



TO: Consultants

DATE: October 27, 2025

**SUBJECT: Request for Proposal – Kings County Fiscal and Compliance Audits
FY 24-25 Through FY 25-26 With Two-Year Extension Option**

Kings County Association of Governments (KCAG) is seeking proposals from qualified independent certified public accountants (CPAs) licensed in the State of California to conduct annual financial and compliance audits for the two fiscal years ending June 30, 2025 and June 30, 2026. An option to extend for an additional two years may be available. KCAG is the Regional Transportation Planning Agency (RTPA) for Kings County. As such, we are statutorily required to ensure all Transportation Development Act (TDA) recipients submit an annual certified fiscal audit conducted by an outside entity.

This contract will be funded with Transportation Development Act (TDA) Local Transportation Funds. As such, TDA Program requirements applicable to this contract will apply. Firms interested in this project should send their proposals to the attention of:

Jennifer Morales, Fiscal Analyst
Kings County Association of Governments
339 W. D Street, Suite B
Lemoore, CA 93245

The deadline to submit proposals to KCAG is no later than Monday, December 1, 2025, by 5:00 p.m. A copy of this RFP has been posted on the KCAG website along with certain related documents at <https://www.kingscog.org/rfp>.

If you should have any questions or require additional information regarding this project, please feel free to contact me at (559)852-2593, or by email at Jennifer.Morales@co.kings.ca.us.

Sincerely,

KINGS COUNTY ASSOCIATION OF GOVERNMENTS
Terri King, Executive Director

A handwritten signature in blue ink, appearing to read 'Jennifer Morales', is written over a light blue horizontal line.

Jennifer Morales, Fiscal Analyst

Attachment

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REQUEST FOR PROPOSAL

FINANCIAL AND COMPLIANCE AUDITS
FY 24-25 THROUGH FY 25-26
WITH TWO-YEAR EXTENSION OPTION
KINGS COUNTY ASSOCIATION OF GOVERNMENTS AND KINGS
COUNTY TDA FUND RECIPIENTS

As Requested By:

KINGS COUNTY ASSOCIATION OF GOVERNMENTS
339 W. D Street, Suite B
Lemoore, CA 93245



RFP Issue Date: October 27, 2025

PROPOSAL DEADLINE: December 1, 2025, by 5:00 p.m.

TABLE OF CONTENTS

I. Introduction 1

II. Background 1

III. Scope of Work..... 2

IV. Auditing Standards to Be Followed 4

V. Required Deliverables 4

VI. Consultant Selection Schedule and Project Timeline 5

VII. Contact Person..... 5

VIII. Proposal Submittal Requirements 6

IX. Questions/Clarifications 6

X. Budget 6

XI. Proposal Evaluation and Consultant Selection 6

XII. Proposal Content and Organization 7

XIII. Modifications or Withdrawal of Proposals 10

XIV. Rejection of Proposals..... 10

XV. Contract Award..... 10

XVI. Title VI Assurance 10

XVII. Payment Schedule 11

Appendix A – Sample Cost Summary Table 13

I. INTRODUCTION

The Kings County Association of Governments (KCAG) is soliciting proposals from qualified independent certified public accountants (CPAs) licensed in the State of California to conduct annual financial and compliance audits. These include audits of Transportation Development Act (TDA) funds and Single Audit Reports for federally funded programs in accordance with the requirements of the California State Controller's Office (SCO) and federal OMB Uniform Guidance (2 CFR Part 200, Subpart F).

KCAG anticipates awarding a two (2) year agreement, with the option to extend for up to two (2) additional one-year terms.

