



**Sites Project Authority
Request for Proposals No. 25-02
Annual Financial Auditing Services**

Addendum No. 1

Response to Respondent Questions

No.	Question	Sites Authority Response
1	How long have the current auditors been performing the audit for the Authority?	A link to past audited financial statements is provided in the RFP. Current auditors have provided audits for Fiscal Years 2016 through 2023 and is conducting the audit for 2024.
2	Were you pleased with prior year audit services?	Previous audits were completed in a satisfactory and timely manner.
3	Were there any disagreements with the current auditors?	No, previous audits were completed in a satisfactory and timely manner.
4	What were the prior audit fee(s) by deliverable?	The fees for the completed FY 2023 audit totaled \$32,380 and is based on a multi-year agreement with the current auditor. The Sites Authority anticipates futures audit fees to be inline with current market rates.
5	Were there any difficulties encountered during the prior audits?	No, previous audits were completed in a satisfactory and timely manner.
6	Is the scope of the services requested the same as last year?	Yes, it is.
7	How many adjusting entries/journal entries were proposed by the auditors, if any?	A link to past audited financial statements is provided in the RFP where these are identified.
8	For both interim and year-end how many staff did the audit team consist of in the past, how many weeks did the auditors spend in the field, and when did the auditors come on-site?	Prior year audit team consisted of one manager and one partner.
8i	Did the auditors perform any components of the audit remotely?	Yes, the audit was performed remotely.
8ii	Are you willing to do the audit remotely or would you require us in person?	Conducting the audit remotely is acceptable. The Sites Authority does not have a preference.

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9	Have there been changes in the accounting system or software since last year, or is anything anticipated prior to closing 2025?	No changes have occurred and there are no changes anticipated prior to 2025.
10	Has there been any recent fraud reported within the Authority?	Fraud has not been reported within the Sites Authority.
11	Were there any significant events in FY2025 or subsequent?	We do not believe there are any significant events in FY2025 at this time.
12	When is the soonest you think you will have your books closed and ready for the audit?	For the FY2025 audit, the Sites Authority anticipates that the books and records will be available to the auditors in the second quarter of 2026.
13	Does the Authority charge staff time to the grants that are subject to single audit?	Not Applicable.
14	How many different grants are expected in each of the years (2025, 2026 and 2027)?	The Sites Authority has one existing Federal funding agreement and one State funding agreement.
15	How many debt instruments are you expecting and when do you expect to issue debt?	The Sites Authority anticipates issuing debt in 2026 or 2027.
16	How many staff (not including consultants) are you expecting to have each year during 2025, 2026 and 2027.	Currently, the Sites Authority does not have direct staff and future staffing is still in the planning phase.
17	Are you expecting to join CalPERS for retirement benefits for employees, and if so, what year?	Not expected at this time.
18	Do you have a budget you can provide for 2025, 2026 and 2027 for the Authority itself and the project?	The current understanding of the Sites Authority estimated budget was provided in the RFP.
19	Can you provide your internal financials for 12/31/24 since the audit for that year is not yet available.	At this time, the 2024 financials are not final.
20	Are you expecting the audits to be performed on-site or remotely?	The audit can be conducted remotely.
21	Do you have leases that exceed 1 year? If so, how many leases do you have? Does the Authority calculate the lease asset and liability amounts, or is the auditor expected to perform those calculations?	The Sites Authority has one long-term lease for rental of two properties. The Sites Authority anticipates discussions with the selected auditor regarding the calculations.
22	Is there a reason why the costs being incurred for the project are not being capitalized?	Sites Authority is still in the planning phase.

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23	When is the 2024 Sites Authority Annual Financial Report, single audit, and other deliverables subject to the scope of work expected to be issued? If already issued, please provide copies.	The Sites Authority anticipates the FY2024 audit being completed in the second quarter of 2025.
24	Has the 2023-001 finding been fully implemented and corrected during fiscal year 2024?	Yes
25	To clarify, is the RFP requesting annual financial auditing services beginning with fiscal year end December 31, 2024?	The RFP is requesting audit services for FY2025, FY2026 and FY2027.
26	Were there material weaknesses, significant deficiencies, instances of noncompliance, single audit findings or opinion modifications on a major program in the 2024 audit?	The Sites Authority anticipates the FY2024 audit being completed in the second quarter of 2025.
27	For the most recent audit, what were the time periods for interim fieldwork and final fieldwork?	For the FY2024 audit, no interim fieldwork was performed, final fieldwork is anticipated to be completed second quarter of 2025.
28	How many auditors participated in the audit and for how many weeks at interim and final?	Prior year audit team consisted of one manager and one partner.
29	Are the accounting records and related support centrally maintained in an electronic manner?	Yes, they are.
30	Is the scope of work in the current RFP the same as the prior year scope? If not, what is different?	Yes, it is.
31	How many hours were incurred in the prior year audit (by segment)?	Unknown
32	Is the Authority open to a hybrid (remote with targeted onsite fieldwork) audit approach?	Yes
33	What part of the engagement process would the Authority like to improve, if applicable?	Coordination and communication between Sites Authority Management and the auditors is very important to the Sites Authority.
34	Once trial balances were provided to the auditors, what was the overall nature of post-closing adjustments identified/provided by management?	Post-closing adjustments were not identified.
35	For FY 2024, what was the overall nature and volume of audit adjustments proposed by the external auditors?	The Sites Authority anticipates the FY2024 audit being completed in the second quarter of 2025.



