

Addendum No. 1

**Responses to Submitted Questions
Request for Proposal No. 15-002**

April 13, 2015

**Gavilan Joint Community College
5055 Santa Teresa Boulevard
Gilroy, CA 95020**

Contact: Wade W. Ellis, CPA
Director, Business Services
Telephone: (408) 848-4739
FAX: (408) 226-4043
wellis@gavilan.edu

ADDENDUM NO. 1
April 13, 2015

REQUEST FOR PROPOSAL # 15-002
INDEPENDENT AUDIT SERVICES

This Addendum No. 1 responds to submitted questions as it relates to RFP #15-002 Independent Audit Services (“RFP”) previously issued by the Gavilan Joint Community College District (“District”) before **April 13, 2015** by **5:00 p. m.**

Question No. 1: What were the prior year fees? Was last year’s scope the same as stated in the RFP? (i.e. same reports)

Answer No. 1: Prior years fees totaled \$61,000.00. The scope is the same as the prior year.

Question No. 2: Did Crowe Horwath perform any additional services beyond the scope of the RFP?

Answer No. 2: Some additional professional services were performed in preparing District financial statements.

Question No. 3: What is the District’s preferred timing for interim and year-end fieldwork?

Answer No. 3: Preferred timing for interim is end of May or June and year-end field work is sometime between the third week in September to end of October.

Question No. 4: When are the District’s financial records closed and available for the auditors?

Answer No. 4: Anticipated year-end close is the middle of September.

Question No. 5: Does the District prepare its conversion entries to convert fund financials to the full-accrual financial model reported in the audited financial statements?

Answer No. 5: Yes, with the guidance of the audit firm

Question No. 6: Will your auditors be able to obtain electronic data files from the Banner system (accounting and attendance)?

Answer No. 6: Yes, as much that is possible from the Banner system.

Question No. 7 Are there any recent or future changes that could impact the audit in the upcoming year (not in the 6/30/14 report)? (i.e. new debt issues or construction projects).

Answer No. 7 It is possible, the District is working on a local bond refunding and there is ongoing construction that has not been completed.

Question No. 8 Do you have any new federally-funded programs with significant expenditures (expected to exceed \$300k by 6/30/15)?

Answer No. 8 No.

Question No. 9 Is the District prepared for or what have they done to prepare for the implementation of GASB 68? Is the District expecting assistance with its implementation of GASB 68 from the selected auditors?

Answer No. 9 The District is expecting assistance with the implementation of GASB No. 68 from the selected auditors.

Question No. 10 Has there been any turnover in accounting personnel in the last year?

Answer No. 10 The District has had a change in accounting personnel. The Director of Business Services was new starting January 1, 2015

Question No. 11 Are the auditors expected to prepare the Foundation's Form 990 Tax Return?

Answer No. 11 No, that is not expected.

Question No. 12 Please provide a copy of the executed contract for the 6/30/14 audits.

Answer No. 12 See Below.



Crowe Horwath LLP
 Independent Member Crowe Horwath International
 400 Capitol Mall, Suite 1200
 Sacramento, California 95814-4434
 Tel 916.441.1000
 Fax 916.441.1110
 www.crowehorwath.com

October 30, 2012

Mr. Joe Keeler
 Vice President, Administrative Services
 Gavilan Joint Community College District
 5055 Santa Teresa Boulevard
 Gilroy, California 95020

Dear Mr. Keeler:

Thank you for the opportunity to discuss Crowe Horwath's continued relationship with Gavilan Joint Community College District. We value the business relationships we have maintained with the District for the past three years. As discussed, below are our proposed independent audit fees for the financial statements of the District and the Foundation, financial statements of the Measure E General Obligation Bonds, and Performance Audit related to Measure E General Obligation Bonds for fiscal years ended June 30, 2013 and 2014. The proposed audit fees will have an annual increase of 3% from the previous fiscal year.

	<u>Actual Fees</u>	<u>Proposed Fees</u>	
	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
District and Foundation	\$ 50,500	\$ 52,000	\$ 53,600
Bond Financial Audit	3,500	3,600	3,700
Bond Performance Audit	<u>3,500</u>	<u>3,600</u>	<u>3,700</u>
Total	<u>\$ 57,500</u>	<u>\$ 59,200</u>	<u>\$ 61,000</u>

Please let us know if we can be of further assistance. Again, thank you for the opportunity to work with Gavilan Joint Community College District.

Very truly yours,

Tina M. Treis
 Tina Treis
 Partner

END OF ADDENDUM NO. 1