These services include audits of:

- KCAG's financial records
- Transportation Development Act (TDA) funding allocations
- KCAG's Single Audit reporting for federal expenditures
- TDA Financial Compliance audits for the following agencies:
 - Kings County Regional Transportation Planning Agency (RTPA) – KCAG
 - County of Kings
 - Includes Road Fund
 - City of Avenal
 - City of Corcoran
 - City of Hanford
 - City of Lemoore

II. BACKGROUND

KCAG is a state designated regional transportation planning agency (RTPA) recognized by the state's Business, Transportation and Housing Agency and a Metropolitan Planning Organization (MPO) recognized by the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA). KCAG's members include the cities of Avenal, Corcoran, Hanford, and Lemoore and the County of Kings. All RTPA activities are governed by the KCAG Commission, composed of local elected officials of each member agency.

As the RTPA, KCAG is responsible for allocating monies from the Local Transportation Fund (LTF) and State Transit Assistance (STA) Fund made available under the TDA to eligible claimants. The Kings County area receives approximately \$8.5 million per year in TDA funds for allocation among eligible claimants. A fiscal audit is required of the TDA trust funds and fiscal and compliance audits of all TDA recipients. The fiscal and compliance audit of the Kings County Area Public Transit Agency (KCAPTA) is not a part of this RFP.

The California Code of Regulations, Title 21, section 6662, requires each transportation planning agency, county transportation commission, and metropolitan transit development board shall transmit to the State Controller, annually and within 12 months of the end of the fiscal year, a report of an audit of its accounts and records by the appropriate county auditor, a certified public accountant, or a public accountant pursuant to Sections 6505 and 26909 of the Government Code. The audit shall be performed in accordance with the Basic Audit Program and Reporting Guidelines for California Special Districts prescribed by the State Controller pursuant to Section 26909 of the Government Code and must include a determination of compliance with the Act and the administrative rules and regulations.

The California Code of Regulations, Title 21, sections 6661 and 6751, requires Local Transportation Fund and State Transit Assistance Fund recipients to submit a fiscal audit report to the State Controller's Office annually and within 180 days after the end of the fiscal year. The audit report shall be conducted in accordance with generally accepted auditing standards and include a compliance certification with the TDA. The State Controller's Office will not authorize any payment to a regional entity that is delinquent in its submission of a state transit assistance fund fiscal audit report.

The final audit reports must be in compliance with relevant sections of the Transportation Development Act. All audits must comply with standards issued by the California State Controller's Office (SCO), including:

- TDA Statutes & California Code of Regulations
- Uniform Guidance (2 CFR Part 200, Subpart F) for Single Audits
- Generally Accepted Government Auditing Standards (GAGAS)

III. SCOPE OF WORK

The selected auditor will perform the following services:

- A. **Annual Financial Audit** in accordance with Generally Accepted Government Auditing Standards (GAGAS).
- B. **Single Audit** under the Uniform Guidance (2 CFR 200, Subpart F) for expenditures of federal funds exceeding the \$1,000,000 threshold.
- C. **TDA Compliance Audits** for:
 - a. Kings County Regional Transportation Planning Agency (RTPA) – KCAG
 - b. Cities of Avenal, Corcoran, Hanford, and Lemoore
 - c. County of Kings
 - i. Includes Road Fund

D. Additional TDA Audit Requirements – City of Corcoran

As part of the FY 2024/25 and FY 2025/26 financial and compliance audits, the selected auditor shall give special attention to prior TDA audit compliance and functional findings for the City of Corcoran. These include:

- a. Timeliness of TDA Fiscal Audits:
 - i. Verify that the City of Corcoran’s TDA fiscal audits are completed and submitted no later than March 31 of each year, in accordance with PUC 99245.
 - ii. Review progress on resolving prior delays caused by reconciliation issues between citywide audits and TDA fiscal audits.
- b. Full-Time Equivalent (FTE) Definition:
 - i. Ensure the City’s calculation of full-time equivalent employees is consistent with the TDA definition (total work hours divided by 2,000, excluding vacation/sick leave hours).
 - ii. Review documentation supporting FTE reporting to the State Controller.
- c. Farebox Recovery Ratio Documentation:
 - i. Review the City’s farebox recovery ratio calculation to ensure that all applicable revenue supplementation and allowable operating cost exclusions are properly itemized and documented in the TDA fiscal audit.
 - ii. Confirm that supplementation sources (e.g., advertising revenue, federal funds, Amtrak ticket sales) and exclusions (e.g., CPI-beyond cost increases, pension contributions, transit planning, zero-emission transition costs, mobile ticketing) are clearly identified in compliance with amended PUC 99268 provisions.

