Addendum # 1
Issue Date: June 23, 2022
Project Name: Assurance Services and Tax Consulting RFP 2022
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ATTACHMENTS

1. 2021 Proposed Audit Timeline A.xls
2. IT Workbook 2021.xls

QUESTIONS | ANSWERS

1. Is the current firm being asked to submit a proposal? The incumbent was included in the Invitation to Bid along with others. The Zoo also advertised this project as well.

2. Will firms have the opportunity to speak with (the Project Owner) prior to the proposal due date? The Zoo will not be holding a pre-bid meeting for this project. Bidders are welcomed to submit your questions. Depending on how many are received, prior to the question deadline, an addenda may be issued. This will be sent to all who asked questions to date as well as posted on the Zoo’s website and the Vendor Registry platform.

3. Would you please provide a copy of the December 31, 2021 audited financial statements? The 2021 audit can be found on the Zoo’s website at this link: https://www.stlzoo.org/download_file/view_inline/11071/152

4. On p. 20 of the RFP (on the Policy on Minority and Women Owned Business Participation on saint Louis Zoo Contracts), will you please clarify if this is to be signed by the firm only if selected (ie, if entering into a contract with each other), or does it need to be signed and submitted with the submission of the proposal. The Policy on Minority and Women Owned Business Participation on Saint Louis Zoo Contracts should be submitted with the proposal.
5. What M/WBE firm(s) were involved in the 12/31/21 audit? None.

6. Is a listing of M/WBE firm(s) available to share, (relevant to assurance/tax services) – we would appreciate receiving the listing. The Zoo does not have a listing or directory of M/WBE firms relevant to assurance/tax services. Please review the FLYSTL.com database for local insight.

7. P. 12 of RFP (part of Appendix A): for Partnership – I want to confirm you want the name and address of ALL Partners (we have 500 Partners so I wanted to see if you wanted all in the firm, just St. Louis, (or if you’d just like the St. Louis Managing Partner or myself as local signing Engagement Partner)? Please provide information pertaining to your local St. Louis office.

8. The RFP indicates the work will be performed during the period of December to March. To the extent there is preferred timing, please describe the expected/preferred timing and dates of performing the audit including the number of weeks/days for each phase of the audit and typical number of auditors and levels involved
   a. Planning and Interim When interim work was completed on-site this was typically 2-3 days in mid-December. Interim work in a remote setting has been less structured.
   b. Final fieldwork Final fieldwork has typically occurred starting the week of President’s Day for about two weeks. Once fieldwork has concluded staff prepares the MD&A and additional unaudited supplementary information in early March.

9. The RFP mentions the fieldwork will be performed at the Zoo’s office, or remotely. Is there a preference by Zoo staff as to whether the work is conducted in a fully onsite, fully remote or hybrid approach? The Zoo’s accounting staff is currently working in a remote-hybrid setup, so a mostly remote approach would be preferred, with staff available for on-site visits for things too difficult to provide electronically (such as review of construction in progress/fixed asset invoices & contracts).

10. When are trial balances, supporting schedules and audit workpapers requested available for the audit firm? Does the Zoo/Association prepare all reconciliations and other workpapers? Are there any expected to be prepared by the audit firm? Almost all reconciliations and other workpapers are prepared by the Zoo but there are some exceptions (most notably workpapers related to calculation of pension plan liability and net present value of certain agreements). Trial balances and schedules are typically available mid-February on the President’s Day holiday.

11. Please describe what portion of the financial statements are prepared by Zoo staff and when such information is available to the auditors, including MD&A and supplemental information. Please note if the external audit firm prepares the financial statements The Zoo prepares financial statements and statements & trial balances are typically available mid-February on the President’s Day holiday. The Zoo also prepares MD&A and all unaudited supplemental information. There are a few pieces of “audited” supplemental information that our current CPA firm prepares – for the most part these are slightly different presentations of our audited financial statements.

12. Typical number of meetings with Audit Committee and External audit firm per year? There are four Audit Committee meetings annually.
13. Please provide information about key accounting and reporting systems critical to financial reporting, such as general ledger or other software utilized. Our general ledger, accounts payable, and financial reporting are all handled via Sage 300. We are in the midst of implementing Altec Doc Link for integrated accounts payable automation this year. We create purchase orders via a 3rd party integrated system named eRequester. We do have several other systems key to our operation (such as our point-of-sale system TAM, our payroll system UKG, and donor management system Raiser’s Edge) but these are not integrated into Sage.

