
What services are you seeking? Financial Audit; Bond Audit; Single Audit

Why are you considering changing your auditor?

Best practice. Auditor RFP has not taken place in some time.

Who is your current auditor? How many years have they provided your audit services?

Crowe LLP. Services have been provided for 10+ years.

Will your current auditor be invited to bid?

Yes.

What were the prior year professional fees (or the budget) for Audit services?

\$33,000 including supplemental report on member account statement.

Is the scope of the services requested the same as last year?

Yes.

Has your organization (or its employees) been under any governmental investigation or regulatory examination in the past?

No.

Are you aware of any fraud in your organization? If so, please describe:

No.

Do you suspect any fraud in your organization? If so, please describe:

No.

Have there been any allegations of fraud against your organization or anyone in your organization in the past two years? If so, please describe:

No.

Did you have any disagreements with your prior auditor?

No.

How many journal entries and/or material adjustments did the auditor make last year? Please describe.

None.

Were there any significant findings reported by the prior year auditor?

No.

Has the District undergone any audits or inspections by regulatory agencies?

No.

Is the District low risk or high risk?

Low risk.

Have there been any changes to the governance structure of the District during the audit period?

No.

Have there been any significant changes in your management/staffing during the audit period?

No.

Has the organization entered into any contracts, issued a bond, begun a major project, or become party to litigation that are not reflected in the prior audit? Please describe.

No.

What are your major concerns?

None.

What are your board's major concerns?

None.

What accounting system do you use? Has the Accounting system changed in the past year?

Quickbooks

Are you open to conducting a remote audit?

Yes.

When will a closed trial balance be available for the audit with all closing entries recorded?

Usually available around mid-August

When are you ready for us to audit?

September

Do you have a specific due date for the audit issuance?

Audit must be complete prior to Financial Committee Meeting prior to annual mid-October Board Meeting.

What meetings do you require the auditor to attend? When and where are they held?

Two remote Financial Committee Meetings and one Board Meeting in person or remote.

Are there any other special reports / filings / tax returns that you would require?

Auditor to review program member year account summary report.

How many staff did the audit team consist of in the past and when did the auditors come on site?

Audit has been remote.

Have there been any changes in your accounting system or software since last year? No.

Do you expect to have any retirement or replacement of key employees? No.

How many hours did your prior auditors require for your last audit? Please breakout by audit phase, if known (e.g. Interim, Final Fieldwork, Reporting) Unknown.

When did the on-site fieldwork take place? No on-site fieldwork.

What were the prior year audit fees and can you please breakdown by components? **\$33,000**

What is the current year budget for auditing services? **\$35,000**

Is there anything specific that you are looking for with the successor auditors? **Relevant experience in auditing public entities/Joint Powers Authorities.**

What are the things you liked and did not like about your current auditors? **N/A**

What are the things you liked and did not like in the audit process followed by your current auditors? **N/A**

Would the Authority be open to having the majority of the audit being performed remotely? **Yes**

Is the majority of supporting documentation maintained electronically? **Yes**

Do you permit third parties to access the Authority's financial software remotely? **Yes**

1. Were you pleased with prior year audit services? **Yes.**
2. Were there any disagreements with the current auditors? **No.**
3. Will the prior audit firm be permitted to participate in this RFP process? **Yes.** (we assume the answer is yes, since they are included in Appendix A, but weren't sure if that was the same auditor or if there needed to be an internal rotation at that firm?)
4. What were the prior audit fees? **\$33,000**
5. Is the scope of the services requested the same as last year? **Yes.** (see also the RFP-specific questions below)
6. Were there any difficulties encountered during the prior audits? **No.**
7. How many adjusting entries/journal entries were proposed by the auditors? **No material adjustments.**
8. Were there any findings/recommendations in 2025? **No.**
 - i. If so, can we please get a copy of the auditor's report? **Yes.**
9. The Auditor's *Government Auditing Standards* Report for June 30, 2025 is not included in the FS provided – can we please get a copy? **Yes.**
10. 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 during each phase of the audit? **Unknown.**
11. Has there been any recent fraud reported within ACCEL? **No.**
12. Are there any significant events anticipated in FY2026 or subsequent? **No.**

RFP-specific question:

13. Pages 4/5 – Scope of Services C requires:
 - i. An evaluation of the credit risk and investments under GASB 40 –

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1. What exactly are you looking for? **We want our auditor to comply with GASB 40 requirements.**
 2. Can you please provide an example of what the prior auditors provided? Was it an Agreed Upon Procedures report/engagement?
 3. OR, are you just referring to the information included in the note disclosures as required by GASB 40? **We want our auditor to comply with GASB 40 requirements.**
- ii. Statement of unpaid claims and adjustment expenses –
 1. Can you please provide an example of what the prior auditors provided? **Please refer to page 20 of the most recent audit previously attached.**
 2. OR, are you just referring to the schedule of change in claims liabilities included in Note 3 to the financial statements (and in the RSI)?
 - iii. An evaluation of liabilities –
 1. What exactly are you looking for? **Please refer to Note 3.**
 2. Can you please provide an example of what the prior auditors provided, or is this a new service? **Not a new service.**
 - iv. Statement of Net Assets by Member, Shared Risk Layer and Administration –
 1. Can you please provide an example of what the prior auditors provided, or is this a new service/schedule? **This is the supplemental report attached to the financial audit concerning the Member Account Summary.**
 - v. Statement of Revenues, Expenditures and Changes in Net Assets by Member, Shared Risk Layer and Administration –
 1. Can you please provide an example of what the prior auditors provided, or is this a new service/schedule? **This is also the supplemental report attached to the financial audit concerning the Member Account Summary. This is not a new service and is included in the audit services.**
- 14.** Pages 5/6 – E and the fee schedule – attendance at the annual Board meeting – for the inclusion of whether there is a cost consideration for in-person attendance at the October Board Meeting – is it always held in Santa Barbara, or does it move around? **Board Meetings rotate between members or Alliant offices in San Francisco and Irvine. Current auditor charges \$2,000 for in-person attendance.**
- 15.** The 2025 Financial Statements include the “Schedule of Retrospectively Rated Refund Liability by Member – Summary – All Program Years,” as well as the individual program years by member since inception – are those schedules provided/prepared by Alliant or are they compiled by the auditors from information provided by Alliant? OR, are they being replaced by the schedules requested in #15 iv and v above? **This is prepared by Alliant and is reviewed by Auditor. This is within the audit fee.**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors and Members
Authority for California Cities Excess Liability
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Authority for California Cities Excess Liability, which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses and change in net position, and statement of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Authority for California Cities Excess Liability's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority for California Cities Excess Liability's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority for California Cities Excess Liability's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Authority for California Cities Excess Liability's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

West Hartford, Connecticut
October 21, 2025