



BOONE COUNTY, MISSOURI
Request for Proposal #: 49-27OCT08 – Financial and Compliance Auditing Services

ADDENDUM #2 - Issued September 18, 2008

This addendum is issued in accordance with the Instructions and General Conditions of the Request for Proposal and is hereby incorporated into and made a part of the Request for Proposal Documents. Offerors are reminded that receipt of this addendum should be acknowledged and submitted with Offeror's *Response Form*.

Specifications for the above noted Request for Proposal and the work covered thereby are herein modified as follows, and except as set forth herein, otherwise remain unchanged and in full force and effect:

The County received the following questions and has provided the following responses:

Question 1: Please clarify the CAFR writing process described in 3.7.3. of the RFP. Does the County or the Independent Auditor prepare the financial statements of the CAFR? Does the County or the Independent Auditor draft the footnotes?

Response: Please refer to section 3.8 for information regarding the County's responsibilities.

Regarding the specific questions asked above, the County Auditor prepares the financial statements and provides clean, camera-ready copies to the Independent Auditor for inclusion for CAFR publishing. The Auditor makes these available in hard-copy and/or electronic format. The Independent Auditor drafts the footnotes for Auditor review; once approved, the Independent Auditor is responsible for preparing the final camera-ready version of footnotes for inclusion in the CAFR. The financial information included within the footnotes is provided primarily by the County Auditor; however, the Treasurer provides information for cash and investment disclosures, and disclosures pertaining to the component unit are obtained from the CU financials.

Question 2: Per 4.3 of the RFP, should an engagement letter be included within the proposal document?

Response: This is optional.

Question 3: Please provide the fees for the financial and compliance audit of Boone County for each of the last five years.

Response: Fees for the last 9 years are presented below. The single fee includes both financial and compliance audit services.

| <u>Fiscal Year</u> <u>Audited</u> | <u>Engagement</u> <u>Year</u> | <u>Audit</u> <u>Fees</u> |
|--------------------------------------|----------------------------------|----------------------------------|
| 1999 | 2000 | \$ 38,000 |
| 2000 | 2001 | \$ 53,400 |
| 2001 | 2002 | \$ 62,000 |
| 2002 | 2003 | \$ 71,300 |
| 2003 | 2004 | \$ 86,800 GASB 34 Implementation |
| 2004 | 2005 | \$ 87,000 |
| 2005 | 2006 | \$ 91,000 |
| 2006 | 2007 | \$ 96,000 |
| 2007 | 2008 | \$ 98,880 |

Question 4: The Auditor's opinion for the December 31, 2007 CAFR is after the June 30 GFOA submission date. Why was the report submission extended?

Response: An extension was requested and obtained from GFOA due to the additional time needed for the retrospective implementation of GASB 34 provisions for infrastructure. The only other engagement year in which an extension has been requested (and granted) was 2004 (FY 2003 financials), the year of initial implementation of GASB 34.

Question 5: Does this RFP include auditing the discretely presented component unit, Boone Hospital Board of Trustees?

Response: No. The Boone Hospital Board of Trustees is responsible for procuring audit services on their own behalf. Although the County and the Boone Hospital Board of Trustees have never each engaged the same audit firm, the County would impose no prohibition against the County's audit firm also providing audit services for the Hospital Trustees. The Boone Hospital Board of Trustees is currently soliciting proposals for audit services. For more information regarding this RFP process, please contact:

Bob Gerding, CPA
Gerding, Korte & Chitwood, PC, CPA's
20 South Fifth Street
Columbia, MO 65201
573-449-1599/573-443-8603 Fax

Question 6: How many auditors are on-site and for how long during interim?

Response: Interim fieldwork has not been a part of the overall audit design in prior years. It is being incorporated at this time in an effort to keep the audit and financial statement preparation activities manageable in light of the limited staff resources of the Auditor's Office and the very short time frame in which these responsibilities must be completed. The County will not, however, disqualify or penalize proposals that do NOT incorporate interim field work into their overall audit approach. Firms may present an audit approach that consolidates all audit activities within a single fieldwork period and/or they may present an audit approach that performs some audit field work on an interim basis. If both approaches are presented, the pricing should clearly indicate if the fees are the

same for either approach; if not, the difference in pricing should be clearly identified and explained.

Question 7: How many auditors are on-site and for how long for final fieldwork?

Response: In the past, on-site fieldwork has typically commenced in late April and continued through late May. During the course of fieldwork, the size of the audit crew varied.

Question 8: Does the component unit have a December 31 fiscal year-end?

Response: Yes.

Question 9: What journal entries, if any, were proposed by the auditors in 2007?

Response: See attached. For the FY 2006 financial statements, there were no proposed adjustments.

Question 10: How is the County preparing for GASB Statement Number 45?

Response: The County has contracted with Milliman to obtain an actuarial valuation and the report is expected this fall. The County's exposure is limited because retiree coverage is offered only to benefited employees who retire at age fifty-five (55) or older with eight (8) continuous years of Boone County employment. The coverage may only be continued until the individual is eligible for Medicare. Spouses and/or dependents of retirees are not eligible for retiree medical coverage.

Question 11: In the 2007 Single Audit, the County had a material weakness over a major program. This means the County is no longer considered a low-risk auditee and a higher coverage of testing is required. What programs do you anticipate having expenditures greater than \$300,000 in 2008?

Response: Child Support Enforcement (a continuing program). In addition, although the County budgeted for a bridge project in 2008 to be partially funded with federal monies (estimated project costs of \$1.5 M and estimated federal revenues of \$725,000), this project has been delayed and will most likely be built in FY 2009. At this time, it appears highly unlikely that contracts will be awarded by the end of year due to delays in right-of-way condemnation proceedings.

Question 12: Should the pricing page be included with the technical proposal so the entire proposal is one document?


Response: Yes, and please complete the *Response / Pricing Page* 16 and place at the front of your proposal response. (per paragraph 5.1.1.2.b.).

Question 13: Does the County plan to interview respondents to the RFP?

Response: After an initial evaluation process, a question and answer interview may be conducted with the Offeror, if deemed necessary by the County (per paragraph 5.1.3.2.).

Question 14: Has the County had any audits by state or federal oversight agencies during the 2008 fiscal year to date?

Response: No.

By: 
Melinda Bobbitt, CPPB
Director of Purchasing

OFFEROR has examined copy of Addendum #2 to Request for Bid # t, receipt of which is hereby acknowledged:

Company Name: _____

Address: _____

Phone Number: _____ Fax Number: _____

Authorized Representative Signature: _____ Date: _____

Authorized Representative Printed Name: _____

