

Response to questions for RFP for Independent Audit Services

Questions are addressed in the order they were received.

Moss, Levy & Hartzheim, LLP

1. If you are willing to share, what was the audit fee for the 23/24 fiscal year?
\$12,835 for audit of financial statements and preparation of ACFR; Single Audit quote was \$3,375 but was not necessary
2. Are the prior auditors allowed to bid on this RFP? Yes
3. If the answer to 2 is no, why is the District looking to make a switch? N/A

The Pun Group, LLP

1. How long has the current audit team been conducting audits for the Authority? 8 years
2. How many auditors were on-site for interim and year-end fieldwork, and for how many weeks? All work was done remotely (at least for the last couple years)
3. What are the target timelines for:
 - a. Interim Audit N/A
 - b. Year-End Audit Early October
 - c. Draft Reports 11/1/25
 - d. Final Reports 11/30/25
4. What were the annual audit fees for the previous year? Please provide a breakdown by report. \$12,835 for audit of financial statements and preparation of ACFR; Single Audit quote was \$3,375 but was not necessary
5. Are any new services requested in this RFP not covered in the previous year's audit fee? No
6. Will there be a Single Audit? (Please include the most recent report copy with your response). Most likely not but there is a possibility one will be needed
7. Who handles the State Controller's Financial Transaction Report preparation and submission if necessary? District
 - e. If it's the auditors, what were the fees for the last year?
8. How many journal entries were recommended by the auditors, and were there any findings? 3 reclassification entries for financial reporting; no findings
9. Did the auditors make any significant adjustments during the examination of the previous year's Financial Statements? No
10. Has the Authority entered into any significant contracts, studies or initiated any projects in the Current Fiscal Year that are not reflected in the Prior Year's Financial Statements? No
11. Were there any New Debt Issuances in the Current Fiscal Year? No
12. Is the Authority involved in any litigation not disclosed in the Prior Year's Financial Statements? No
13. Could any other significant changes in the Current Fiscal Year impact the Authority's operations? No
14. What criteria were used to assess the quality of the audit conducted? Accuracy and completeness, independence/objectivity, quality documentation, communication, professional competence, risk assessment and follow up actions provided
15. In your perspective, which audit areas proved to be particularly challenging? None
16. What improvements or efficiencies would you like to see in the audit of the Authority's financial records? None at this time; however, we are open to suggestions for improvements and efficiencies

LSL CPAs

1. Is there anything specific you are looking for in the successor auditors? *Accuracy and completeness, independence/objectivity, quality documentation, communication, professional competence, risk assessment and follow up actions provided*
2. How many staff did the audit team consist of for both interim and year-end, and how many weeks did the auditor spend in the field? *All work was done virtually. No interim audit. One main person doing work. Not sure if any support was given in office.*
3. How many audit hours did your current auditors propose under your existing contract? *Not available*
4. What were the prior year's total audit fees, and can you provide the breakdown by components? *\$12,835 for audit of financial statements and preparation of ACFR; Single Audit quote was \$3,375 but was not necessary*
5. Are there any significant changes in operations expected for FY 2024-25? *No*
6. Were there any significant events in 2023-24? Will there be any significant events in FY 2024-25? *No*
7. Have there been any changes in your accounting system since last year or any planned changes in the future? *New ERP system to go live in August 2025*
8. Were there any new bond issues in the current year or any planned bond issuances in the coming years? *No*
9. How many leases and subscription arrangements does the District have? *We currently have 10 leases for GASB 87; new ERP system will be SBITA*
10. How many post-closing journal entries did you have for FY 2024? How many were proposed by the auditor? *None*
11. Is there any litigation not included in the 2024 Financial Statements? *No*
12. Did the District have any layoffs, retirements, or replacements of key employees in the finance department? *Treasurer retired 10/31/24*
13. Do you currently have vacant or frozen positions within finance? *No*
14. Was the FY 2024 audit performed remotely? If so, is the District open to continuing remote audits in the future? *Yes and yes*
15. What is the desired timeline for:
 - a. Interim *N/A*
 - b. Field Work *October 2025*
16. Is there any flexibility for the scheduling for the first year of the proposed engagement term? *Yes, but need everything completed in time to submit ACFR for GFOA COA award.*
17. Will emailed proposals be accepted in lieu of the paper hard copies?
No. Completed proposals must be received by the District no later than 12:00 PM on Friday, June 13, 2025 in a sealed envelope and must be clearly marked "Proposal for Independent Audit Services," at the following address: Port San Luis Harbor District P.O. Box 249 Avila Beach, CA 93424 or they may be dropped off at our main office at the following address: 3950 Avila Beach Dr., Avila Beach, CA 93424
18. Is the due date time on 5/13 3:00 PM per pg. 1 of the RFP or 12:00 PM per page 7 (7. Submittal Procedures). *6/13 3:00PM*

Harshwal & Company, LLP

1. In your experience, what were the most challenging aspects of the audit process during the previous engagement? *There were no significant challenges. The process ran smoothly.*
2. Could you please provide details on the audit fees incurred in the previous fiscal year (by services as described in the RFP)? *\$12,835 for audit of financial statements and preparation of ACFR; Single Audit quote was \$3,375 but was not necessary*
3. If applicable, could you provide insights into the reasons behind the change in auditors from the prior fiscal year? *The District follows a policy of engaging a new audit firm every five to six years, aligning with standard practices for most special districts. While certain circumstances may allow for an extended engagement period, we are currently in the process of seeking a new auditor.*
4. Were there any disagreements or disputes with the prior auditor that we should be aware of? *No*
5. Is the scope of the services requested the same as last year? *Yes*
6. What are the **District's** expectations with on-site versus remote work? Is the **District** open to working with auditors on a fully remote basis *District is open to working on a fully remote basis*

