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February 17, 2010

Potential Independent Year End Audit Proposer,

ADDENDUM 1# - Independent Year End Audit Request for Proposal (RFP)

The following is an addendum to Marin Transit's Request for Proposal for the Independent Year End Audit RFP. This addendum includes additions, clarifications, modifications and answers to questions submitted to Marin Transit in writing by Monday February 15, 2010.

As a reminder, the deadline to submit responses to this RFP is Wednesday, February 24, 2010 at 3:00 pm.

The RFP, together with this Addendum #1, constitutes the entire understanding between each of the participating proposers and Marin Transit. The changes to the RFP as set forth herein, shall be incorporated into your proposal where required. **Please acknowledge receipt of this addendum in your proposal.**

I. Modifications and Additions to the RFP

Marin Transit is hereby modifying or clarifying the content of the RFP as described below and in section II, Summary of Questions and Answers. Respondents are required to utilize these modifications in preparing for their proposal.

1) Additional Data Available

Marin Transit is providing additional information regarding its current budget and past audits. This information can be downloaded at:

<http://www.marintransit.org/purchasing.html>

II. Summary of Questions and Answers

The following questions and answers are divided into the following categories:

- RFP
- Prior Auditor
- Financial Software & Marin Transit
- Prior Audits
- Additional Data Requests

RFP

1) *Why have you issued this RFP?*

To be compliant with agency purchasing policies, Marin Transit is required to do a competitive bid for this contract.

2) *Were there any major changes in the engagement requested in the RFP compared to last year's engagement?*

No major changes have happened. The agency has made changes to improve financial control and policies in response to previous audit findings.

3) *In the RFP you request one (1) bound original and three (3) bound copies of the proposal. Would you like one (1) bound original and three (3) bound copies of the Fee Proposal as well?*

At least one copy of the fee proposal is required. The fee proposal does not need to be bound. Extra copies would be helpful but not required.

4) *What are your desired dates for Interim to be performed? Number of people working on Interim? And length of time to perform interim?*

No interim was requested.

5) *What are your desired dates for Year End to be performed? Number of people working on Year End? And length of time to perform year end?*

The audit for fiscal year 2009 must be completed within 60 days of contract award. Audits for future years must be completed by September 30 of each year (90 days from close of fiscal year). It is up to the auditor's discretion to determine the number of staff required to complete the audit.

6) *What efficiencies would you like to see in the audit of the District's financials?*

Marin Transit would like the audit to be done in a timely way to meet stated deadlines.

Prior Auditor

7) Which audit firm performed the previous audits and for how long?

Marin Transit's FY08 audit was completed by Maher Accountancy. Maher Accountancy has completed at least the last prior seven audits.

8) Are prior year audit firms invited to bid for this Request for Proposal (RFP)?

Yes.

9) How many auditors were on-site and for how many days for fieldwork for the FY08 audit? How many weeks were the prior year auditors at the District's offices with how many staff to perform the audit (interim and final)?

This information was not monitored. We anticipate that the onsite portion would take no longer than a week.

10) Were you happy with the prior auditor?

The prior auditor work has been satisfactory.

Financial Software & Marin Transit

11) What financial software system are you using?

Marin Transit uses SAP software as part of Marin County's financial system.

12) How long have you used this system? And do you have plans to change your current system?

We have been using SAP since 2007 and have no current plans to change.

13) Are the Basic Financial Statements (including Footnotes) prepared by the auditor or Marin Transit?

Basic Financial Statements (including Footnotes) are prepared by the auditor.

14) Why is there a delay on the FY09 audit?

In FY07 Marin County transitioned to a new financial software program (SAP) delaying the close of FY07 and FY08. FY09 is the final year Marin Transit expects to have a delayed audit.

15) What is the size of the Finance Department?

Marin Transit has the equivalent of one full time Finance Manager, who is supported by Marin County Department of Public Works (DPW) accounting staff and the Marin County Department

of Finance. Selected auditor will be required to work with both Marin Transit staff and Marin County staff.