14. Please describe the areas of the engagement, if any, where the auditor is performing testing of the IT system? See attachment #1.

15. Is there historically a single audit? If yes, any changes expected in federal funding for FY22? The RFP requests maximum fees and lists A-133 (Single Audit – if required). Please confirm whether the Zoo has received Federal $’s that would trigger a Single Audit for 2021, 2022 or anticipated for the years listed in the RFP (2022-2026). We did have a single audit for CY2021, however historically we do not typically have a single audit. While we aren’t immediately aware of any significant impending federal funding, we are at the beginning of a major construction and fundraising campaign and those initiatives do sometimes generate government funding large enough to require a single audit.

16. Where do you stand with the adoption of the lease standard – GASB 87? The Saint Louis Zoo maintains very few leases as part of its ongoing operations. All properties and buildings are owned outright, and the only active leases relate to some small pieces of equipment. Staff has worked to review these commitments and believes all items are being recorded appropriately as short-term lease agreements within the financial statements. The selected audit firm would be expected to review and advise the Zoo to ensure we are appropriately in compliance.

17. How many cash and investment/custodian accounts does the Zoo have? How many different statements are received related to these accounts? As of 2021 fiscal year close the Zoo had 23 investment accounts. Statements for these accounts are processed through US Bank.

18. How many alternative investment funds are anticipated for the 2022 audit? (approx. 15 in 2020)? Is this anticipated to remain consistent or grow? The Saint Louis Zoo Association is continuing to diversify its investment portfolio. The primary Alternative investment growth in the future will be centered on our Private Equity Pool which we anticipate to grow to 10% of the long-term portfolio over the coming years.

19. To your knowledge, are any specialists used in the financial statement reporting process? If so, please describe. No

20. Were there any adjustments made or proposed and not made (waived) during the prior engagement? If so, please describe the nature of the adjustments (by Entity). Several adjustments were made during the prior engagement. These adjustments were generally due to receiving additional information during fieldwork that was unavailable prior to start (such as final accounting for annual property tax revenue and sales tax revenue, final adjustment to pension liability, additional accounts payable accruals for
significant items received after fieldwork begins, and adjustments to investments resulting from any investment statements received after fieldwork begins.

21. What changes in operations do you anticipate over the next 3-5 years? Are there any significant events that would impact the audit? The Saint Louis Zoo is in the process of developing a new WildCare Park facility in North Saint Louis County. This facility once open in 2027, will include additional public operations including food, retail, attractions, and memberships. The opening of this second public campus will increase the scope and scale of all operations significantly.

22. Are there any major capital campaigns planned in the next 3-5 years? The Saint Louis Zoo Association is currently in the quiet phase of a major capital campaign focused on raising funds for the development of the WildCare Park, as well as funding other major capital projects at the Saint Louis Zoo.

23. Are there any other services provided by the external audit firm not listed in the RFP? No. Any additional services outside of the scope of this RFP would be competed separately.

24. Since the 2020 audit, is there any significant change in operations or scope of the 2021 audit (as we have not currently reviewed the 2021 audit) No.

25. How long has the current auditor been in place? Will they be proposing again? Other anticipated bidders? The current auditor has been in place for 20+ years. We bid audit services out every 5 years and would expect that the incumbent will bid again this cycle.

26. Has a management letter been issued in the last 2 years or have any internal control recommendations been made? If so, is the letter available for review? None in the last 2 years.

27. Are separate financial statements issued by the Association, or only as a component unit of the Sub district? Only as a component unit of the subdistrict.

28. What has the audit cost been for 2021, 2020 and 2019? What have the tax return review fees been for 2021, 2020 a 2019? What has the Single audit cost been for that same time period, if any? At this time the Zoo prefers to decline questions related to fees previously paid or fee budgets. The Zoo is hopeful that bidders will put forth their organizations best pricing.

29. Please describe the 990 review process. What information/documents are provided for the 990 review? Is there a preference to have the firm utilize firm software and submit to IRS as a paid preparer or does the Association prefer filing with the IRS? Beginning with the 2021 fiscal year return the selected firm will be expected to compile the form 990 on behalf of the Saint Louis Zoo Association and electronically file with the IRS on behalf of the organization. Zoo staff will work to provide all necessary schedules and information required for the completion of the annual return.

