

Date: April 17, 2024

Addendum Number One
Luna Community College
Annual Audit Services
RFP: #2024-LCC009

REVISED: Section: IV Evaluation

The evaluation points assigned have been adjusted from 5% to 8% for resident and extended to include Native American resident business and Native American Veteran Business as per NM Procurement Code. Changes are highlighted in yellow in the revised RFP.

ADDED APPENDIX D Sample Contract

RESPONSES TO QUESTIONS RECEIVED BY THE DEADLINE

Please find below responses to questions received by deadline the deadline:

1. Can you please provide FY22 and FY23 audits?

We are still in the process of finishing audits for FY22 and FY23. Audit completion was delayed by a number of factors including high employee turnover, resources required to convert to Workday, and the devastating effects of the Hermit Peak/Calf Canyon Fire, subsequent flooding, and the COVID 19 pandemic.

2. Has there been turnover in key financial or compliance positions?

Since March 2021, there have been four Vice Presidents for Finance and Administration, including one who served on an interim basis in the spring of 2022 and only part-time in the fall of 2023. Dr. Carol Linder assumed leadership December 4, 2024, after serving as the Academic Director of Allied Health and Public Service for over two years. Dr. Linder has over twenty years of experience in higher education. We have also had significant turnover due to the retirement and/or departure for other opportunities of many key personnel in financial aid, procurement, accounts payable, grants administration, budget administration, and human resources. We hired a new budget administrator in October 2023 and hope to hire a Procurement Director within the month; Dr. Linder is currently serving as the procurement officer. A new Financial Aid Director with 20 years of experience started in April 2024. We will be hiring a new Human Resources Director for the next fiscal year.

3. What is important to LCC in choosing an external auditor?

Section IV Evaluation outlines our priorities in choosing an external auditor. Despite our many challenges, current employees remain committed to the mission of the College, serving our students, and establishing a culture of accountability and financial stability. We are seeking a firm that understands the constraints and challenges that Luna Community College faces and are willing to work with us collaboratively to complete the FY24 audit and future audits in a timely matter.

Date: April 17, 2024

4. Is there anything you would like improved in the external audit process?

Communication and processes to produce a timely audit. We converted our finance and human resources/payroll modules to the Cloud-based Workday platform in January 2024 and are in the process of moving financial data to Workday. We understand that this will present new challenges.

5. Please provide the FY23 audit contract breakout amounts by component, hours (if available), and price.

SERVICES	AMOUNTS
(1) Financial statement audit	\$26,400.00
(2) Federal single audit	\$8,800.00
(3) Financial statement preparation	\$10,400.00
(4) Other nonaudit services, such as depreciation schedule updates	\$0.00
(5) Other (i.e., foundations or other component units, specifically identified)	\$2,200.00
	Gross Receipts Tax \$3,292.00
	Total Compensation \$51,092.00

6. What is your preferred timeframe for the interim and final audit testing procedures?

We have outlined deadlines in the RFP but understand given that the FY22 and FY23 audits are not yet finalized that timeframes may need to be negotiated.

7. What significant changes in federal funds does LCC expect for FY24, if any?

LCC recently secured a \$3.6 million USDA grant funding the new Wildfire Resiliency Training Center. Additional funds are pending.

8. Do you anticipate any challenges we should be aware of?

Challenges, including newly-hired personnel and transition to Workday, have already been discussed. LCC was removed from probation by our accreditor, the Higher Learning Commission, in March 2024 but is on monitoring for our finances and will have a focused visit in November 2025. Additionally, since 2016, LCC has been on financial monitoring by the State of New Mexico.

9. Has LCC began early implementation of GASB 101?

No.

10. How many FY23 audit journal entries were there?

To be determined.