

Hill Country Transit District  
Request for Proposals – Auditing Services

Addendum Number 1

12/9/2022

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Hill Country Transit District  
RFP 22-12 Auditing Services

Question	Response
1 Does management prepare the financial statements and schedule of expenditures or federal and state awards	The auditor shall prepare the financial statements and Supplemental Information section.
2 Are the cover page, table of contents, forms, bios and any appendices (e.g. peer review report) counted towards the 25 page limit per the Proposal Submittal Information on page 10 of the RFP?	The cover page, table of contents, and all items requested in Tabs 1-3 of Proposal Submittal Information will be considered in the 25-page limit. All requested forms and attachments referenced in Tabs 4-5 will not count towards the page limit.
3 Does the District have a preference on the audit being conducted onsite, remotely or hybrid?	In an effort to maximize efficiency and reduce cost, HCTD prefers a hybrid approach.
4 How many copies of the proposal should be submitted per the Proposal Submittal Information on page 10 of the RFP	Four (4) copies
5 The Background Information on page 8 of the RFP notes that there are 12 operational sites located in the nine county area; however, no financial records are maintained at these sites. Are transactions related to federal or state funding being processed at these sites? If so, do they follow the same internal control structure or does each site have its own internal controls?	All administrative records for all sites are kept at the San Saba office.
6 The Background Information on page 9 mentions NTD reporting requirements, however the NTD report is not mentioned in the Project Description section on page 3 of the RFP. Is the NTD reporting included in the scope of the RFP?	Page 9 of the RFP includes "The Auditor shall be knowledgeable of National Transit Database (NTD) reporting requirements. NTD requires HCTD to submit an Independent Auditor Statement for Financial Data every ten report years and an Independent Auditor Statement for Federal Funding Allocation Data annually." Please include NTD review requirements within the scope and provide the associated cost in Attachment E.
7 What were the audit fees in FY2021, FY2020 and FY2019?	FY21 - \$30,945; FY20 - \$30,110; FY19 - \$40,720
8 Has the District completed its evaluation of GASB 87, Leases?	HCTD management has not yet completed the evaluation of GASB 87 and may request assistance from the chosen auditor to implement.
9 Can the District provide a list of corrected and uncorrected audit adjustments for the past two fiscal years.	FY20 and FY21 audit adjustments are attached.
10 Are there any areas of improvements the District is hoping to see from a future audit/ auditor?	HCTD staff would value proactive advice and support from its auditors to keep management abreast of changing accounting pronouncements, assist management with implementation of relevant pronouncements, and assist management with implementing best practices.
11 Why is HCTD seeking bids for its audit at this time?	The contract with HCTD's previous auditors ended so HCTD is seeking a new audit firm.
12 What does HCTD value most about the way in which the external audit has been performed in the past?	HCTD staff values professionalism and ease of working together to complete the audit.
13 What aspect would HCTD seek to change about the way in which the external audit has been performed in the past?	HCTD staff would value proactive advice and support from its auditors to keep management abreast of changing accounting pronouncements, assist management with implementation of relevant pronouncements, and assist management with implementing best practices.
14 What were the total fees for the 2021 audit engagement (including the NTD report)?	\$30,945
15 Attachment E does not include a line for NTD fees. Where should those be included?	Attachment E has been revised to include a line for NTD fees and is attached.

HCTD  
 Audit Adjusting Entries  
 FYE 12/31/20

			Debit	Credit
1)	<b>POST</b>	Beg Fund Balance	5,091.72	
		Accounts Receivable		5,091.72
		90-1000-3200		
		90-1000-281-1400		
		(To adjust for error in FY19 AJE#10 and adjust beg fund balance per WP 301)		
2)	<b>Audit Only</b>	Logisticare	126,031.80	
		Fringe	41,722.97	
		90-1000-4301		
		90-1000-5210		
		Beg Fund Balance		167,754.77
		90-1000-3200		
		(To reverse prior year receivable, reverse FY19 401K forfeiture use & reverse HRA ER overexpense per WP 301)		
3)	<b>Audit Only</b>	Insurance Liability	360.00	
		Beg Fund Balance		360.00
		90-1000-6610		
		90-1000-3200		
		(To correct current year posting error per WP 301)		
		<i>Note: Client posted back to FY20 after TBs provided for audit.</i>		
4)	<b>POST</b>	Local Cash Arrowhead	56.77	
		Interest		56.77
		90-1000-1112		
		90-1000-4802		
		(To record 12/20 interest per WP 101.2)		
5)	<b>Audit Only</b>	Locals - Cash	1,620.00	
		Accounts Receivable		1,620.00
		90-1000-xxxx		
		90-1000-1400		
		Locals - Cash	3,516.06	
		Accounts Receivable		3,516.06
		30-5311-xxxx		
		30-5311-1400		
		Locals - Cash	4,434.31	
		Accounts Receivable		4,434.31
		50-5307-xxxx		
		50-5307-1400		
		Locals - Cash	2,370.23	
		Accounts Receivable		2,370.23
		70-5307-xxxx		
		70-5307-1400		
		(To reclassify transit locals Dec 19 receivable per WP 101.4)		
6)	<b>Audit Only</b>	Accounts Receivable	92,198.30	
		Logisticare		92,198.30
		90-1000-1400		
		90-1000-4301		
		(To accrue current year receivable per WP 401.4)		
7)	<b>Audit Only</b>	Other Misc Revenue	38,826.08	
		Interfund Payable To/Due From		38,826.08
		90-1000-4801		
		90-1000-2150		
		Other Misc Revenue		38,826.08
		30-5311-4801		
		30-5311-2150		
		Interfund Payable To/Due From	38,826.08	
		(To recognize revenue equal to expense per WP 30-403)		

