

Auditing Services – RFP
Bids due by noon on Feb. 4, 2022

Colby Community College is located in the northwest corner of Kansas, approximately 50 miles from the Colorado and Nebraska borders. The college was established in 1964; it is a dynamic institution of more than 1,900 students. In addition to a main campus of approximately 60 acres, Colby Community College operates a 60-acre farm for students to use as a hands-on laboratory and training facility.

Colby Community College is soliciting proposals for the College's annual audits (Colby Community College and Colby Community College Endowment Foundation) for fiscal years ending June 30, 2022, June 30, 2023, and June 30, 2024. Although the Board of Trustees cannot bind future governing bodies, it is anticipated that the firm selected will be retained for the three-year period with annual evaluations made of services provided. Recommendation to the Board of Trustees will be made based on information to be submitted with the proposal - see Section IX below.

I. General Information

Colby Community College, founded in 1964, is a comprehensive community college serving the northwestern Kansas region. Student credit hour enrollment is approximately 31,000 credit hours with 1,021 full-time equivalent credit hour students. Colby Community College also serves a wide variety of business and industry clients.

Colby Community College is governed by a publicly elected six-member board of trustees and is considered a coordinated institution by the Kansas Board of Regents.

The total annual legal budget actual expenditures for the fiscal year ended June 30, 2021, was about \$21,500,000.

II. Services to be Provided

This audit proposal covers two separate entities: Colby Community College and Colby Community College Endowment Foundation. It is the intent of this solicitation that the services to be provided by the auditing firm are substantially the same as the services provided by our auditors for the fiscal year ended June 30, 2021, including the current form and presentation of the audited financial statements and supplemental material. The firm selected will be expected to:

- A. Assist the College in preparation of the financial statements of the audited entities, compiled from the adjusted trial balance, including Notes to the Financial Statements and supplemental statements. Auditor will draft the financial statements using the College's background information. The College will approve and sign off on the completed

financial statement draft.

- B. Audit all funds of the College in accordance with U.S. generally accepted auditing standards; *Kansas Municipal Audit Guide*; *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of Single Audit (formerly known as OMB Circular A-133.) The selected firm will audit the Colby Community College Endowment in accordance with the appropriate standards for that type of entity.
- C. Review and adjust accruals for compensated absences. This would include vacation leave, sick leave, and early retirement. Also included is the preparation of GASB 68 and GASB 75 note disclosures to the financial statements. The College will prepare the vacation and sick accrual document and early retirement analysis.
- D. Review and record adjustments as required for capital leases and debt obligations. Assist in maintaining the amortization schedules for principal and interest maturities in connection with both capital leases and debt obligations.
- E. Assist College officials in correspondence to various federal and state departments and agencies in connection with findings or questions arising in the audit.
- F. Review all bond covenant requirements and advise College officials on any steps necessary to maintain compliance with these covenants.
- G. Provide detailed management letter of recommendations for improvements in the College's accounting system or operations.
- H. Present the audit reports and management letter recommendations to the Board of Trustees during a regularly scheduled board meeting no later than the January meeting following the June 30 year-end close. The College would prefer to have it presented at the December board meeting but understands there may be a delay with the additional HEERF single audits.

III. **Fund Groups**

A. Current Funds

1. Unrestricted

a. General Operating

b. Auxiliary Enterprises

c. Post-Secondary Technical Education

2. Restricted

B. Plant Funds

C. Agency

IV. **Federal Programs**

- A. Federal College Work Study
- B. Federal Supplemental Educational Opportunity Grants
- C. Federal Pell Grants
- D. Guaranteed Direct Student Loans
- E. Adult Basic Education Program
- F. Carl Perkins Program
- G. Higher Education Emergency Relief Funds (COVID-19 funding)
- H. Retired Senior Volunteer Program (RSVP)
- I. Federal SSS/TRIO Program
- J. Others as they are secured.

(see audit and legal budget for more information on fund groups)

V. **Method of Accounting**

The College's financial records are generally maintained on a modified accrual method of accounting. Revenues are recorded only when they become available, except student revenues are initially recorded on an accrual basis through the accounts receivable system. Encumbrances are recorded when budgetary expenditures are anticipated. At fiscal year-end, appropriate expenditures are accrued, and appropriate revenues are deferred.

