

ADDENDUM-Question and Answers RFP Audit 202

1. I noticed the below snip on the RFP. I didn't see such a report in last year's audit by Weaver? Do you anticipate a change this year? **See Attached management letter.**
 - G. **The auditor shall determine and issue an opinion on whether the following systems are in substantial compliance with appropriate accounting and control standards:**
 1. investments,
 2. accounts payable processing,
 3. payroll,
 4. cash receipts processing,
 5. contractual liabilities, and
 6. fixed assets
2. Does the District draft the ACFR or does the auditor or is it a combined effort? I've seen instances where we draft the actual financials and disclosures and you do the rest and I've seen some where you do it all. **It's a combined effort the district will provide the introductory information along with the statistical section.**
3. Do you anticipate an onsite audit or remote audit? (We can do both but post-covid we've seen an increase in remote.) **Onsite or a hybrid version.**
4. What is the reason for the RFP? Is a change anticipated or is the RFP a district policy periodically? **Our Board of Directors likes to rotate auditors every three years.**



BEXAR APPRAISAL DISTRICT

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Chief Appraiser

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BOARD OF DIRECTORS

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June 8, 2023

Weaver & Tidwell, LLP
1601 S MoPac Expy Suite D250
Austin, TX 78746

This representation letter is provided in connection with your audit of the governmental activities, the major fund and the aggregate remaining fund information of Bexar Appraisal District (the "District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of the District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 8, 2023:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 26, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, no spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.

- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the nonattest services, preparation of the financial statements and notes, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Supplementary Information in Relation to the Financial Statements as a Whole

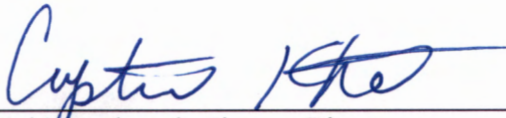
With respect to the supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

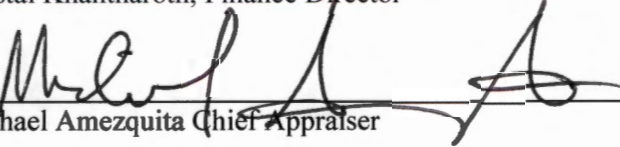
Required Supplementary Information

With respect to the required pension and OPEB supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the pension and OPEB supplementary information in accordance with GASB 68 and GASB 75.
- We believe the pension and OPEB supplementary information, including its form and content, is measured and fairly presented in accordance with GASB 68 and GASB 75.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the amounts and interpretations underlying the measurement or presentation of the pension and OPEB supplementary information, and the basis for our assumption and interpretations, are reasonable and appropriate in the circumstances.



Crystal Khantharoth, Finance Director



Michael Amezquita Chief Appraiser

Uncorrected Misstatements

Account	Description	Debit	Credit
Proposed Journal Entries			
Proposed Journal Entries JE # 3001			
Passed adjusting entry to properly record prepaids and correct YE expense balance			
1400-00	Prepaid Expenses	133,333.00	
8510-03	Digital Orthophotography		133,333.00
Total		133,333.00	133,333.00
Proposed Journal Entries JE # 3002			
To record CY impact of PY passed adjustment related to prepaid digital orthophotography.			
8510-03	Digital Orthophotography	125,583.00	
3160-00	Designated - Digital Orthophotography		125,583.00
Total		125,583.00	125,583.00
Proposed Journal Entries JE # 3003			
General Fund - To record adjustment for recognition of lease capital outlay and other financing source related to implementation of GASB 87.			
6100-01	Equipment	199,519.00	
WT-020	Other Financing Sources		199,519.00
Total		199,519.00	199,519.00
Proposed Journal Entries JE # 3004			
General Fund - To reclassify lease expenditures to debt service as a result of implementing GASB 87.			
WT-021	Debt Service - Principal	56,361.00	
WT-022	Debt Service - Interest	3,667.00	
8000-02	Leases		60,028.00
Total		60,028.00	60,028.00
Proposed Journal Entries JE # 3005			
Government Wide - To record recognition of lease asset and lease liability as a result of implementing GASB 87.			
WT-023	Lease Asset	199,519.00	
WT-024	Lease Liability		199,519.00
Total		199,519.00	199,519.00

Proposed Journal Entries JE # 3006

Government Wide - To remove lease expense and record reduction in lease liability and interest expense as a result of implementing GASB 87.

WT-022	Debt Service - Interest	3,667.00	
WT-024	Lease Liability	56,361.00	
8000-02	Leases		60,028.00
Total		60,028.00	60,028.00

Proposed Journal Entries JE # 3007

Government Wide - To recognize amortization of lease asset and accumulated amortization as a result of implementing GASB 87.

WT-013	Depreciation Expense	77,286.00	
WT-012	Accumulated Depreciation - Furniture		77,286.00
Total		77,286.00	77,286.00

	Total Proposed Journal Entries	855,296.00	855,296.00
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