



## **BID ADDENDUM #1**

**February 28, 2017**

To:  
**Prospective Bidders**

**External Audit Services 2017  
California State University Stanislaus  
One University Circle, Turlock, CA 95382**

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**Bid / Project Number: EAS2017  
Deadline for receipt of proposals: March 20, 2016  
Notice of Intent to Award (approximate): March 28, 2017**

This Addendum forms a part of the contract documents and modifies the original bidding documents. Addendum shall be noted as received and acknowledged on the Bid Proposal Form when submitted as outlined in the Bid Package referenced above.

The following corrections, additions, deletions, and/or modifications to the above package, by this reference, shall be incorporated therein:

### **QUESTIONS AND ANSWERS:**

1. Are there any significant operational changes from prior year? **No**
2. Did the Organizations issue any new debt? **No**
3. Did the Organizations receive any significant new federal grants? **N/A – Grants are not held on our Auxiliaries at this time.**
4. Which, if any, of the Organizations are required to have a federal Single Audit? **No**  
If so:
  - a. Are the compliance records for the federal award programs kept at the administrative office?
  - b. Does the Organization have a “program officer” who is knowledgeable about the federal grants and that is available to liaison the single audit.
5. Were there any internal control or compliance findings in the prior year audit? **No**

6. Have there been any changes in finance department personnel in the current fiscal year? **We are hoping to have one additional accountant on board prior to fiscal year end, but the position was vacant last year. We have the same management team completing financial statements and review as last year.**
7. Please list the key staff members in finance and their years of experience with the Organization.
  - a. **Regan Linderman – Controller – 8 years at Stanislaus State**
  - b. **Amanda Nelson – Auxiliary Accounting Manager – 5 years at Stanislaus State**
  - c. **Dennette Dores – Accountant II – 10 years at Stanislaus State**
  - d. **Patti Carpenter – Accountant II – 7 years at Stanislaus State**
8. Do you expect any retirements of key personnel in finance? **No**
9. Have there been any changes in other senior management positions at the Organization in the current fiscal year?  
**Yes**
  - a. **Darrell Haydon – Interim VP for Business and Finance/ Interim ED for ABS. Darrell has 9 years of experience within the CSU and related auxiliaries.**
  - b. **AVP Financial Services is currently in recruitment**
10. How many audit adjustments were proposed by the auditors for the 2015-16 year? **Zero**
11. How many audit adjustments did the Organizations propose after the start of fieldwork? **Zero**
12. In general, what were the audit adjustments related to? **N/A**
13. How many auditors were assigned to the Organization’s audit last year and how many days did they spend onsite?
  - a. **Interim fieldwork is typically 4 days. 3-5 auditors and one day to day manager**
  - b. **Final fieldwork is typically 5 days in. 5 auditors, one day to day manager. Higher level manager and/or partner here for 1-2 days.**
14. What is the reason that the Organizations are going out to bid? **The Foundation policy dictates the RFP process at least every 5 fiscal years.**
15. Did you have any disagreements with the prior auditors? **No**
16. When are the books closed and ready for audit?
  - a. **Associates Students – 10 business days**
  - b. **University Student Union – 10 business days**
  - c. **Auxiliary and Business Services – 12 business days**
  - d. **Foundation – 18 business days**
17. What were the prior year audit fees and the fees for the other services provided?
  - a. **Associated Students - \$8,500 audit/\$1,500 tax**
  - b. **University Student Union - \$12,500 audit/\$1,500 tax**
  - c. **Auxiliary and Business Services - \$15,000 audit/\$2,000 tax**
  - d. **Foundation - \$27,500 audit/\$2,500 tax**