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36	Have there been any disagreements with your prior auditor? If so, please explain.	There were no disagreements.
37	Are there any major changes in operations that will affect the audits under this request for proposal?	Major changes are not anticipated.
38	How many federal major audit programs does the Authority anticipate for FY 2024, FY 2025, FY 2026, and FY 2027?	One Federal Audit Program is anticipated.
39	Were there any major audit issues identified for 2024? Any anticipated ones for 2025?	The Sites Authority anticipates the FY 2024 audit being completed in the second quarter of 2025, and does not currently anticipate major audit issues for FY 2025.
40	What is the reason for the request for proposal?	To provide an opportunity for annual financial auditing firms to propose services for the Sites Authority.
41	What transition issues would the Authority be concerned about if the audit is awarded to new auditors?	The Sites Authority does not anticipate any transition issues.
42	What were the fees for the prior year audit by segment?	The fees for the completed FY 2023 audit totaled \$32,380 and is based on a multi-year agreement with the current auditor. The Sites Authority anticipates that a future contract will be inline with current market rates.
43	Does the Authority prepare its annual financial report, or would you require assistance from the auditors?	The Sites Authority would prefer assistance from the auditors with the preparation of the annual financial report.
44	Our process also includes a requirement to sign an annual engagement letter on commercially reasonable terms. Is the Authority amendable to signing that? Should we include a sample engagement letter in our response?	The Sites Authority requires that the selected firm attach the Sites Authority's Addendum A with specific terms and conditions to the firm's standard agreement. The Addendum A is included in the RFP, and identified exceptions to the terms and conditions in the Addendum A is required to be included in the respondent's proposal.
45	Can you provide the estimated amount of federal grant funding the authority expects to receive in each of the 3 years included in the RFP scope by federal program?	The Sites authority's current Federal Funding Assistance Agreement, which budgeted for up to \$30M to the Project, is active through September 12, 2028. If these funds are exhausted, it is anticipated a new funding agreement will be entered into.

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46	When are the books and records closed and made available for audit?	For the FY 2025 audit, the Sites Authority anticipates that the books and records will be available to the auditors in the second quarter of 2026.
47	Does the authority or the auditor prepare the financial statements?	The Sites Authority would like the auditor to prepare the final statements.
48	Do the auditors typically recommend adjustments / journal entries to the accounting records? If so, how many in a typical year and what specific entries were proposed during the most recent audit?	Please refer to the FY 2023 Financial Statements for adjusting journal entry.
49	Can the authority briefly explain its position for expensing vs capitalizing all project costs incurred to date?	Sites Authority is still in the planning phase and has not begun capitalization.
50	We are seeing \$19,840 as the 2023 audit fees – can you please clarify what the 2024 audit fee is including if there are separate fee arrangements for the financial statement and single audit or whether it's a combined fee?	The fees for the completed FY 2023 audit totaled \$32,380 and is based on a multi-year agreement with the current auditor. The Sites Authority anticipates that the agreement with the selected firm will be negotiated based on current market rates.
51	With project expenditures expected to jump from \$40 million in 2025 and 2026, to \$150 million in 2027, this will significantly increase the time and effort required to complete the audit. Can you please clarify which planned activities or phases are included in the \$150M budget for 2027 to help with scoping?	The Sites Authority is currently in the planning and preliminary design phase, and anticipates that the Sites Project will enter the detailed design and construction phase of the project in 2026 or 2027.
52	RFP – page 6 - The Authority has a financial statement delivery date of Mid-March included in the RFP; however, the 2023 financial statements were dated September 13, 2024 and it's our understanding that as of the date (s) of the RFP process, the 2024 audit is still pending. Can you please provide some clarity around this, including whether there is in fact flexibility on the Mid-March timing for audit periods covered in the RFP?	The Sites Authority anticipates that the financial statement for the FY 2025 audit will be submitted by the auditor in the second quarter of 2026.
53	RFP – page 4 – contract terms notes that the contract entered into will be through December 2028 – can you please confirm that this is not intended to align with the audit for the Authority's December 31,	The RFP scope and schedule is based on the selected audit firm's 2028 expenditures being related to the FY 2027 audit.

