

California City
Questions.and.Answers.Response
Request for Proposals For Auditing Services

The questions below have been received as of 6pm February 23, 2026. The answers are provided to each question. Additional questions and answers will be supplemented as needed.

Question Submission #1

1. Has there been any turnover in management during the past year?

Yes, the City Manager position has transitioned effective January 2026

2. Has there been any turnover in accounting staff during the past year?

No

3. What accounting software do you use? Any plans for change?

Caselle Connect; no planned software changes

4. How many journal entries were proposed by the auditor in the prior year?

Less than 5

5. Are any management letter comments outstanding from the prior year?

No

6. May we receive a copy of last year's management letter?

Yes, it is available beginning on PDF page 83 at the following link:

https://californiacity.granicus.com/DocumentViewer.php?file=californiacity_26a7a53c84de56cb2818627fa539dc1b.pdf&view=1

7. How many major programs are subject to a Single Audit?

1

8. Any known or suspected fraud?

No

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9. When will the books be ready for the audit?

Approximately late April 2026

10. Are financial records available electronically?

Yes

11. Is remote auditing acceptable?

Yes

12. Who prepares the financials?

Consultants/Finance Dept

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?

No

16. Any audits or inspections by regulatory agencies?

Not aware of any

17. Any changes to the governance structure of the City?

No

18. Is the incumbent auditor invited to bid?

The incumbent has performed the last six fiscal year audits for the city and is therefore unable to continue with the current fiscal year audit.

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19. What were the audit fees for the prior year?

Not to exceed \$46,000, \$6,000 each single audit

Question Submission #2

1. Is there anything specific you are looking for in the successor auditors?

No

2. What is the reasoning the City is behind on audits?

The City only behind on FY24-25 audit; previous auditors reached the limit of 6 years.

3. 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?

3 Staff member & Consultant Team; Audit was remote

4. How many audit hours did your current auditors propose under your existing contract?

N/A

5. What were the prior year's total audit fees, and can you provide the breakdown by components?

Not to exceed \$46,000, \$6,000 each single audit

6. Are there any significant changes in operations for FY 2023-24?

Yes, there was a change in revenues from a special tax and in overall budget of the City.

7. Were there any significant events in 2024-25? Will there be any significant events in FY 2025-26?

FY25 No. FYE 2026 yes, late audit and fiscal restructuring to reduce budget.

8. Have there been any changes in your accounting system since last year or any planned changes in the future?

No

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9. Were there any new bond issues in the current year or any planned bond issuances in the coming years?

No

10. How many leases and subscription arrangements does the City have?

No major subscription or leases

11. How many post-closing journal entries did you have for FY 2024? How many were proposed by the auditor?

Less than 5

12. Is there any litigation not included in the 2024 Financial Statements?

Yes, ongoing litigation as presented to the City Council.

13. Did the City have any layoffs, retirements, or replacements of key employees in the finance department?

No

14. Do you currently have vacant or frozen positions within finance?

Yes, and Accounting Clerk III position.

15. Was the FY 2024 audit performed remotely? If so, is the City open to continuing remote audits in the future?

Yes and yes.

16. Is there any flexibility for the scheduling for the first year of the proposed engagement term?

The City would like to start in late April 2026 but is flexible and will accept alternate timelines from respondents.

17. Will emailed copies of the proposal be accepted in lieu of hardcopies?

Yes