Nigro & Nigro, PC

1. Can you provide the reason for the District going out for RFP? *The District follows a policy of engaging a new audit firm every five to six years, aligning with standard practices for most special districts. While certain circumstances may allow for an extended engagement period, we are currently in the process of seeking a new auditor.*
2. Is the Incumbent Auditor allowed to bid on the RFP or is this a Mandatory Rotation? *Yes if they would like; however, they will be considered on the same basis as all other bids.*
3. How long have the current auditors served the District? *8 years*
4. When did their contract start? *2017*
5. Is the scope of Services requested in the RFP the same as FY 2024? *Yes*
6. Were there any Management Letter Comments that resulted from the prior year audits from the auditors to the District? *No*
7. Where there any Disagreements with the prior auditors? *No*
8. Has there been any turnover in District Management since 6/30/24? *Yes*
9. Has there been any turnover in District Accounting Staff since 6/30/24? *Yes*
10. What were the things you LIKED about your audit process over the prior years? *Consistent audit team over many years*
11. What were the things you DID NOT LIKE about your audit process over the prior years? *No issues*
12. Which accounting software are you using – QuickBooks, Tyler, Cassell or Other? *CYMA. Changing to Tyler in 2025/26.*
13. How many journal-entries were proposed by the auditor on an annual basis? *3 reclassification entries for financial reporting*
14. How many weeks were the previous auditors onsite and with how many staff? *All work was virtual*
15. Was the audit conducted virtually? *Yes*
16. How many dedicated Finance Staff are employed at the District? *3*
17. Who prepares and keeps the District's MD&A? *District business/accounting department*
18. Who prepares and keeps the District's recordkeeping for its Capital Assets (Additions & Deletions) as well as Depreciation Expense? *District accounting department*
19. Who prepares and keeps the District's recordkeeping for its Compensated Absences? *District accounting department with some assistance from Auditor*

20. Who prepares and keeps the District's recordkeeping for its Long-Term Debt? **District accounting department**
21. Any New Debt in 2025? **No**
22. Who will be responsible to prepare the following entries for the District?
 - a. GASB 68 – Pension entries - **Auditor**
 - b. GASB 75 – OPEB entries **District**
 - c. GASB 87 – Lease/Contract – Revenue and Expense entries **Both District and Auditor**
 - d. GASB 96 - Subscription-Based Information Technology Arrangements **Auditor**
23. Who will be responsible for preparing the Annual Financial Statements? **Auditor will be responsible for preparing ACFR**
24. Any Federal Funding so far or anticipated in FY 2025? **None so far; remote possibility we could still receive some**
25. Any new or potential significant events or financial transaction in FY 2025? **No**
26. Have there been any legal judgements rendered upon the District in FY 2025? **No**
27. How much were the prior year audit fees (if possible, broken down by fee for service) Audit, Single-Audit and Prep of the Annual State Controllers Report by reporting entity? **\$12,835 for audit of financial statements and preparation of ACFR; Single Audit quote was \$3,375 but was not necessary**

Vasquez & Company, LLP

1. Has there been any turnover in management during the past year? **Yes**
2. Has there been any turnover in accounting staff during the past year? **Yes**
3. What accounting software do you use? Any plans for change? **CYMA; plan to go live on Tyler late August 2025**
4. How many journal entries were proposed by the auditor in the prior year? **3 reclassification entries for financial reporting**
5. Are any management letter comments outstanding from the prior year? **No**
6. May we receive a copy of last year's management letter? **Previous audit information can be found on our website: <https://www.portsanluis.com/2151/Budget-Financial-Reports>**
7. How many major programs are subject to a Single Audit? **None**
8. Any known or suspected fraud? **No**
9. When will the books be ready for the audit? **Target early October**
10. Are financial records available electronically? **Yes**
11. Is remote auditing acceptable? **Yes**
12. Who prepares the financials? **Accounting Supervisor with support from accounting team and staff; Auditor will prepare ACFR**
13. Were there any significant transactions (e.g., bond issuance, leases) during the year? **No**
14. Significant changes to operations or funding sources? **No**
15. Significant construction or capital projects? **Ongoing capital projects for Avila Pier and Harford Pier redevelopment**
16. Any audits or inspections by regulatory agencies? **No**
17. Any changes to the governance structure of the organization? **No**
18. Is the incumbent auditor invited to bid? **Yes**
19. What were the audit fees for the prior year? **\$12,835 for audit of financial statements and preparation of ACFR; Single Audit quote was \$3,375 but was not necessary**

EadiePayne, LLP

1. Can you share the audit fees charged by the prior auditor?
\$12,835 for audit of financial statements and preparation of ACFR; Single Audit quote was \$3,375 but was not necessary
2. What prompted the issuance of this RFP—are you seeking a new firm, or is this part of a standard bid rotation? The District follows a policy of engaging a new audit firm every five to six years, aligning with standard practices for most special districts. While certain circumstances may allow for an extended engagement period, we are currently in the process of seeking a new auditor.
3. Were there any findings or challenges in the most recent audit that you would like the incoming firm to be aware of? None
4. Does the District anticipate the need for a Single Audit during the term of this engagement? Most likely not but there is a possibility one will be needed
5. Is the incumbent auditor eligible to rebid, and if so, are they participating in the current process? The incumbent auditor is eligible to submit a rebid. However, currently, there is no confirmation regarding their participation in the current process.