



JEFFERSON COUNTY, TEXAS PURCHASING DEPARTMENT

1149 Pearl Street – First Floor
Beaumont, Texas 77701
409-835-8593

ADDENDUM TO RFP

RFP Number: RFP 18-015/YS

RFP Title: Auditing Services for Jefferson County

RFP Due: 11:00 am CDT, Tuesday, June 26, 2018

Addendum No.: 1 (one)

Issued (Date): June 5, 2018

TO OFFEROR: This Addendum is an integral part of the RFP package under consideration by you as an Offeror in connection with the subject matter herein identified. Jefferson County deems all sealed proposals to have been proffered in recognition and consideration of the entire RFP package – **including all addenda**. For purposes of clarification, **receipt of this present Addendum by an Offeror should be evidenced by returning it (signed) as part of the Offeror's sealed proposal**. If the Proposal has already been received by the Jefferson County Purchasing Department, Offeror should return this addendum in a separate sealed envelope, clearly marked with the RFP Title, RFP Number, and Opening Date and Time, as stated above.

Reason for Issuance of this addendum: Additional attachment – Passenger Facility Report 2017

The information included herein is hereby incorporated into the documents of this present Bid matter and supersedes any conflicting documents or portion thereof previously issued.

Receipt of this Addendum is hereby acknowledged by the undersigned Offeror:

ATTEST:

Authorized Signature (Offeror)

Witness

Title of Person Signing Above

Witness

Typed Name of Business or Individual

Approved by _____ Date: _____

Address

JEFFERSON COUNTY, TEXAS

**Independent Auditors' Report on Compliance With
Requirements Applicable to the Passenger Facility Charge
Program and on Internal Control Over Compliance**

**Schedule of Expenditures
of Passenger Facility Charges**

September 30, 2017

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JEFFERSON COUNTY, TEXAS

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Honorable County Judge
and Commissioners Court
Jefferson County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Jefferson County, Texas' basic financial statements, and have issued our report thereon dated March 23, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson County, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jefferson County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson County, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County, Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 23, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

To the Honorable County Judge and
Commissioners' Court
Jefferson County, Texas

Compliance

We have audited the compliance of Jefferson County, Texas with the compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended September 30, 2017. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of Jefferson County, Texas' management. Our responsibility is to express an opinion on Jefferson County, Texas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Jefferson County, Texas' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Jefferson County, Texas' compliance with those requirements.

In our opinion, Jefferson County, Texas, complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended September 30, 2017.

Internal Control Over Compliance

The management of Jefferson County, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered Jefferson County, Texas' internal control over compliance with requirements that could have direct and material effect on its passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to the passenger facility charge program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Passenger Facility Charges

We have audited the financial statements of Jefferson County, Texas as of and for the year ended September 30, 2017, and have issued our report thereon date March 23, 2018. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Passenger Facility Charges is presented for purposes of additional analysis as specified by the Guide and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Commissioners' Court, management and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hull, L.L.P.

Waco, Texas
March 23, 2018

JEFFERSON COUNTY, TEXAS
PASSENGER FACILITY CHARGES AUDIT SUMMARY
FISCAL YEAR ENDED SEPTEMBER 30, 2017

1. Type of report issued on PFC financial statements	<input checked="" type="checkbox"/>	Unqualified	<input type="checkbox"/>	Qualified
2. Type of report on PFC compliance	<input checked="" type="checkbox"/>	Unqualified	<input type="checkbox"/>	Qualified
3. Quarterly Revenue and Disbursements reconcile with submitted quarterly reports.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
4. PFC Revenue and Interest is accurately reported on FAA Form 5100-127.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
5. The Public Agency maintains a separate financial accounting record for each application.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
6. Funds disbursed were for PFC eligible items as identified in the FAA Decision to pay only for the allowable costs of the projects.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
7. Monthly carrier receipts were reconciled with quarterly carrier reports.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
9. Serving carriers were notified of PFC program actions/changes approved by the FAA.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
10. Quarterly Reports were transmitted (or available via website) to remitting carriers.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
12. Project administration is carried out in accordance with Assurance 10.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
13. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence.	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
	<input checked="" type="checkbox"/>	N/A		