30. I was able to download the 12/31/2020 audit. Is the 2021 audit available for us to review? Yes, see #3.

31. I was able to download the 12/31/2020 Form 990 for the Zoo Association. Is the 2021 Form 990 available for us to review? The 2021 990 is in progress and not yet available for review.
32. For the 2020 Form 990, the CPA firm is listed as the paid preparer, but the RFP states that the Form 990 is internally prepared and the bid is just for the review. Did they just review the return for that year, or did they prepare it as well? They reviewed and filed 2020 990 and will be preparing 2021 for us directly.

33. What is the preferred completion date for the review of the Form 990? The 990 should be prepared in time for the Audit committee to formally approve it at their mid-August meeting.

34. Was a management comment letter issued for the most recent audit? Yes, a letter was issued with no recommendations.

35. The 2020 audit was not a Single Audit. What are the sources of federal funds that may trigger a Single Audit for 2022? A possible large grant from the National Science Foundation. This is still in progress.

36. We have numerous individuals at our firm that have the appropriate yellow book training to perform single audits. Is a rounded estimate acceptable? Yes.

37. On Note 12 in the 2020 report, we see that the Zoo has reported termination benefits for a key officer. Does the Zoo offer/provide continued healthcare for its retired employees? If so, how many retirees have continued coverage? Retired employees are eligible to buy in to healthcare via COBRA for 18 months but no coverage is provided by the Zoo.

38. According to the 2020 report, there were no leases for equipment, building, vehicles reported. In addition, there were no disclosures where the Zoo leases out space as a lessor. Does the Zoo need any assistance with implementation of GASB 87 (Leases)? See #16.

39. We see on Note 9 from the 2020 report that the Zoo has a deferred compensation plan set up in accordance with Section 457. Does the Zoo provide any matching contributions or provide a guaranteed rate of return that would meet the definition of GASB 97 (Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC 457 Deferred Compensation Plan)? No, the Zoo does not match any contributions or guarantee a rate of return.

40. Is there any specific reason you are requesting proposals at this time? As a procurement best practice, the Zoo bids this activity every 5 years.

41. Will the current auditors be allowed to submit a proposal for the FY 2022 audit? Yes.
   a. How long have they been the auditors for the Zoo? 20+ years

42. How much did the Zoo pay the current auditors for the FY 20 and FY 21:
   a. Audits
   b. Tax Return – Association 990
   Was the fee all-inclusive or were out-of-pocket expenses (i.e. mileage, per diem, etc.) billed separately? Out of pocket expenses were billed as a separate line item on invoices. At this time the Zoo prefers to decline questions related to fees previously paid or fee budgets. The Zoo is hopeful that bidders will put forth their organizations best pricing.

