management Project \$113k
11. Any New Debt Issuances in the Current Fiscal Year?
 - No Debt
12. Is the District involved in any litigation not included in the Prior Year Financial Statements?
 - No litigation
13. Any other Major Changes in the Current Fiscal Year that would affect the operations of the District?
 - No Major Changes
14. How did you measure the quality of the audit performed?
 - Each year was more thorough as they learned our processes and dug deeper
15. What audit areas, in your opinion, were cumbersome?
 - GASB68
16. What efficiencies would you like to see in the audit of the District's financials?
 - Suggestions for process improvements
17. Why is the District considering changing the auditor?
 - We have to change auditors every 5 years
18. Will your prior auditor be invited to bid?
 - Yes
19. How long has your prior auditor been performing the audit?
 - 5 years
20. How can we obtain a copy of your prior year financial statements?
 - On our website
21. Have there been any changes in your accounting system or software since last year?
 - No
22. Do you expect to have any retirement or replacement of key employees in Finance?
 - No

23. Is there anything specific that you are looking for with the successor auditors?
- No
24. What are the things you liked and didn't like about your current auditors?
- We worked well together, had good communication and they were flexible.
25. Were there any material weaknesses or significant deficiencies in the prior year?
- No
26. How much were the total federal expenditures in prior years and can you provide a copy of your last single audit if you had one?
- Prior year's federal expenditures range from \$280k to \$744k. Our last single audit was fiscal year 2013-14
27. How many major programs are usually tested each year for the single audit?
- 1-2
28. Any litigation not included in the 2016 Financial Statements?
- No
29. Will there be any significant events in FY 2016-17?
- No
30. Are there any significant changes in operations expected for FY 2016-17?
- No
31. Did the District have any management letter comments or significant deficiencies or material weaknesses in prior audits?
- We have management letter comments but no significant deficiencies or material weaknesses
32. Has the District had in the past year, or is it contemplating any significant new or revised IT systems?
- We continually update our IT equipment
33. Has the District experienced any fraud or illegal acts in the past three years?
- No
34. Has the District requested any additional, non-audit services from its auditors during the past contract and, if so, what was the nature of these services?
- No
35. Could we get a description of the different IT systems (e.g. billings, fixed assets, GL, etc.) utilized by the District?
- Accounting uses Navision by Microsoft
36. Does the district perform any hard closes during the year? If yes, when?
- No
37. When does the district expect to close the year end books?
- We are on a Fiscal year end as stated in our RFP. Our close date is June 30 of each year.
38. Would MWDOC clarify the starting dates for fieldwork?
- Interim fieldwork audit would be July or August. Final fieldwork would be September.

39. Does the District hire another firm to calculate the Pension Liability or did the audit firm prepare the calculations? If the audit firm prepared the calculation, please provide any additional fees paid?
- The first year of GASB68 implementation our auditors worked with us in preparing the calculation and footnotes. There was an additional charge of \$3,000.00 for this first year but no extra fee for last fiscal year.
40. Does the District anticipate contracting different firms for each of the two RFPs (RFP No. FIN0117-001 for financial statement audit services and RFP No. FIN0117-002 for financial consultant services)?
- Yes
41. If firms submit proposals for both RFP No. FIN0117-001 and RFP No. FIN0117-002, and are selected for one or both contracts, will there be an option to select which contract to enter into with the District? In other words, which selection is the District making first, and will proposers then be able to withdraw the other proposal in the event the District plans to contract with separate firms?
- We will choose the audit firm first and can notify that firm contingent to board approval
42. Does the District expect to incur federal expenditures in excess of \$750,000 in a fiscal year for '17, '18 or '19?
- No
43. Has the District experienced any recent turnover in key accounting or finance positions that would impact the audit?
- No