

- Is there anything specific you are looking for in the successor auditors?
 - HCAOG is not looking for anything different than what we receive from the current auditor.
- 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 team members on the audits; - one for HTA and two for HCAOG and other entities. A good estimate of the amount of time needed for three fiscal years would be about 350 hours.
- How many audit hours did your current auditors propose under your existing contract?
 - 410 hours for three fiscal years – however they did close our books as well, which we will not need from a new auditor.
- What were the prior year’s total audit fees, and can you provide the breakdown by components?
 - The contract for three fiscal years had a not to exceed amount of \$167,500. The most recent fiscal year’s audit fees were \$57,500 and \$2,500 for single audit.
- Are there any significant changes in operations expected for FY 2024-25?
 - No
- Were there any significant events in 2023-24? Will there be any significant events in FY 2024-25?
 - No
- Have there been any changes in your accounting system since last year or any planned changes in the future?
 - No. We have used and plan to keep using QuickBooks.
- Were there any new bond issues in the current year or any planned bond issuances in the coming years?
 - HCAOG does not have any bond issues and do not plan to have any in the future.
- How many leases and subscription arrangements does HCAOG have?
 - HCAOG has one lease for our office building and 7 subscriptions included in our Enterprise System Catalog.
- How many post-closing journal entries did you have for FY 2023? How many were proposed by the auditor?
 - None
- Is there any litigation not included in the 2023 Financial Statements?
 - No

- Did HCAOG have any layoffs, retirements, or replacements of key employees in the finance department?
 - Yes. The previous Fiscal Administrative Officer retired in December 2023 after 24 years. The new Administrative Services Officer has been in her role since April 2023. The Executive Director also resigned in December 2024 and a new Executive Director will be hired this quarter.
- Do you currently have vacant or frozen positions within finance?
 - No
- Is the FY 2024 audit being performed remotely? If so, is HCAOG open to continuing remote audits in the future?
 - Partially. The Auditor comes into our office to review files but also accesses things off site. It is possible for everything to be done remotely.
- As we consider the RFP, could we have copies of HCAOG's June 30, 2024 fiscal and compliance audit reports as well as copies of the reports for the claimants as this assists us in making the most informed decisions?
 - The FY 2023-24 Fiscal and Compliance Audit is not completed. The FY 2022-23 audit can be found on our website here: <https://www.hcaog.net/funding-administration> under the Transportation Development Act (TDA) Fiscal and Compliance Audits section.
- How long have the current auditors been performing the audit for the HCAOG?
 - 30 years. Recently the State Controller's Office initiated a new rule that requires new auditors every three years.
- If a member of the team has past experience with another firm on financial statement audits, such as the scope of work, does this satisfy the firms experience requirement?
 - Yes
- What is the desired timeline for: Interim, Field Work, Draft Reports, Final Reports?
 - The required timeline of audits can be found in Section III of the RFP. No other timeline is required.
- How many auditors and how many weeks were the auditors on-site for both interim what does this mean and year-end fieldwork?
 - 3 team members on the audits - one for HTA and two for HCAOG and other entities. A good estimate of the amount of time needed for three fiscal years would be about 350 hours.
- What was the prior year's annual audit fee(s)? Please provide a breakdown by the report.
 - The contract for three fiscal years had a not to exceed amount of \$167,500. The most recent fiscal year's audit fees were \$57,500 and \$2,500 for single audit.

- Are there any new services requested in this RFP that were not included in the prior year's audit fee?
 - No
- If required, who does the State Controller's Financial Transaction Report preparation and submission? If the auditors, how much were the last year's fees?
 - This is part of the Auditor's scope of work and was included in the fees.
- How many major programs were tested each year for the Single Audit? If applicable, please provide the most recent copy of the report.
 - Humboldt Transit Authority was the only entity that required a single audit. Copies of the most recent reports can be found at <https://www.hcaog.net/funding-administration> under the Transportation Development Act (TDA) Fiscal and Compliance Audits.
- How many journal entries were proposed by the auditors? Were there any findings?
 - None. FY 2023-24 audits have not been completed but the most recent audits can be reviewed on the HCAOG website at <https://www.hcaog.net/funding-administration> under the Transportation Development Act (TDA) Fiscal and Compliance Audits.
- Were there any material adjustments made by the auditors in connection with the examination of the prior year's Financial Statements?
 - No
- Has the HCAOG entered into any Major Contracts, Studies, and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?
 - Yes, there are new projects each fiscal year.
- Any New Debt Issuances in the Current Fiscal Year?
 - No
- Is the HCAOG involved in any litigation not included in the Prior Year Financial Statements?
 - No
- Are any other Major Changes in the Current Fiscal Year that would affect the operations of the HCAOG?
 - Yes. Changes in staff. The previous Fiscal Administrative Officer retired in December 2023 after 24 years. The new Administrative Services Officer has been in her role since April 2023. The Executive Director also resigned in December 2024 and a new Executive Director will be hired this quarter.
- How did you measure the quality of the audit performed?
 - HCAOG has always been satisfied with quality of the audits we have received.

- What audit areas, in your opinion, were cumbersome?
 - There are issues with some of the agencies not submitting information to auditor in a timely manner leading to the need for an extension from the SCO.
- What efficiencies would you like to see in the audit of the HCAOG's financials?
 - We would like to be able to submit audits to the SCO on time.
- Will digital proposals be accepted in lieu of hard copies?
 - Yes, digital proposals are preferred.
- When are the books of HCAOG and HTA closed and ready for audit?
 - HCAOG books close approximately two months after the end of the fiscal year. HTA typically takes longer because they have an outside auditor that they depend on to close their books.
- Were any extensions requested for the 6/30/24 year end? If so, which agencies were extensions requested for?
 - Yes. Arcata and HTA were unable to provide information within the deadline and an extension was requested from the SCO.
- Can you expand on what "Document" insurance covers (section VI. A Insurance)
 - Document insurance is a type of coverage that protects against the loss, theft, or damage of important documents, such as legal papers, business records, contracts, and financial statements. It is commonly used by businesses, legal professionals, and financial institutions to safeguard against potential risks associated with losing critical documents. This type of insurance may cover costs related to: Reproducing or replacing lost or damaged documents, Legal expenses if document loss leads to disputes, Business interruptions caused by document loss. It is often included in broader business insurance policies or as part of professional liability insurance for industries that handle sensitive paperwork.
- Are you anticipating an hourly rate contract with a not to exceed maximum or a fixed rate contract?
 - HCAOG would accept either type of contract but both would need a not to exceed amount.
- What were the fees for the 6/30/24 year end engagement?
 - The contract for three fiscal years had a not to exceed amount of \$167,500. The most recent fiscal year's audit fees were \$57,500 and \$2,500 for single audit.
- Do you anticipate the audits being performed remotely or on-site? If on-site fieldwork is requested, can you clarify which agencies would have on-site fieldwork?
 - HCAOG would accept either option, but remote is preferred.
- How long have you been working with the current audit firm?
 - 30 years. Recently the State Controller's Office initiated a new rule that requires new auditors every three years.