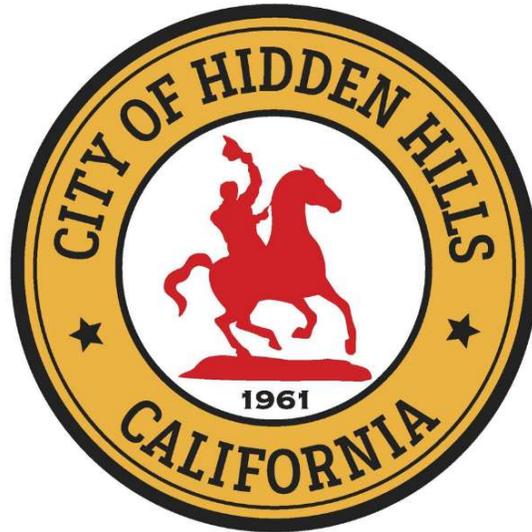


City of Hidden Hills



Responses to RFP Questions

RFP Questions Due: January 30, 2026

Respond By: February 4, 2026

CITY OF HIDDEN HILLS

RESPONSES TO RFP QUESTIONS 2026

Please see responses in blue font.

1. Has there been any turnover in management during the past year? - No
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? – The City uses QuickBooks.
There are no plans to change accounting software at this time.
4. How many journal entries were proposed by the auditor in the prior year? - None
5. Are any management letter comments outstanding from the prior year? - None
6. May we receive a copy of last year's management letter? - Attached
7. How many major programs are subject to a Single Audit? - The City does not currently anticipate being subject to a Single Audit, as federal expenditures are not expected to meet the applicable threshold. This will be confirmed during year-end close based on actual federal expenditures incurred.
8. Any known or suspected fraud? - No
9. When will the books be ready for the audit? – Beginning of September
10. Are financial records available electronically? - Yes
11. Is remote auditing acceptable? - Yes
12. Who prepares the financials? - The auditors prepare the financial statements.
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? - Yes. The City have capital improvement projects during the fiscal year.
16. Any audits or inspections by regulatory agencies? - No
17. Any changes to the governance structure of the City? - No
18. Is the incumbent auditor invited to bid? - While the City periodically evaluates audit services to ensure best value and independence, the incumbent auditor is welcome to submit a proposal as part of the City's competitive procurement process.
19. What were the audit fees for the prior year? - See below breakdown by report.

CITY OF HIDDEN HILLS RESPONSES TO RFP QUESTIONS

| | |
|---------------------------|--------------------|
| City Audit/Related Report | \$20,790.00 |
| State Controller Report | 1,300.00 |
| Gann Limit Review | 550.00 |
| Total | \$22,640.00 |

20. Please provide 6/30/2025 ACFR (if not available online) – See attached AFR.
21. Please provide 6/30/2025 management and governance letters – Attached
22. Please provide 6/30/2025 audit adjustments. - The auditors did not propose any audit adjustments for the fiscal year ended June 30, 2025.
23. Please provide Adopted budget for 6/30/2026. – Attached.
24. Did your prior auditor assist with the calculation of leased assets and liabilities (GASB 87) and subscription liabilities (GASB 96). - No. The City does not have activity subject to GASB 87 or GASB 96.
25. Did the City evaluate the criteria established for sick pay as of June 30, 2025? For example, determining whether it was more likely than not that employees would use accumulated sick pay in the next fiscal year or thereafter? – No.
26. Has the City performed an inventory of buildings, improvements, equipment, furniture, etc. with asset costs and estimated useful lives within the last two fiscal years? – No.
27. Does the City have any planned department closures in the next three years? – No.
28. Had the City had any department closures in the last two years? - No
29. Has the City experienced declining property values, population, or sales taxes in the last three years? - No
30. What were the audit fees for the City audit as of 6/30/2025 (please list fees per deliverable or separate audits, like the single audit, etc.) – See response in Question # 19.
31. Please provide a copy of the audit contract for 6/30/2025. – Attached.
32. Will the City accept emailed proposals instead of printed, bound and mailed hard copies? – No. Proposals must be submitted in printed, bound hard-copy format in accordance with the RFP instructions. However, there is a correction on the number of copies. The RFP states “One (1) original and six (2) copies.” This is a typographical error. The correct requirement is: One (1) original and two (2) copies.

CITY OF HIDDEN HILLS RESPONSES TO RFP QUESTIONS

33. Is there anything specific you are looking for in the successor auditors? - [The City is seeking an audit firm with strong governmental auditing experience, familiarity with applicable GASB standards, a proactive and communicative audit approach, and the ability to work efficiently with a small accounting operation while meeting required reporting timelines.](#)
34. 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? - [The prior audit team consisted of three staff. On-site fieldwork totaled maximum of three days.](#)
35. How many audit hours did your current auditors propose under your existing contract? - [The prior auditors proposed approximately 180 total audit hours across all staff.](#)
36. What were the prior year's total audit fees, and can you provide the breakdown by components? - [See response to Question #19](#)
37. Are there any significant changes in operations expected for FY 2025-26? - [No](#)
38. Were there any significant events in FY 2024-25? Will there be any significant events in FY 2025-26? - [There were no significant events in FY 2024-25, and none are anticipated in FY 2025-26.](#)
39. Have there been any changes in your accounting system since last year or any planned changes in the future? - [None](#)
40. Were there any new bond issues in the current year or any planned bond issuances in the coming years? - [None](#)
41. How many leases and subscription arrangements does the City have? - [The City does not have any leases or subscription-based IT arrangements that meet the recognition criteria of GASB 87 or GASB 96.](#)
42. How many post-closing journal entries did you have for FY 2024? How many were proposed by the auditor? - [The City recorded few post-closing journal entries for FY 2024. The auditors did not propose any post-closing journal entries.](#)
43. Is there any litigation not included in the PY Financial Statements? - [No](#)
44. Did the City have any layoffs, retirements, or replacements of key employees in the finance department? - [No](#)
45. Do you currently have vacant or frozen positions within finance? - [No](#)

