2025 Joint Audit Services Request for Proposals
Los Angeles, Orange, San Bernardino, San Diego
Response to Questions

Please note similar questions were grouped together to reduce duplicity.

1. **Are the current auditors invited to bid on this RFP? Is the incumbent auditor invited to bid?**
   Yes, the current auditors are invited to bid on this RFP.

2. **Why is the Commission considering the change in auditor?**
   It has generally been the Commission's practice to participate in a competitive bidding process every five years.

3. **Is there read-only access to the accounting system remotely?**
   San Diego is the only LAFCO from the group that has remote read-only access to its QuickBooks accounting system.

4. **Does the Commission have the capability to provide audit information electronically, to allow for remote fieldwork? Is remote auditing acceptable?**
   Yes. Remote fieldwork accommodations may be negotiated with each individual LAFCO. Orange and Los Angeles LAFCOs prefer in-person fieldwork.

5. **What was the timing of the interim fieldwork, final fieldwork, and reports?**
   Generally, fieldwork commences every September following the close of the fiscal year, and final reports vary by LAFCO; the earliest reports are prepared is mid-October, while the latest are prepared prior to the close of the following fiscal year.

6. **What were the fees for the FY 24-25 services? What were the audit fees for the prior year?**
   Fees vary by LAFCO, ranging between an estimated $9,000-$12,000 per audit year, per LAFCO. Please refer to each LAFCO's respective budgets for additional details:

   Los Angeles: https://lalafco.org/en/transparency/
   Orange: https://oclafco.org/about-us/transparency/
   San Bernardino: https://sbclafco.org/open-government/
   San Diego: https://www.sdlafco.org/about/financial-information

7. **Are there any new services requested in this RFP that were not included in the prior year audit fees?**

   No. Does your firm propose additional services? If yes, please include in the scope of services as well as the reasoning for the additional services. Lastly, list the additional costs associated with these additional services.

8. **Has the Commission entered into any major contracts, studies and/or started on any projects in the current fiscal year that were not reflected in the prior year financial statements?**
   No.

9. **Is the Commission involved in any litigation not included in the prior year financial statements?**
   Los Angeles: No.
   Orange: No.
   San Bernardino: No.
   San Diego: Yes. The trial court decision was in LAFCO's favor; currently in the 60-day appeal window.

   Please review the prior-year audit for more details.
   Los Angeles: https://lalafco.org/en/transparency/
   Orange: https://oclafco.org/about-us/transparency/
   San Bernardino: https://sbclafco.org/open-government/
   San Diego: https://www.sdlafco.org/about/financial-information

10. **Did the Commission have any layoffs, retirements, or replacements of key employees in the finance department?**
    No.

11. **Have there been any changes in the Commission's accounting system or other software since last year?**
    No.

12. **What accounting system does the Commission use? What accounting software do you use? Any plans for change?**
    Los Angeles: QuickBooks Accountant Desktop 2024. No anticipated software change.
    Orange: QuickBooks. No anticipated software change.
    San Bernardino: System Applications & Products (SAP) through the County of San Bernardino.
    San Diego: Oracle through the County of San Diego, and QuickBooks. Oracle is used through a license provided by the County of San Diego and tie to funds with the Treasurer's Office. Most of our transactions – including payroll – go through Oracle. QuickBooks is used to transact smaller actions out LAFCO's credit union account—including LAFCO's credit line. Staff reconciles the two accounts in QuickBooks for purposes of monthly reporting to the Commission.

13. How many journal entries occurred after the TB was provided to the auditors – of these journal entries, how many were from the Commission and how many were from the audit?
(*Immaterial.)*
Minimal, two at most, one from the Commission.

13.a. How many journal entries were proposed by the auditor in the prior year?
Minimal, one at most.

14. Did the auditors identify any noncompliance, significant deficiencies, or material weaknesses in the FY 24-25 audit (or 23-24 if the CY audit is not yet complete)?
No.

Please refer to the respective LAFCO websites to view prior year audits:
Los Angeles: https://lalafco.org/en/transparency/
Orange: https://oclafco.org/about-us/transparency/
San Bernardino: https://sbclafco.org/open-government/
San Diego: https://www.sdlafco.org/about/financial-information

15. Approximately how many leases does the Commission have under GASB 87?
Varies by LAFCO, at most three per LAFCO. The most common lease under GASB 87 is for office space.

16. Approximately how many SBITAs does the Commission have under GASB 96?
None that we are aware of.

17. Has the Commission hired consultants or other vendors for the calculations required by GASB 87 and GASB 96?
LAFCOs are small government entities.

Los Angeles and Orange LAFCOs contract with Eide Bailly for accounting services. Those services include calculations for GASB 87 and GASB 96.
San Bernardino: No.
San Diego: No. The County of San Diego performs the GASB 87 and GASB 96 calculations.

18. As a note, we are unable to prepare an MD&A as we are not management and that communication is required to be from management.
It is our general understanding that on behalf of management, a draft boilerplate may be prepared for management to modify and implement as its own.

19. Has there been any turnover in management during the past year?
No.

20. Has there been any turnover in accounting staff during the past year?
No.

21. Are any management letter comments outstanding from the prior year?
No.

22. May we receive a copy of last year's management letter?
Los Angeles: https://lalafco.org/en/transparency/
Orange: https://oclafco.org/meetings/
(November 12, 2025 Agenda/Item 8a.)
San Bernardino: https://sbclafco.org/open-government/
San Diego: https://www.sdlafco.org/about/financial-information

23. How many major programs are subject to a Single Audit?
None.

24. Any known or suspected fraud?
No.

25. When will the books be ready for the audit?
Generally the August following the close of the audit year.

26. Are financial records available electronically?
No.

27. Who prepares the financials?
Los Angeles: Eide Bailly
Orange: Eide Bailly
San Bernardino: Prepared through the SAP system as part of LAFCO's access to the County of San Bernardino's accounting system.
San Diego: Prepared by Staff.

28. Were there any significant transactions (e.g., bond issuance, leases) during the year?
No. LAFCOs are not authorized to issue bonds, please refer to RFP and prior year audits for a better understanding of LAFCOs' financials.

29. Significant changes to operations or funding sources?
No.

30. Significant construction or capital projects?
N/A

31. Any audits or inspections by regulatory agencies?
No.

32. Any changes to the governance structure of the LAFCO?
No.

33. Can you provide us with a copy of the previous year's report?

Los Angeles: https://lalafco.org/en/transparency/
Orange: https://oclafco.org/about-us/transparency/
San Bernardino: https://sbclafco.org/open-government/
San Diego: https://www.sdlafco.org/about/financial-information

34. Were there any New Debt Issuances in the Current Fiscal Year?

35. Could any other significant changes in the Current Fiscal Year impact LAFCO's operations?
No.

36. What criteria were used to assess the quality of the audit conducted?
Please refer to the RFP posted online at each respective LAFCO's website:

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Orange LAFCO: http://oclafco.org/
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San Diego LAFCO: https://www.sdlafco.org/

37. In your perspective, which audit areas proved to be particularly challenging?
None.

38. What improvements or efficiencies would you like to see in the audit of LAFCO's financial records?
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San Diego LAFCO: https://www.sdlafco.org/

39. Will there be a Single Audit? (Please include the most recent report copy with your response).
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Orange LAFCO: http://oclafco.org/
San Bernardino LAFCO: http://www.sbclafco.org/
San Diego LAFCO: https://www.sdlafco.org/

40. Who handles the State Controller's Financial Transaction Report preparation and submission if necessary?
N/A