VI. **Automated Systems**

Currently, the accounting records are processed in-house on Microsoft Dynamics Great Plains software. Payroll records are processed using APS software and imported into Microsoft Dynamics Great Plains. Student-related data is housed in PowerCampus and PowerFAIDS, both Ellucian based software systems.

VII. **Previous Year Audits and Public Budgets**

Colby Community College - Previous year audits and public budgets for Colby Community College can be found at <https://www.colbycc.edu/about/board-of-trustees/financial-reporting.html>.

Colby Community College Endowment – The most recent Colby Community College Endowment audit is attached. Additional years available upon request.

VIII. **Assistance from the College Staff**

The College's Business Affairs department and Financial Aid department staff will be available to assist the selected firm and will prepare schedules, pull documents, and reproduce documents as appropriate.

IX. Information to be Submitted with Proposals

A. Scope Section

Define the scope of services to be provided, including items listed in Section II above.

B. Time Schedule

Fieldwork is to be coordinated between the audit firm, Colby Community College, and the Colby Community College Endowment. It is anticipated the majority of the fieldwork will be performed in August, September, and/or October, with the audit reports prepared in time for distribution to and receipt by the Board of Trustees no later than January 2023 regularly scheduled board of trustee meeting. As stated above, it would be preferred to have the audit reports presented in December 2022.

C. Profile of the Firm

1. State the qualifications of your firm to perform the audit.
2. State whether your firm is local, national, or international.
3. Give the location of the offices from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
4. Describe the range of activities performed by the local office in the area of education (i.e., audit, accounting, or management services).

D. Audit Personnel

Identify the supervisors and staff who will work on the audit. Resumes or employee biographies should be included.

E. College and Municipal Auditing Experience

Describe recent local office auditing experience similar to the type of audits requested and give the names and telephone numbers of client officials responsible for those respective audits.

F. Additional Information

Give any additional information considered essential to this proposal, including involvement in state and local governmental organizations, seminars, etc.

Please include any training or professional development opportunities that your firm provides for clients to assist with the client's professional development. These areas should be specific to understanding compliance with GASB, KMAAG, FASB, UGG, and Higher Education best practices.

G. Fees

Proposals should include a statement of what the firm would charge to perform the audit for the fiscal year ending June 30, 2022. The fee proposal should clearly separate into the following three areas:

1. Cost of the audit and drafting of financials and related disclosures.
2. Costs associated with copies, mailings, communications, etc.
3. Costs associated with travel expenses, including travel, lodging, and food.

Preference will be given to firms that can conduct a majority of the audit remotely utilizing an engagement organizer.

Additionally, the proposals should indicate the range of fee increases for each of the next two years.

H. Quality Review or Peer Review Substantiation

Submit documentation to substantiate that your firm has undergone a peer review.

X. Submission of Proposals

If your firm desires to submit a proposal, please submit two copies in a sealed envelope clearly labeled "SEALED AUDIT PROPOSAL" to:

Colby Community College
ATTN: Justin Villmer
1255 S. Range
Colby, KS 67701

Proposals must be submitted prior to the opening, which will be in Thomas Hall Board Room at 12:00 p.m., February 4, 2022. The selection of the auditing firm will be made by the Colby Community College Board of Trustees at its regularly scheduled board meeting at 5:00 p.m. on Feb. 21, 2022. The selected firm will be notified upon award.

XI. Proposal Questions

All interested firms should submit any and all questions directly to Justin Villmer, Vice-President of Business Affairs, at justin.villmer@colbycc.edu no later than January 14, 2021, at 12:00 p.m. Each question and associated response will be provided to all firms that have expressed interest in a manner that protects the firm's identity no later than January 19, 2021, at 5:00 p.m.

The Board of Trustees reserves the right to accept or reject any submitted proposal and request



additional information. The professional accounting services purchased will be from the firm which, in the opinion of College personnel and the Board of Trustees, best meets the needs of the College.

Thank you for your consideration and time.

Sincerely,

Justin Villmer
Vice President of Business Affairs

Enclosures