CITY OF HIDDEN HILLS RESPONSES TO RFP QUESTIONS

46. Was the FY 2025 audit being performed remotely? If so, is the City open to continuing remote audits in the future? - Yes. The FY 2025 audit was performed using a hybrid approach that included remote procedures with limited on-site fieldwork. The City is open to continuing hybrid audits in the future.
47. Will emailed submittals be accepted in lieu of hardcopies? No. Emailed submittals will not be accepted in lieu of hardcopy submissions.
48. What is the desired timeline for:
- a. Interim – Between May to June
 - b. Field Work – 2nd to 3rd week of September
 - c. Draft Reports - October
 - d. Final Reports - November
49. Is there any flexibility for the scheduling for the first year of the proposed engagement term? Yes, the City is willing to be flexible on the first year of audit to facilitate a smooth transition.
50. What is the reason that you are considering changing the auditor? - The City is conducting a competitive procurement to ensure auditor independence, compliance with best practices, and continued value for audit services. The change is not related to any performance issues with the incumbent auditor.
51. Will your prior auditors be invited to bid? - See response on Question #18.
52. How many staff did the audit team consist of in the past and when did the auditors come on site? - The prior audit team typically consisted of three staff. On-site fieldwork generally took place in September.
53. Is the scope of the services requested the same as last year? – Yes.
54. Have there been any changes in your accounting system or software since last year? – No.
55. Do you expect to have any retirement or replacement of key employees? No.
56. How many weeks did your prior auditors require for your last audit? - Approximately six to eight weeks from the start of fieldwork to issuance of the final audit reports.
57. How many weeks/hours were spent by the prior auditors in the field? - The auditors spent approximately three days on-site, with the remaining audit work completed remotely.

CITY OF HIDDEN HILLS RESPONSES TO RFP QUESTIONS

58. When did the on-site fieldwork take place? – [Mid to last week September](#)
59. What is the City's desired timeline for the following:
- a. Interim Fieldwork - [Between May to June](#)
 - b. Year-End Fieldwork - [2nd to 3rd week of September](#)
 - c. Issuance of Final Reports - [November](#)
60. What were the prior year audit fees and can you please breakdown by components? – [See response in Question # 19.](#)
61. What is the current year budget for auditing services? - [\\$22,640](#)
62. When will a closed trial balance be available for the audit with all closing entries recorded? – [1st week of September](#)
63. Is there anything specific that you are looking for with the successor auditors? – [See response on Question # 33.](#)
64. What are the things you liked and did not like about your current auditors?
- [Like](#) - [Strong technical knowledge and familiarity with the City's financial reporting requirements.](#)
- [Dislike](#) - [No significant concerns were noted.](#)
65. What are the things you liked and did not like in the audit process followed by your current auditors?
- [Like](#) - [The audit process was generally smooth and predictable, with established procedures and a consistent approach year over year.](#)
- [Dislike](#) - [No significant issues were identified with the audit process.](#)
66. How many adjusting entries did you have last year? - [None](#)
67. Do you expect to have a single audit this year? – [No. The City does not currently anticipate being subject to a Single Audit; this will be confirmed based on actual federal expenditures incurred during the fiscal year.](#)
68. How many major programs did you have last year? – [Not applicable. The City was not subject to a Single Audit in the prior fiscal year.](#)

CITY OF HIDDEN HILLS RESPONSES TO RFP QUESTIONS

69. How much were the total federal expenditures last year? - Total federal expenditures for the prior fiscal year were approximately \$510,060, which is below the applicable threshold requiring a Single Audit.
70. Did the City's AFR include a Statistical Section in FY 2025, or will FY 2026 be the first year the City is including this in the AFR? - The City did not include a Statistical Section in its FY 2025 AFR and does not anticipate including one in FY 2026.
71. Is the City contemplating preparing a full ACFR in future years? – The City is not currently contemplating preparing a full ACFR; however, this may be evaluated in the future based on City needs.
72. Could you please share the FY 2025 reports for the following:
- a. Annual Financial Report (if not yet issued, please describe reasons for the delay, if any) – Attached.
 - b. Management Letter or equivalent, including descriptions of any findings – Attached.
73. What is the City's preference with respect to having the audit conducted remotely versus in-person/onsite? - The City prefers a hybrid audit approach, utilizing remote procedures where feasible, with limited on-site fieldwork as needed to support an efficient and effective audit.
74. What was the City's experience with remote auditing? Would you suggest any changes? - The City's experience with remote auditing has been generally positive and efficient. No significant changes are suggested at this time.
75. Are the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files? – Yes. The majority of the City's supporting documentation is maintained electronically.
76. Do you permit your external auditors to access the City's financial software remotely? - Yes. The City permits remote, read-only access to its financial software for audit purposes, subject to appropriate security controls.