



ALASKA ENERGY AUTHORITY

Dated: February 24, 2021

RE: ADDENDUM NO. 1 TO REQUEST
FOR PROPOSALS (RFP) PACKAGE

RFP 21045
AUDITING AND ACCOUNTING SERVICES

EMAIL TO: All RFP recipients on record.

The RFP Package is hereby clarified or changed as follows:

Questions and Answers:

1. Why is the Alaska Industrial Development Authority (AIDEA) going out for audit?
A: Current audit contract is expired.
2. Were there any issues with the current auditor?
A: No issues with the current auditor.
3. Were there any journal entries discovered by the auditors during the 2020 and 2019 audits?
A: No issues were discovered from journal entries during the 2020 and 2019 audits.
4. How many auditors and how many days were the auditors in the field for interim and final fieldwork?
A: About 3 audit staff, senior auditor, manager on site for both agencies; interim is one week for each agency; final fieldwork is three weeks for AIDEA and 2 weeks for AEA (time for audit can be adjusted based on availability by firm)
5. What is the AIDEA's preferred timing for the audit?
A: Preferred is interim in May or early June; final fieldwork will need to be August with issue date of 9/30.
6. Outside of the audit process, what does the AIDEA find/define value from its auditors?
A: Communication, technical expertise, and availability to help research or answer questions regarding higher level issues. Also accessibility during the audit.

7. Were there any major audit issues identified for 2020? Any anticipated ones for 2021?

A: AIDEA had a qualified opinion on the 2020 financial statements relating to the valuation of an ongoing project—it is not known at this time if this will continue to be an audit issue.

8. What part of the audit process would the AIDEA like to improve over the past audits?

A: Nothing to note at this time.

9. What transition issues would the AIDEA be concerned about if the audit is awarded to new auditors?

A: AEA will be recording changing presentation for revenue recognition related to the Power Cost Equalization fund in the FY2021 financial statements. This is not a concern and the related research has been done, but will be a change in the financial statements. AIDEA has complex projects and accounting issues. The new auditors will need to get knowledge of projects and programs for both AIDEA and AEA quickly.

10. Have there been any significant changes in key staff in the past year that would affect the 2021 audit?

A: Currently, recruiting for a new CFO. AEA recruited a new Assistant Controller and the previous Assistant Controller was promoted to Controller. AIDEA Controller and Assistant Controller remain the same as FY20. Executive Directors for both agencies remain the same as FY20.

11. Are there any significant changes in federal funding anticipated for 2021?

A: AIDEA coordinated the AK CARES small business relief program during FY20 and FY21. The majority of the activity occurred during FY21, resulting in significantly higher federal expenditures from FY20.

12. What were the fees for the prior year audits for the AIDEA and Alaska Energy Authority for 2020 and 2019 broken down by:

- a. Annual audit: AEA - \$72,200; AIDEA - \$99,250 (these amounts include audit firm preparing financial statements and partner review time)
- b. Federal single audit: AEA - \$8,800; AIDEA - \$17,350 (these amounts include partner review time)
- c. Bond compliance report: AEA ONLY - \$1,700

13. If COVID-19 travel restrictions are lifted would AIDEA be open to a remote audit?

A: Both agencies are open to having remote audits completed. Documents and samples can be provided electronically.

All other terms and conditions remain the same.

END OF ADDENDUM

We appreciate your participation in this solicitation.

Sincerely,

A handwritten signature in blue ink that reads "Lois Lemus".

Lois Lemus,
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