



RFP1718-06 Audit Services  
Addendum 1  
January 19, 2018

Questions/Clarifications

*Q. Why is the College going out for proposal?*

A. The current contract ends effective 6/30/2018, and the College needs an updated contract for these services.

*Q. Has the current auditor been invited to bid?*

A. Yes. No auditors have been excluded from bidding. It is an open solicitation.

*Q. Were there any journal entries discovered by the auditors during the 2017 audit process?*

A. No.

*Q. How many auditors and how many days were the auditors in the field for interim and final fieldwork?*

A. Traditionally, one audit staff spends about a week on interim work in student financial aid and a day observing bookstore inventory. Fieldwork has involved an average of two people for two weeks.

*Q. Are all accounting records in a central location or at decentralized sites?*

A. All accounting records are located in the central location of the Business Office of the Oregon City campus.

*Q. Outside of the audit process, what does the College find/define value from its auditors?*

A. The College finds value in being available to answer fiscal questions that arise throughout the year. There is also value in the auditors coming and discussing the audit with the College's Board of Education.

*Q. Were there any major audit issues identified for 2017? Any anticipated ones for 2018?*

A. No major issues were identified for 2017, and none are anticipated for 2018.

*Q. What transition issues would the College be concerned about if the audit is awarded to new auditors?*

A. No transition issues would be anticipated.

*Q. Have there been any significant changes in key staff in the past year that would affect the 2018 audit?*

A. There was a new Vice President of College Services (CFO) hired in October of 2016, and a new Dean of Business Services (who oversees the audit process) hired in June of 2017. But those hires would have been a greater impact to the 2017 audit since they both happened prior to the 2017 audit.

*Q. Do you expect any changes in the major single audit programs of the College?*

A. No.

*Q. Assuming each bidders proposed fees are equal, what is the next most important thing to the College?*

A. Qualifications of personnel performing the audit.

*Q. Is there a deadline as to when the final reports needs to be delivered to the College?*

A. The deadline for the College report should be two weeks prior to the Board of Education meeting that will be in either November or December depending (depending on staff availability and weather). The deadline for the Foundation is one week prior to their April board meeting.

*Q. What, if any, concerns would the College have with the audit being completed by a firm without and off in Oregon City, OR? What, if any, concerns would the College have about part of the audit being performed remotely?*

A. No concerns with either as long as audit staff were available via email, phone or video conferencing, and could attend the required Board of Education meetings in person.

*Q. Is the current auditor eligible for re-engagement?*

A. Yes.

*Q. May we receive a copy of the communications to those charged with governance for both the College and Foundation?*

A. Attached as PDF after this document.

*Q. When was fieldwork performed for the Foundation audit? The RFP details fieldwork timing for the College, but not the Foundation?*

A. Fieldwork for the Foundation is done in March, with a presentation to the Foundation Board in April.

*Q. Was there a management letter issued for the most recent year audited for either the College or Foundation? If so, please furnish a copy.*

A. There was no management letter issued to the College aside from the Governance Letter, which is attached as a PDF after this document.

*Q. You state on page 11 that the fee was \$42,100. Does this include the single audit for the College?*

A. Yes. The fee includes Single Audit work.

*Q. What are the most important things that a new auditor could do to improve your satisfaction with the audit?*

A. Nothing in particular. The audits at the College tend to run smoothly.

KENNETH KUHN & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
570 LIBERTY STREET S.E., SUITE 210  
SALEM OREGON 97301-3594  
TELEPHONE (503) 585-2550

October 23, 2017

Board of Education  
Clackamas Community College  
Oregon City, Oregon

We have audited the financial statements of Clackamas Community College as of and for the year ended June 30, 2017, and have issued our report thereon dated October 23, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 7, 2017. Professional standards also require that we communicate to you the following information regarding significant audit findings related to our audit.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clackamas Community College are described in Note 1 to the financial statements. During the 2016-17 year, Clackamas Community College implemented Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We noted no transactions entered into by the College during the 2016-17 year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates affecting the College's financial statements are the Net Pension Liability and the liability for Postemployment Healthcare Benefits. The Net Pension Liability is (a) an estimate of the College's proportionate share of the Public Employees Retirement System (PERS) Plan's unfunded portion of the total pension liability plus (b) an estimate of the College's unfunded liability for Early Retirement Plan benefits at a specific point in time. The Postemployment Healthcare Benefits liability is an estimate of the College's unfunded liability for postemployment healthcare benefits at a specific point in time. The unfunded portion of each liability will change from one year to the next and is based on assumptions about the probability of the occurrence of events far into the future. The amounts were actuarially determined with management input. We evaluated the key factors and assumptions used to develop the College's Net Pension Liability and the College's liability for Postemployment Healthcare Benefits in determining that it is reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures may be particularly sensitive because of their significance to financial statement users. There were no significant sensitive financial statement disclosures for the 2016-17 year.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements detected as a result of audit procedures that management considered material, either individually or in the aggregate, to the financial statements as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the independent auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 23, 2017.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the College's financial statements or a determination of the type of independent auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Education and management of Clackamas Community College and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Kenneth Kuhns & Co.*

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KENNETH KUHNS & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
570 LIBERTY STREET S.E., SUITE 210  
SALEM OREGON 97301-3594  
TELEPHONE (503) 585-2550

March 31, 2017

Executive Committee  
Clackamas Community College Foundation  
Oregon City, Oregon

We have audited the financial statements of Clackamas Community College Foundation as of and for the year ended December 31, 2016, and have issued our report thereon dated March 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 16, 2016. Professional standards also require that we communicate to you the following information regarding significant audit findings related to our audit.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clackamas Community College Foundation are described in Note 1 to the financial statements. As discussed in Note 1 to the financial statements under the caption "Policy for Endowed Funds," Clackamas Community College Foundation changed its accounting procedure for endowed funds to conform to a change in the Foundation's policy for endowed funds. We noted no transactions entered into by the Foundation during 2016 for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant sensitive accounting estimates for 2016.

Certain financial statement disclosures may be particularly sensitive because of their significance to financial statement users. There were no significant sensitive financial statement disclosures for 2016.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no significant corrected or uncorrected misstatements in the Foundation's 2016 financial statements detected as a result of our audit procedures.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the independent auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 31, 2017.

### *Management Consultations with Other Independent Accountants*

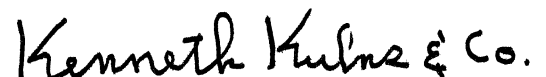
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of independent auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Executive Committee and management of Clackamas Community College Foundation and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Kenneth Kuhns & Co.