JEFFERSON COUNTY, TEXAS

SCHEUDLE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2017

Findings and Questioned Costs

None

JEFFERSON COUNTY, TEXAS

**REVENUE AND DISBURSEMENT SCHEDULE
OF PASSENGER FACILITY CHARGES**

FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Fiscal Year 2016 Program Total	Quarter 1 October - December	Quarter 2 January - March	Quarter 3 April - June	Quarter 4 July - September	Fiscal Year 2017 Total	Fiscal Year 2017 Program Total
Revenue							
Passenger Facility Collections	\$ 1,140,820	\$ 19,677	\$ 28,506	\$ 26,944	\$ 25,568	\$ 100,695	\$ 1,241,515
Interest	<u>15,050</u>	<u>129</u>	<u>133</u>	<u>187</u>	<u>444</u>	<u>893</u>	<u>15,943</u>
	<u><u>1,155,870</u></u>	<u><u>19,806</u></u>	<u><u>28,639</u></u>	<u><u>27,131</u></u>	<u><u>26,012</u></u>	<u><u>101,588</u></u>	<u><u>1,257,458</u></u>
Application 07-06-C-00-CBPT							
I - Airfield Equipment	36,317	-	-	-	-	-	36,317
II - Apron "F" Rehabilitation	28,746	-	-	-	-	-	28,746
III - Airfield Pavement Joint Rehab	9,458	-	-	-	-	-	9,458
IV - Runway 12/30 Rehab	14,751	-	-	-	-	-	14,751
V - Airfield Drianage Improvements	9,228	-	-	-	-	-	9,228
VI - Airfield Electrical Upgrades	-	-	-	-	-	-	-
VII - Administrative Costs	25,675	-	-	-	-	-	25,675
VIII - Pavement Maintenance Plan	<u>5,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,717</u>
	<u><u>129,892</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>129,892</u></u>
Application 11-07-C-00-CBPT							
I - Planning - Road, WHA, Geom	16,537	-	-	-	-	-	16,537
II - Apron Rehab - Phase I	29,528	-	-	-	-	-	29,528
III - Airfield Sweeper	10,431	-	-	-	-	-	10,431
V - Airfield Pavement Marking	205,368	-	-	-	-	-	205,368
VI - AOA Security Improvement	44,713	-	-	-	-	-	44,713
VII - Apron Rehab - Phase II	129,484	-	-	-	-	-	129,484
VIII - Administrative Costs	<u>29,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,828</u>
	<u><u>465,889</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>465,889</u></u>
Total Disbursements	<u>595,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>595,781</u>
Excess (Deficiency)	<u>\$ 560,089</u>	<u>\$ 19,806</u>	<u>\$ 28,639</u>	<u>\$ 27,131</u>	<u>\$ 26,012</u>	<u>\$ 101,588</u>	<u>\$ 661,677</u>

See accompanying note to Schedule of Expenditures of Passenger Facility Charges.

JEFFERSON COUNTY, TEXAS

**NOTE TO SCHEDULE OF EXPENDITURES
OF PASSENGER FACILITY CHARGES**

YEAR ENDED SEPTEMBER 30, 2017

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Passenger Facility Charges includes the Passenger Facility Charge (PFC) activity of the Southeast Texas Regional Airport of Jefferson County, Texas, (the County). The information in this schedule is presented in accordance with the requirements of 14 Code of Federal Regulations Part 158.67 and the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The County reports expenditures on the Schedule of Expenditures of Passenger Facility Charges collected and expended as reimbursements (to the extent of PFC's actually collected) of costs incurred by the County during the current and prior fiscal years.