43. Were any additional services provided by the auditors outside the scope of the audit during FY 20 or FY 21? If so, what services and were these billed separately from the audit (e.g. at standard hourly rates)? Compilation and electronic filing of the Saint Louis Zoo Association’s annual Form 990. Single audit’s as necessary dependent on federal funding. Calculation of the year end pension liability.
44. Can you provide a copy of the FY 21 audited financial statements? Yes. See #3.
45. Can you provide a copy of the 2021 Form 990, if available? The Saint Louis Zoo Association’s 2021 Form 990 is in process. The latest filed return is fiscal year 2020 which is available on the Zoo’s website.
46. Does the Zoo file a 990-T? If yes, please provide latest return filed. No, the Association files a standard form 990 annually. The latest filed return is fiscal year 2020 which is available on the Zoo’s website.
47. Did the auditors provide a management letter with recommendations for FY 21? If so, could you provide a copy? There were no recommendations for FY21.
48. Can we get a copy of the audit adjustments for FY 21, if available? See #20.
49. How many hours does the current firm work on the engagement?
   b. Tax? TBD for 2021
50. Has the audit fieldwork been performed on site or remotely during the past 2 years? Mostly remote with occasional site visits scheduled for items too large/bulky to provide electronically
51. Who prepares the financial statements? Zoo or auditor? The Zoo finance office prepares financial statements in-house
52. Who prepares the Association 990? Zoo or auditor? Scope of Work #7 requests a fee for the “review of the internally prepared Form 990”.
   a. If the Zoo prepares the 990, what tax preparation software does the Zoo use? Beginning with fiscal year 2021 the external audit firm will be engaged to prepare and electronically file the Form 990. Staff will compile all necessary support and schedules as necessary.
53. Does the current firm perform physical inventory observations? Yes.
54. Are the capital asset depreciation schedules maintained by the Zoo? Yes.
55. Can you provide the number of individuals and a summary of skill levels of the individuals in the accounting department? Yes. The accounting team currently includes 10 members (9 full-time and 1 part-time), many of whom have been at the Zoo for a considerable amount of time and have significant experience in their roles. This includes the Chief Financial Officer (with the Zoo 30+ years), Director of Finance (with the Zoo 20+ years), the Manager of Accounting (with the Zoo 15+ years), a Financial Accounting & Reporting Specialist (with the Zoo 7+ years) two financial accountants/analysts (with the Zoo 18+ years each), an accounts payable specialist (35+ years), 2 accounts payable clerks (1 FT, 4 years; 1 PT, 1 year), and an accounting generalist (1+ year). This does not include the CashRoom (our bank vault operation), which has 1 FT Revenue Operations Manager, 1 FT Revenue Operations Supervisor, and several PT clerks.
56. Has there been any recent turnover in the accounting/finance department and/or management? No.
57. Are there any major changes in the operations or activities of the Zoo? If so, please describe. See #21.
58. Are you aware of any fraud, errors or irregularities that should be noted in determining the scope of the audit? No
59. Does the Zoo have any new debt? The Zoo does not currently have any debt on the books. The organization is in the process of issuing bonds to help fund the development of the WildCare Park. This issuance is forecasted for Q4 of 2022.
60. Is the Zoo currently involved in any significant litigation? No.
61. Are there any reporting requirements by the Zoo Museum District? The annual financial audit is required to be submitted to the ZMD by April 1 of each year.
62. When do you expect the responses to the questions submitted by June 22 be posted on the website? June 23, 2022
a. Do you anticipate the proposal submission deadline will be extended due to the quick turnaround time from the question submission deadline to the proposal submission deadline? No.

63. Appendix A paragraph II C - This refers to “Owner and Engineer”.
   a. Indemnification and Hold Harmless is not allowed by AICPA Code of Professional Conduct (ET Section 1.228.020) which states that an auditor’s independence would be impaired if the auditor indemnifies a client for damages, losses, or costs arising from lawsuits, claims, or settlements that relate, directly or indirectly, to the client’s acts.
      1. Will the Zoo waive this requirement for all proposers? Yes

64. Can you provide the directory of certified M/WBE business (CPA firms) maintained by the Director of Procurement (Appendix C, Section Two, #1a) - See question 6.

65. Which firm(s) does the current audit firm utilize to meet the M / WBE business utilization goals of the Zoo? See #5.
   a. What percentage of the prior audit firm’s contract was M / WBE business utilization? See #5.

66. Did the Zoo have federal expenditures in excess of $750,000 during FY 21? If so, please identify the federal programs. Yes. The Zoo had in excess of $750K in federal expenditures from the Small Business Administration Shuttered Venues Operators Grant (SVOG).

67. Do you expect to be subject to a Single Audit for FY 22? Possibly but this is TBD.

68. How long has the Zoo been with the current audit/tax firm? See question 41

69. Why has the Zoo issued this RFP? Is it the end of the current contract term, or are there other reasons for the proposal? See question 40

70. Are there any specific, discrete services the current firm provides that the Zoo wants to ensure continues? See question 43

71. Does the Zoo utilize the current audit firm for consultation with respect to tax reporting concerns and analysis, such as unrelated business income, lobbying, compensation, state registrations and reporting, etc., or only for review of the internally prepared Form 990 filings? If yes, please estimate the number of tax-related consulting hours provided by the current firm. See question 52

72. Are there any specific processes or components of prior year processes that the Zoo would like to see changed going forward? No

73. Are there any services currently provided by the external audit firm not listed in the RFP? No, see question 43

74. Is the Zoo interested in learning about other value-added services available? Any value-added services may be presented in a separate addendum outside of the scope of the RFP work

75. While the Zoo is open to onsite or remote services do you prefer onsite, virtual, or a hybrid approach? If onsite, historically, how many auditors were there/allowed and for how many days? See question 9

76. How long does it take to close the books at month end? At year end? Month End 10 business days. Year-end soft close late Jan, hard close mid-February.