E. State Controller’s Office Requirements: All audits must meet the State of California’s TDA Compliance Guidelines and reporting requirements.

F. Audit Reporting and Timeline:

- a. Draft reports submitted for review by March 9, 2026.
- b. Final reports due no later than March 31, 2026.
- c. Separate audit opinions and management letters for each jurisdiction, if applicable.

Note: While the TDA audit is due for submittal to the State Controller by March 31, 2026, KCAG acknowledges that the selected independent auditor may require additional time to complete the TDA audit. KCAG will coordinate with the auditor as needed to accommodate any reasonable scheduling adjustments.

G. Presentation of Findings to KCAG and local agencies as requested.

H. Audit Adjustments & Workpapers: Submission of post-closing trial balances, journal entries, supporting documentation, and combining/consolidated worksheets.

IV. AUDITING STANDARDS TO BE FOLLOWED

It is not the purpose of this RFP to provide a complete description of the requirement of the audits. It is fully the responsibility of the Auditor to be aware of, comply with, and carry out applicable financial auditing requirements for the named TDA recipients and associated trust funds including the audit requirements of state and federal agencies, programs and grants that provide funding. If anything in this RFP appears to differ from the requirements of the Audit, the Auditor shall bring such discrepancies to the attention of KCAG for clarification or correction.

The audits shall be performed in accordance with the current applicable versions of:

- Generally Accepted Auditing Standards as set forth by the AICPA
- Government Auditing Standards as set forth by the U.S. Government Accountability Office (GAO), 2024 Yellow Book, issued by the Comptroller General of the United States.
- The provisions of 2 CFR Part 200, Subpart F (Uniform Guidance), Audits of State and Local Governments.
- Applicable issuances of the Governmental Accounting Standards Board
- CCRs pertaining to TDA audits

V. REQUIRED DELIVERABLES

The annual Comprehensive Financial Report (ACFR). The ACFR should include, but not limited to the following:

- A management discussion and analysis
 - Report of Independent Auditors
- A financial section including:
 - Government-wide financial statements
 - Financial statements
 - Statement of Net Position
 - Statement of Activities
 - Balance sheet – Governmental Fund
 - Reconciliation of Governmental Fund Balance Sheet to the of Net Position
 - Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund
 - Reconciliation of statement of revenues, expenditures, and changes in Fund Balance – Governmental Fund to the Statement of Activities
 - Notes to financial statements
- Required and other supplementary information and schedules, including:
 - Required Supplementary Information
 - Schedule of the Proportionate Share of Net Pension Liability (Asset)
 - Schedule of the Contributions
 - General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
 - Supplementary Information
 - Schedule of Expenditure of Federal Awards
 - Notes to the Schedule of Expenditures of Federal Awards
 - Other Information
 - Schedules of Expenditures by Work Element by Funding Source Budget and Actual – Planning and Administration Fund

- Notes to Other Information
- Other Reports
 - Schedule of Findings and Questioned Costs- federal programs and Transportation Development Act
 - Summary Schedule of Prior Audit Findings
- Report of Independent Auditors 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
- Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The auditor will be responsible for the preparation and typing of the audits.

