ADDENDUM 1

This addendum contains clarification and additional information, which modifies the conditions of the above referenced BID/RFP as follows:

Questions from Vendor #1

1. Page 4 of the RFP indicates the Foundation is a discretely presented auxiliary Fund of the District. Is a separate audit report issued for the Foundation?
   The Foundation financial information is discretely presented in the Districts audited financial statements.

2. Page 13 of RFP, requires a separate cost proposal for the District Audit and Measure H & J Bonds. Please confirm that costs related to the Foundation are to be included in the District cost proposal.
   The costs for the Foundation component of the audit should be separately identified.

3. What is the District’s preferred timeline for:
   a. Interim work prior to year-end closing
      The interim work is typically completed in June.
   b. Audit procedures related to state compliance
      State compliance procedures are typically completed in June.
   c. Audit procedures related to student financial aid
      Financial Aid audit procedures are typically completed in June.
   d. Year-end audit fieldwork
      The year-end fieldwork is typically completed in October.
   e. Presentation to the Board of Trustees and/or Citizens’ Bond Oversight Committee
      The presentation to the Board is typically done at the January Board meeting.

4. What ERP/ Accounting systems are utilized for
   a. District – Ellucian Colleague
   b. Foundation – QuickBooks
   c. Any Ancillary/ Auxiliary Funds – NA

5. Does District management have a preference regarding the amount/type of audit procedures that are conducted on-sight versus remote?
   None

All other bidding contract and construction drawing documents, stipulations, dated and times remain unchanged, in full effect and by reference become a part of this addendum.
Questions from Vendor #2

1. What is the reason the District is soliciting qualifications for the independent auditor?
   The District has established a practice of going to RFP every five years as a best practice.

2. Have there been any changes in key administrative positions? If so, please explain the reasons for the changes.
   There were no changes in key positions.

3. What were the fees paid for the similar audit services for FY 2019?
   The contracted amounts for 2018-19 were:
   - District Audit Fees: $59,000
   - Measure H & J Audit Fees: $9,800
   - Foundation: $2,800

4. How many auditors were on site and for how long?
   The onsite interim audit field work duration was one week and included three or four auditors. The onsite year-end field work duration was for two weeks and included five to six auditors.

5. Does the auditor prepare a standalone report for the Foundation?
   The Foundation financial information is discretely presented in the District's audited financial statements.

6. Does the District or the auditor prepare the conversion entries for GASB 35?
   The conversion entries are prepared by the auditor.

7. What is the expected timing of fieldwork(s) and when does the District want final reports issued?
   The fieldwork is typically conducted in June and October with a final product by December and presented to the Board at the January Board meeting in following year.

Questions from Vendor #3

1. What do you like about the service provided by your current auditing firm? What don't you like? Who are your current auditors?
   Our current auditor is Gilbert CPAs.

2. Are your prior year auditors included or excluded from the current RFP process?
   Refer to list provided in #3

3. Please provide a list of firms that have been sent an RFP.

<table>
<thead>
<tr>
<th>CliftonLarsonAllen LLP</th>
<th>James Marta &amp; Company LLP</th>
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</thead>
<tbody>
<tr>
<td>Crowe LLP</td>
<td>Jeanette L. Garcia &amp; Associates</td>
</tr>
<tr>
<td>CWDL, Certified Public Accountants</td>
<td>Kemper CPA</td>
</tr>
<tr>
<td>Eide Bailly, LLP</td>
<td>Linger, Peterson &amp; Schrum</td>
</tr>
<tr>
<td>Gilbert CPAs</td>
<td>Messner and Hadley, LLP</td>
</tr>
<tr>
<td>Horton, McNulty &amp; Saeteurn, LLP</td>
<td>The Pun LLP</td>
</tr>
</tbody>
</table>

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4. What were your prior year’s contract fees for each of the last three years? Please break out by District audit, and any other additional work performed by your previous CPA firm.

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Audit Fees</td>
<td>$ 57,500</td>
<td>$ 58,500</td>
<td>$ 59,500</td>
</tr>
<tr>
<td>Measure H &amp; J Audit Fees</td>
<td>$ 9,400</td>
<td>$ 9,600</td>
<td>$ 9,800</td>
</tr>
<tr>
<td>Foundation Tax Fees</td>
<td>$ 2,600</td>
<td>$ 2,700</td>
<td>$ 2,800</td>
</tr>
</tbody>
</table>

5. What is the main reason the District decided to submit this RFP rather than continuing using the services of your current auditor?
   The District has established a practice of going to RFP every five years as a best practice.

6. Were there any major changes in the engagement requested in the RFP compared to last year’s engagement?
   There are no major changes.

7. How many major programs are usually tested each year for the Single audit? Please provide the schedule of expenditures of federal awards for the prior 2 years. This information is available as part of the Districts audited financial statements available online at [http://www.mccd.edu/offices/fiscal/financial-reports/annual-audit-reports.html](http://www.mccd.edu/offices/fiscal/financial-reports/annual-audit-reports.html)

8. How many auditors and how many weeks were the prior auditors on site, for interim and year-end field work?
   The onsite interim audit fieldwork duration was one week and included three or four auditors. The onsite year-end fieldwork duration was for two weeks and included five to six auditors.

9. How many adjusting journal entries did the audit firm propose? And what were the nature?
   There have been no audit adjusting journal entries performed. However, the audit firm does post all conversion entries on behalf of the District. For 18-19 there were 25 entries.

SPECIAL NOTE:
It is the responsibility of each Bidder to acknowledge all addenda by signing below and submitting a copy of each addendum with their respective bid.

I HAVE READ AND UNDERSTAND THESE MODIFICATIONS TO THE ABOVE BID: __________________________

All other bidding contract and construction drawing documents, stipulations, dated and times remain unchanged, in full effect and by reference become a part of this addendum.