



Date: April 14, 2025  
To: All Vendors  
Subject: Addendum #1

**REFERENCE: P039-25 External Audit Services**

This Addendum forms part of the contract and clarifies, corrects or modifies original proposal document.

**Question 1:** What areas have historically required more time or posed challenges in past audits?

**Answer 1:** Fuel and purchased power, including hedging, capital assets (CWIP), and grants.

**Question 2:** Are there federally funded programs that will trigger a Single Audit under 2CFR 200 Subpart F for fiscal year 2025? If so, which federal grants are currently being administered by the BPUB?

**Answer 2:** BPUB is administering the following grants that will trigger the Single Audit requirement:

- Town Resaca Watershed – Federal Emergency Management Agency through Texas Commission on Environmental Quality
- Downtown Water/Wastewater Improvements – US Department of the Treasury through the City of Brownsville
- Advanced Metering Infrastructure – US Department of the Interior

**Question 3:** What are the expected fieldwork dates (interim and year-end)?

**Answer 3:** Interim dates are July-August. Year-end begins in November.

**Question 4:** In regards to the BPUB's preparation of the ACFR, does BPUB prepare all the journal entries related to specific GASB standards, i.e. GASB 68/75 retirement/other post-retirement liabilities, GASB 101, Compensated absences? Or does the BPUB require assistance from the external auditors with generating these journal entries or any others?

**Answer 4:** BPUB prepares all entries.

**Question 5:** What is the range of fees for external audit services for the past 3 year audit engagements? Per review of the BPUB's budget, the cost associated with the external audit is listed as a budget of \$66,000. Does the BPUB have ability to amend the budget for increased cost/fee estimate from external auditors?

**Answer 5:** The fee was \$69,900, which included both BPUB and SRWA audits.

**Question 6:** Has the government engaged a third-party valuation specialist to determine the fair value of derivative instruments?

**Answer 6:** No.

**Question 7:** Does the BPUB engage any other third-party specialist for estimates related to fair value, actuarial estimates, asset retirement obligations, etc.

**Answer 7:** Third parties prepare GASB 68 and 75 reporting packages.

**Question 8:** Based on past audits, when are final closed trial balances, reconciliations, and PBC schedules typically ready for external auditor review?

**Answer 8:** November.

**Question 9:** Is the government experiencing staffing challenges that may affect audit readiness?

**Answer 9:** No.

**Question 10:** If the BPUB has received any management letter or advisory comments from external auditors, has the appropriate corrective action been implemented?

**Answer 10:** No comments received.

**Question 11:** How many audit adjustments have been posted by external auditors in past years?

**Answer 11:** None.

**Question 12:** What accounting software is currently in use?

**Answer 12:** Banner.

**Question 13:** Have there been recent or upcoming ERP/accounting system implementations or upgrades?

**Answer 13:** No upgrades. However, we are changing our depository bank in July.

**Question 14:** Is remote access to records allowed for portions of the audit, or is on-site presence required?

**Answer 14:** Remote access of BPUB records is not permitted.

**Question 15:** A copy of the most recent Communication with Those Charged with Governance letter for the financial audit (FYE September 30, 2024).

**Answer 15:** N/A

**Question 16:** A copy of management letter for FYE September 30, 2024 audit, if any.

**Answer 16:** Please see response to #10.

**Question 17:** A copy of the Financial Budget for FYE September 30, 2025.

**Answer 17:** Our budget can be found using this link: [Financials - Brownsville Public Utilities Board](#)

**Question 18:** How many adjusting journal entries did the external auditors for the fiscal year ending September 30, 2024, propose for the financial audit?

**Answer 18:** Please see response to #11.

**Question 19:** What has the timeline been for the audit process of the financial? When were the following phases of the audit conducted: Planning, Risk Assessment, Interim Testing and Final Year-End fieldwork?

**Answer 19:** Please see response to #3 and #8.

**Question 20:** Does the Board anticipate any growth or funding issues that would impact the scope of the financial audit in fiscal year ending September 30, 2025, as compared to fiscal year September 30, 2024?

**Answer 20:** No.

**Question 21:** What have the audit fees been for each of the last two years for the financial audit?

**Answer 21:** Please see response to #5.

**Question 22:** What are the budgeted fees FYE September 30, 2025 financial audit?

**Answer 22:** Please see response to #5.

**Question 23:** Will the Board receive any state or federal grants in FYE September 30, 2025 that will require a state or federal single audit?

**Answer 23:** See answer to Question #2 above.

**Question 24:** Does your financial/accounting staff prepare the annual financial statements and related disclosures?

**Answer 24:** Yes.

**Question 25:** Has there been any turnover in top management or the accounting department since the latest audit?

**Answer 25:** No.

The signature of the company agent, for the acknowledgement of this addendum, shall be required. **Complete information below and return via e-mail to: [dsolitaire@brownsville-pub.com](mailto:dsolitaire@brownsville-pub.com).**

I hereby acknowledge receipt of this addendum.

**Company:** \_\_\_\_\_

**Agent Name:** \_\_\_\_\_

**Agent Signature:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_ **E-mail address:** \_\_\_\_\_

If you have any further questions about the Proposal, call 956-983-6366.

BY: ***Diane Solitaire***  
Purchasing