18. What is your reason for going out to bid for these services? **The Foundation policy dictates the RFP process at least every 5 fiscal years.**
19. If fees are similar, what would be the determining factor in selecting an audit firm? **Experience within the CSU System in relation to FASB auxiliaries and references.**
20. Is your current audit firm allowed to submit a proposal? **Yes**
21. Is there any anticipation, there would be a need for a single audit? **No**
22. Have there been any significant organizational changes for any of these organizations (change in funding, transfer of operations to another entity, major fundraising drives, etc.) since June 30, 2016? **No**
23. How has the current auditor structured their audit team? 1 for all 4 audits or separate teams for each audit? **The current audit firm has structured one team to come out and audit all four auxiliaries. Typically one auditor may focus on certain areas across all the entities or on one specific entity (i.e. foundation).**
24. What is the size of the accounting department(s) in terms of personnel? **1 manager, 3 accountant II's**
25. How many journal entries were identified by the auditor for the June 30, 2015 audits? **Zero**
26. What are the current audit and information (or tax) return fees for each organization?
- a. **Associated Students - \$8,500 audit/\$1,500 tax**
  - b. **University Student Union - \$12,500 audit/\$1,500 tax**
  - c. **Auxiliary and Business Services - \$15,000 audit/\$2,000 tax**
  - d. **Foundation - \$27,500 audit/\$2,500 tax**
27. Any significant changes in types of investments by any of the entities? **No**
28. The Associated Students Incorporated management communication was dated 9/27/16 did this also match the audit report date? If it does, was there anything significant that happened which caused the audit to be released after the 70 day requirement indicated in the RFP? **The audit report was dated 9/15/17. Our previous RFP did not have the 70 day requirement; the requirement has been significantly moved forward due to the Chancellor's Office moving their timelines forward.**
29. The link on the Associated Students site for the 2016 audit, appears to be the "Report to the Board of Directors" Could you please provide a copy of the audit report? **It has been replaced on the website.**
30. Are you looking for one proposal to cover all 4 organization or 1 proposal for each organization? **Either method is fine as long as the pricing is indicated clearly for each auxiliary.**
31. Would it be possible to provide the internal control letters for each entity, if any? **Stanislaus State does not have any internal control letters.**
32. Please confirm that there is no single audit requirement. Review of the federal audit clearinghouse did not show any records of data collection forms filed so we assume not. Please confirm. **Confirmed**
33. Please provide the number of adjusting journal entries identified by the prior auditor for each entity. **No adjusting entries or passing adjusting entries for the past 4 fiscal years.**

34. How many days did the prior auditor spend on interim fieldwork, how many auditors were used? **Interim fieldwork is typically 4 days. 3-5 auditors and one day to day manager**
35. How many days did the prior auditor spend on final fieldwork? How many auditors were used? **Final fieldwork is typically 5 days in. 5 auditors, one day to day manager. Higher level manager and/or partner here for 1-2 days.**
36. Are the internal control processes the same for all entities? **For the most part. We operate under the shared services model; accounting functions are the same across all four entities. Payroll/HR related controls and procedures only relate to the student organizations.**
37. Are the members of the board and/or audit committee the same for all four entities? **No, each auxiliary has its own board of directors and audit/finance committee.**
38. Will the same accounting personnel (i.e. key contact for audit requests) be responsible for all four entities? **Yes**
39. Are the financial records for all the entities located in the same building on campus? **Yes**
40. Will management be preparing the initial draft financial statements along with footnotes and supplemental schedules? **Yes**
41. What were the audit fees for the 2016 audit for each entity?
- Associated Students - \$8,500 audit/\$1,500 tax**
  - University Student Union - \$12,500 audit/\$1,500 tax**
  - Auxiliary and Business Services - \$15,000 audit/\$2,000 tax**
  - Foundation - \$27,500 audit/\$2,500 tax**
42. Please forward me the auxiliaries' prior financial statements. **The Articles of Incorporation, Corporate Bylaws, 2016 Audited Financial Report and 2014 Form 990 Information Returns are public information and available on the web-sites of each auxiliary organization. Provided below are the web-site links:**
- **Associated Students, Inc. (ASI) - <https://www.csustan.edu/asi-usu/about-us/about-associated-students-inc>**
  - **University Student Union (USU) - <https://www.csustan.edu/asi-usu/about-us/about-university-student-union>**
  - **Auxiliary and Business Services (ABS) - <https://www.csustan.edu/ABS>**
  - **Foundation (FDN) - <https://www.csustan.edu/foundation/governance-financial-documentation>**

END OF ADDENDA