HCTD  
 Audit Adjusting Entries  
 FYE 12/31/20

			Debit	Credit
8)	<b>Audit Only</b>	Other Misc Revenue	90-1000-4801	
		Interfund Payable To/Due From	90-1000-2150	81,210.67
		Other Misc Revenue	50-5307-4801	81,210.67
		Interfund Payable To/Due From	50-5307-2150	81,203.62
		Other Misc Revenue	50-5339-4801	7.05
		Interfund Payable To/Due From	50-5339-2150	7.05
(To recognize revenue equal to expense per WP 50-403)				
9)	<b>Audit Only</b>	Other Misc Revenue	90-1000-4801	
		Interfund Payable To/Due From	90-1000-2150	116,973.29
		Other Misc Revenue	70-5307-4801	116,971.04
		Interfund Payable To/Due From	70-5307-2150	116,971.04
		Other Misc Revenue	70-5339-4801	2.25
		Interfund Payable To/Due From	70-5339-2150	2.25
(To recognize revenue equal to expense per WP 70-403)				
10)	<b>Audit Only</b>	Fringe	90-1000-5210	10,447.14
		Interfund Payable To/Due From	90-1000-2150	10,447.14
		HRA Payable	10-1000-2226	10,447.14
		Interfund Payable To/Due From	10-1000-2150	10,447.14
(To correct HRA ER overexpense per WP 203.1)				
			772,316.52	772,316.52

HCTD  
 Audit Adjusting Entries  
 FYE 12/31/21

			Debit	Credit
1)	<b>Audit Only</b>	Beg Fund Balance		102,588.67
		Logisticare	92,198.30	
		Fringe	10,447.14	
		Local Cash - Arrowhead		56.77
		(To adjust fund balance to prior audit per WP 301)		
2)	<b>Audit Only</b>	Accounts Receivable	228,367.00	
		TxDOT - Federal		228,367.00
		Accounts Receivable	358,939.00	
		FTA		358,939.00
		Accounts Receivable	220,186.00	
		FTA		220,186.00
		(To correct posting error per WP 103)		
		<i>[Receipt of 12/21 AR in 1/22 was posted w/ effective date of 12/21 [103D]]</i>		
3)	<b>Audit Only</b>	Other Misc Revenue	3,634.05	
		Interfund Payable To/Due From		3,634.05
		Other Misc Revenue		3,634.05
		Interfund Payable To/Due From	3,634.05	
		(To recognize revenue equal to expense per WP 30-403)		
4)	<b>Audit Only</b>	Other Misc Revenue	1,355.23	
		Interfund Payable To/Due From		1,355.23
		Other Misc Revenue		1,355.23
		Interfund Payable To/Due From	1,355.23	
		(To recognize revenue equal to expense per WP 50-403)		
5)	<b>Audit Only</b>	Other Misc Revenue	3,334.17	
		Interfund Payable To/Due From		3,334.17
		Other Misc Revenue		3,334.17
		Interfund Payable To/Due From	3,334.17	
		(To recognize revenue equal to expense per WP 70-403)		
6)	<b>Audit Only</b>	Accounts Receivable	115,164.64	
		Logisticare		115,164.64
		(To accure current year receivable per WP 401.4)		
			1,041,948.98	1,041,948.98

**ATTACHMENT E – Fixed Fee/Dollar Cost Form**

The undersigned hereby declares that he/she has carefully read and examined the Public Notice, the Request for Proposal, terms, and requirements, with all supporting certificates and affidavits, for services noted herein, and that he/she will enter into contract negotiations for said provision services, as specified, using the costs identified herein, as the basis for those contract negotiations. **Detailed cost information shall be attached and meet the requirements as described in the Proposal.**

Firm's name \_\_\_\_\_ Location of office staffing the audit \_\_\_\_\_

Number of professional audit staff at this assigned location: \_\_\_\_\_

Number of audit staff assigned to HCTD: \_\_\_\_\_

**Fixed Fees**

Hill Country Transit District	Year 1	Year 2	Year 3
Basic Financial Statement Audit	_____	_____	_____
Federal and State Single Audit	_____	_____	_____
NTD Review	_____	_____	_____
Total	_____	_____	_____

**Rate for hours in excess of those above or for services outside the specified scope:**

	Rate per Hour
Partner	\$ _____
Manager	\$ _____
Staff	\$ _____
Other	\$ _____

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Official's Title

\_\_\_\_\_  
Address