

**Solicitation Call
Request for Quotes (RFQ)
#FY15/16-002**

Fiscal Auditing and Tax Services

Below are responses to questions submitted at the Solicitation Call or via email, grouped by Name/Agency:

**Questions submitted by Donna Brown, CPA, Partner
James Moore & Co., P.L.:**

- What are the qualities in an auditing firm that Board deems most important?

Please refer to the specifications outlined in the RFQ.

- Why is HFC going out bid for auditing services?

Board of Directors requested. Current firm had been doing audit for past 7 years.

- Has anything significant occurred in the current year, which is different from prior years? Is something significant expected and/or budgeted to occur in the current year, or soon thereafter, which a potential auditor should be aware of? Are you projecting to access the risk pool for 2016?

No changes from prior years, and currently do not foresee accessing the risk pool.

- What has been exhibited by the current auditors that Board values the most?
The least?

Please refer to the specifications outlined in the RFQ.

- Could you please provide a copy of the FYE 6/30/2015 audited financial statements.

Please see HFC website.

- Please provide the audit adjustments (proposed and posted) for 6/30/14 and 6/30/15 audits.

No audit adjustments were proposed or posted during those years.

- Please provide Board's tentative timeline for when interim and audit fieldwork could occur and when the audit report is due.

Interim and audit fieldwork is up to the auditing firm. Report is due to the Board of Directors by the 3rd week in November.

- Is Board drafting the financial statements, notes to financial statement, and schedule of expenditures of awards, or is the auditor?

Finance staff will draft financial statements.

- If available, what were the total audit and IRS Form 990 preparation fees and hours charged for the fiscal years ended June 30, 2014 and June 30, 2015 audits?

Information is not known.

- Are the CEO and CFO available to meet to discuss some of these questions if needed?

Not prior to the RFQ submission date.

**Questions submitted by Helen Painter, CPA, Audit Partner
Purvis, Gray & Company, LLP:**

- On page 4 of the RFP discusses transitioning with former audit firm. Does this automatically mean that the intent of the Organization is to change Auditors and is there a reason why this decision has been made?

No, does not automatically mean that the intent is to change Auditors. We periodically put our contracts out to bid.

- The RFP indicates that the proposal be sent by certified mail with a return receipt or hand delivered. Our plans are to send the proposal via Federal Express which automatically provides a receipt of who received the document-will this be acceptable?

Yes, Fed Ex is acceptable as long as received by the due date and cut-off time.

- It appears that pages 15 and 16 are not applicable to this Audit RFP and should we state N/A in those areas?

These are standard for our network providers. You can answer N/A if not applicable.

- Has there been any recent changes with executive management within the organization?

No.

- How consistent has the finance and accounting staff been in the last three years? Any staff turnover?
All same staff, no turn-over in finance staff.

- No management letter comments were noted in the 2015 audit-is that correct?

That is correct, no management letter comments received.

- How many audit adjustments were made during the 2015 audit process?

None were proposed or posted.

- Is the payroll processing outsourced?

No, done in-house. We use Kronos automated time and attendance system which feeds into the Oracle payroll system.

- Are there any new programs started during the year including new contracts entered into?

No.

- Tax Form 990 states that Devereux provides certain financial, IT, Human Resources, etc. services for Heartland for Children. Could you further explain these services?

Heartland was originally founded by Devereux Foundation, and then separated in 2007. We currently have an administrative service agreement with Devereux, which allows us to utilize Devereux's computer systems, access Devereux's Human Resource department for guidance for wage and hour issues and participate in Devereux's employee benefit plans.

- What are the financial software applications utilized by the Agency?

Oracle "E-Business Suite". Oracle has the general ledger, accounts payable, payroll, fixed assets and Human resource applications.

Questions submitted by Chris Davis, CPA

Crowe Horwath, LLP:

- Who prepares the financial statements (including footnotes and SEFA)?

Finance staff will draft financial statements and new disclosure footnotes discussed with the auditing firm.

- Typically when is interim and year-end fieldwork?

Interim and year-end fieldwork is up to the auditing firm, depending on the receipt of the final post award notice from the Department.

- When is the deadline for completion of the audit?

Present to the Board of Directors by the 3rd week of November.

- Has there been a change in the executive management or key accounting personnel in the last three years?

No.

- Are any accounting functions outsourced? If so is there a SSAE 16/SOC 1 report available?

Nothing is outsourced.

- Does the Company use any third-party administrators?

No.

- Are there any anticipated significant changes in grant funding for FYE 2016 vs. 2015?

No significant changes.

- What version of the Oracle platform does the company use (i.e. Business/Financials/PeopleSoft)?

Oracle "E-Business Suite". Oracle has the general ledger, accounts payable, payroll, fixed assets and Human resource applications.

- Are there any anticipated changes in the accounting system in the next few years?

No anticipated changes.

- Are there any anticipated changes in accounting policies/procedures/operations in the next few years?

No anticipated changes.

- Is there any anticipated debt issuance in the next few years?

No.

- What have been the audit/tax/consulting fees paid over the last three years?

\$47,000 per year.

- Please verify that S/WMBE's are not required to be used for the services to be rendered under this RFP.

They are not required for this contract.

- For the Network Provider Application Packet, some of the information requested appears to be not applicable for Audit services. Is it acceptable for these sections to be marked "N/A?"

Yes, sections can be answered N/A.