16) Who are the key employees assigned to work with the auditors and what is their tenure with the organization?

The lead contact for the audit will be Lauren Gradia who has been working for Marin Transit since November 2005. Additional support will be from Qiana Davis who works for the County of Marin DPW but has been working on Marin Transit accounting for two years. Marin Transit's administrative assistant will also be supporting the audit.

17) Is the District involved in any litigation not included in the 2008 Financial Statements?

No.

18) Were there any significant events in the current year (FY09)?

No.

Prior Audit

19) How many journal entries were proposed by the prior audit firm for FY08?

Thirty-four. Due to changes in accounting practices fewer are expected in the FY09 audit.

20) In previous audits, what is the average audit AJE's that were entered?

See above.

21) Were there any material adjustments made by the auditors in connection with the examination of the Financial Statements for the year ended June 30, 2008?

Yes, a number of year end close entries had not been made and needed to be posted by the auditor.

22) How many findings were noted by the auditor for FY08, if any?

Two findings were made. This audit is not yet public. Due to the delay of the FY08 audit, the Marin Transit board will not be adopting this audit until March 15, 2010.

23) Management Comments in prior year. Significant deficiencies or material weaknesses? Was a management letter issued by the prior auditors?

See above.

24) Were there any difficulties encountered during the prior audits?

Yes. In the prior year there were coordination issues between Marin Transit and Marin County DPW accounting staff that resulted in year end close entries not being made. Marin Transit actively reviewed the FY09 year end entries to limit concern for the current audit.

25) How did you measure the quality of the audit performed?

Quality was measured by the accuracy of final financial statements, ability to work with Marin Transit staff, and experience with transit funding sources.

26) What audit areas, in your opinion, were cumbersome?

Cumbersome audit areas include working with both Marin Transit and Marin County staff and properly accounting for pass through funding from Golden Gate Transit.

27) What was the audit fee for FY08?

The cost of the FY08 audit was \$30,950 including additional single audit for federal funding.

28) How many post closing adjustments were there in FY09?

Four for FY09 year end plus adjustments to account for the FY08 year end audit entries.

29) Were there any problems in completing the close of the books and preparing for the FY09 audit?

Yes, the delay of the FY08 audit affected the FY09 beginning balances.

Additional Data

30) Can we receive a copy of the FY08 audit report and single audit?

The Marin Transit board will not officially adopt the FY08 audit until the March 15, 2010 board meeting. For this reason the FY08 audit will not be distributed. The FY07 audit has been posted to www.marintransit.org/purchasing.html

31) Can we get electronic copies of all prior year reports or can you make them available on your website? Will you please PDF the prospective auditors copies of the June 30, 2008 – Financial Statements, Single-Audit Reports, TDA Compliance Letters, and State Controller’s Reports – for our review before the preparation deadline of the RFP?

Copies of FY08 Financial Statements and Single-Audit Reports are not yet available. Copies of FY07 statements and reports are posted to www.marintransit.org/purchasing.html. Since Marin Transit receives TDA and STA as pass through funding from Golden Gate Transit, no separate TDA Compliance Letters are required. The FY08 State Controller report has been posted to the above website.

32) Can you provide the FY09 trial balance?

The preliminary trial balance is posted to allow proposers to provide an overview of revenue and expenses, however the County is completing the process of making final year end adjustments and a final trial balance will be provided at the start of the audit.

33) If not included in the trail balance as a separate account, what is an estimate of the amount of federal funding received in FY09?

Marin Transit received an estimated \$965,117 in Federal funds in FY09.

34) Any New Debt Issues or Refundings in 2009?

Marin Transit has no debt.

35) Has the District entered into any Major Contracts, Studies and/or Started any Projects in FY 2009 that would not be reflected in the June 30, 2008 financials?

No.