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	2028, year-end but rather for the work to be performed in 2028 related to the 2027 year-end?	
54	RFP – page 7 – given the emphasis on similar project experience being located within the State of California, and the scoring of relevant project experience on page 9 indicating that relevant experience will be worth 50% of the scoring, it appears it may not be advisable for firms without California specific project experience to bid given how the math would naturally work out on the scoring, even if we have similar experiences with projects outside of the state of California, including in the Rockies. We would welcome clarification on this.	The Sites Authority will be looking at the respondent's experience as a whole and the experience will not be judged solely on whether the experience is in the state of California.
55	Is the current audit being conducted onsite at your office, remote or hybrid? What is the Authority's preference?	The current audit is being conducted remotely. The Sites Authority does not have a preference.
56	Please provide the fees paid for audit services for each of the past three years. If applicable, please indicate if there were any billings above contracted amounts for "out-of-scope" or additional services not contemplated at contract award.	The fees for the completed FY 2023 audit totaled \$32,380 and is based on a multi-year agreement with the current auditor. The Sites Authority anticipates that the agreement with the selected firm will be negotiated based on current market rates.
57	Does Sites Authority draft the Financial Statements and/or the Management's Discussion and Analysis section of the report or are these compiled annually by the auditors?	The Sites Authority anticipates that the auditor will draft and compile the reports.
58	When will the final trial balance and audit support be ready to begin the audit each year?	The Sites Authority anticipates that the audit support data will be provided to the auditor during the second quarter of each fiscal year.
59	Did Sites Authority adopt GASB 94, <i>Public-Private and Public-Public Partnerships</i> , and GASB 96, <i>Subscription-Based Information Technology Arrangements</i> , in the current or prior years? Was there a significant impact on the financial statements as a result?	As of FY2023, GASB 94 and 96 have not been adopted.
60	Do you typically have adjusting journal entries as a result of the audit? If so, how many do you typically have?	The adjusting journal entry is included in the FY2023 Financial Statement information on the website.

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61	Does Sites Authority maintain schedules related to GASB 87, Leases and GASB 96, SBITAs (if deemed applicable)?	The Sites Authority does not currently maintain the schedules at this time.
62	What are the expectations for the performance of the fieldwork? Any preferences to perform the work remotely, on-site or a hybrid model? Will Board meeting presentations be held virtually or in-person?	The current audit is being conducted remotely. The Sites Authority does not have a preference. The current auditor presented remotely for Board meetings.
63	What is Sites Authority's preferred timeline for the completion of interim and year-end audit procedures?	The Sites Authority anticipates that the financial statement for the FY 2025 audit will be submitted by the auditor in the second quarter of 2026.
64	Has the single audit been performed at the same time as the financial statement audit or have two different timelines been established for the different audits?	Yes, the single audit and the financial statement audit have been conducted at the same time.
65	When are the draft financial statements due each year?	The Sites Authority anticipates that the financial statement for the FY 2025 audit will be submitted by the auditor in the second quarter of 2026.
66	Is the incumbent firm allowed to propose?	Yes, the current auditing firm is allowed to propose.
67	Did the incumbent auditors meet the pre-determined deadlines? Have there been delays in audits in prior years? If so, what caused these delays?	Previous audits were completed in a satisfactory and timely manner.
68	Is there anything about your current audit process that you would like changed in the future?	No, the current audit was conducted as scoped and was completed in a satisfactory and timely manner.
69	Have there been any disagreements between management and your independent auditor during the prior three engagements?	No, the current audit was conducted as scoped and was completed in a satisfactory and timely manner.
70	What are the three biggest challenges affecting Sites Authority?	The Sites Project is large and complex and requires the best from all of its consultants. As stated previously, the Sites Authority emphasizes the need for coordination and communication, and the ability of its consultants to act with integrity and professionalism.
71	What general ledger package does Sites Authority use?	QuickBooks
72	For the increase in expenditures related to construction activities, will these increases be funded through additional Federal and	The Sites Authority currently has one existing Federal funding agreement and one State funding agreement. The



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	State funding? Are there any new grants received in 2024 or 2025 which would not be on the 2023 SEFA?	Sites Authority does not anticipate new grants.
73	Will Sites Authority continue using independent contractors in the next three years or will you be looking to employ individuals for key positions?	Currently, the Sites Authority does not have direct staff and future staffing is still in the planning phase.
74	Has the 2023 Data Collection Form been submitted and accepted by the FAC?	Yes
75	Can you please provide a copy of the 2023 SEFA? The Financial Statements on the website do not include page 29 which is referenced on the Table of Contents for the SEFA.	The 2023 financial Statement on the website now includes the SEFA (page 29)
76	What were the audit fees for the prior year audit?	The fees for the completed FY 2023 audit totaled \$32,380 and is based on a multi-year agreement with the current auditor. The Sites Authority anticipates that the future fees will be based on current market rates.
77	Is your current auditor being invited to propose?	Yes, the current auditing firm is allowed to propose.
78	Is there anything about the audit process you would like to see changed from prior years?	No, the current audit was conducted as scoped and was completed in a satisfactory and timely manner.