77. When is the trial balance historically available for the audit firm after year end? See question 10

78. Historically, when has final fieldwork begun? Is that timeline desirable by Zoo staff? When is a physical inventory count undertaken? See attachment #2.

79. What is the current composition of the accounting/finance team and the development team? Are there any open/unfilled positions? Has there been significant turnover? Is there any expected upcoming turnover? See # 55 for Finance team composition. There are no current open or unfilled positions and no recent turnover. Development personnel information will be provided to finalists.
80. Please describe what portions of the financial statements are prepared and drafted by Zoo staff and when such information (such as MD&A and supplemental information) is available to the auditors. See question 11.

81. To your knowledge, are any specialists used in the financial statement reporting process? If so, please describe. See question 19.

82. Are separate financial statements issued by the Zoo Association, or only as a component unit of the Zoo Subdistrict? No, the Saint Louis Zoo Association is presented as a discrete subunit within the annual financial statements.

83. Were there any proposed or passed journal entries by the audit firm during the most recent prior audit? If yes, please share a narrative regarding the nature and scope of the adjustments. What were the management comments for improvement, if any, that resulted from last year’s audit? Any deficiencies, findings, or other difficulties encountered with the prior audits of which we should be aware? See #20

84. Please describe any new accounting pronouncements that have been adopted in the 2021-year end and any significant changes to existing accounting policies (i.e., lease standards). (The invitation notes the enterprise fund applies all FASB pronouncements issued on or before 11/30/89 unless they conflict with GASB Statement No. 20. The Zoo Association has adopted FASB issued subsequent to 11/30/89 including FASB Nos. 116 and 117.) We are unaware of any new pronouncements that impacted the Zoo in 2021

85. What systems and software do you utilize (general ledger, budgeting, membership, inventory, etc.)? Any planned changes, system conversions, or transitions? See question 13

86. Who are the Zoo’s current service providers (payroll, investments, banking, and legal)? At this time the Zoo prefers to decline answering this question.

87. How many cash and investment/custodian accounts does the Zoo have? How many separate and distinct statements are received for these accounts? How often are they reconciled? See question 17.

88. What does the Zoo currently have budgeted for the current period (12/31/22) fees? At this time the Zoo prefers to decline questions related to fees previously paid or fee budgets. The Zoo is hopeful that bidders will put forth their organizations best pricing.

89. What were the last three years actual fees for audit and tax services (by year and service)? At this time the Zoo prefers to decline questions related to fees previously paid or fee budgets. The Zoo is hopeful that bidders will put forth their organizations best pricing.

90. To assist with analyzing potential conflicts of interest, please provide a list of the current Audit Committee members. This will be provided to the finalists.

91. Please describe the typical number and scope of meetings between the Audit Committee and the external audit firm each year as well as the typical number of meetings between the audit firm and any other committee or advisory board. Are members of these committees interested in financial analysis/benchmarking? See question #12.

92. What are the accounting/finance team’s favorite animals or exhibits? Giraffes

93. Please describe the financial statement impact, source and amount, from any additional resources that were not present in 2020. This could include ERC credits, PPP loan, CARES ACT grants, etc. How much and how many, if any, were from federal sources? The Saint Louis Zoo was a recipient of $10 Million from the federal SVOG funding in fiscal year 2021.

94. For federal award programs, was the Zoo subject to any corrective action resulting from oversight agency audits in progress? If so, briefly describe. No

95. Did the Zoo undertake or participate in any significant capital or other fundraising campaigns that would have significant impact on the financial statements? Are any such campaigns currently in progress? See question #22.

96. Roughly how many donors annually does the Zoo Association have? At this time the Zoo prefers to decline answering this question.
97. Has the Zoo Association historically had unrelated business income reporting? **No**

98. Has the Zoo Association undergone any IRS audits, examinations, or inquiries from any other taxing/reporting jurisdiction (Secretary of State, Attorney General, etc.) in the past five years? **No**