- Complete the ACFR for approval by the KCAG Commission meeting.
- Determination of non-transit claimants' compliance with [California Code of Regulations \(CCR\) 6666](#).
- Determination of transit claimants' compliance with [21CCR 6667](#).
- Prepare and assist KCAG in the submittal of the single audit to the Federal Audit Clearinghouse.
- The consultant shall provide the following number of hard copy documents and electronic copies of all deliverables in KCAG-compatible formats, for editing and posting on the agency website:
 - Provide one printed unbound copy of each audit report
 - One electronic copy of the audit reports in PDF format

VI. CONSULTANT SELECTION SCHEDULE AND PROJECT TIMELINE

Request for Proposals Distributed	October 27, 2025
Deadline for Proposer Questions.....	November 14, 2025
Responses to Questions Posted Online	November 21, 2025
Proposals Due to KCAG.....	December 1, 2025
Consultant Interviews (If needed)	Week of December 1, 2025
KCAG to Select Consultant	Week of December 8, 2025
Contract Approval and Notice to Proceed.....	December 15, 2025
Consultant Submittal of Administrative Draft Product.....	March 6, 2026
Consultant Submittal of Final Draft Product.....	March 12, 2026
KCAG Approval of Final Product	March 25, 2026
Consultant Submittal of Final Written Reports	March 31, 2026

Note: While the TDA audit is due for submittal to the State Controller by March 31, 2026, KCAG acknowledges that the selected independent auditor may require additional time to complete the TDA audit. KCAG will coordinate with the auditor as needed to accommodate any reasonable scheduling adjustments.

VII. CONTACT PERSON

Prospective proposers shall direct any questions concerning this project to the following person:

Jennifer Morales, Fiscal Analyst
Kings County Association of Governments

339 West D Street, Suite B
Lemoore, CA 93245
PH: (559)852-2593
FAX: (559) 924-5632
Email Jennifer.Morales@co.kings.ca.us

VIII. PROPOSAL SUBMITTAL REQUIREMENTS

Proposers must submit one (1) electronic copy. Proposals should be addressed to the above KCAG contact person and must be received by KCAG no later than 5:00 p.m., on **Monday, December 1, 2025**. KCAG has no authority to accept proposals submitted after the time and date.

IX. QUESTIONS/CLARIFICATIONS

Questions and/or clarifications to this RFP must be submitted in writing by email to Jennifer.Morales@co.kings.ca.us, prior to the deadline specified in Section VI. Proposer questions should clearly identify the relevant section of the RFP and page number(s) related to the question(s) being asked.

Questions received after the date and time specified will be answered at the option of the KCAG. Please mark all questions/clarifications as “Written Questions to 2024-25 & 2025-26 Financial Compliance Audits”. KCAG’s responses to the questions received by the date and time will be posted on KCAG’s website at www.kingscog.org/rfp.

X. BUDGET

A total of \$42,400 for TDA audits and \$5,000 for the Single audit has been budgeted for this project.

XI. PROPOSAL EVALUATION AND CONSULTANT SELECTION

Proposals submitted by each consultant that meet the proposal requirements will be evaluated separately by a proposal review panel made up of transit managers and KCAG staff to determine the necessity for oral interviews in the first phase of the proposal evaluations. The evaluation will be based on information provided in response to the RFP and information provided by former clients for whom work of a similar scope has been done. Evaluation considerations include the following:

1. Responsiveness of the proposal in clearly stating the understanding of the work to be performed.
2. Cost, although a significant factor, may not be the dominant factor. Cost is particularly important when all the other evaluation criteria are relatively equal.
3. Approach to be followed and the tasks to be performed, including detailed steps and resources required and proposed project schedule.
4. Experience in public transit, performance auditing, and the issues and functional areas to be analyzed.
5. Relative allocation of resources, in terms of quality and quantity, to key tasks, including the time and skills of personnel assigned to the task and the consultant’s approach to managing resources and project output.

6. Past performance of the proposer on work previously performed for similar governmental agencies.

KCAG reserves the right to select a consultant based solely on the written proposals and not convene oral interviews. If oral interviews are needed, the top three (3) consulting firms will be invited to make a formal presentation to a selection committee in the second phase of the proposal evaluations. Interviews will take place on one day to be determined as necessary. At the oral interviews, proposers will be requested to make a formal presentation. A maximum of thirty (30) minutes will be made available to the consultant to present the firm's qualifications and approach to the project.

Proposals submitted by each proposer shall be evaluated separately based on how well each proposal meets the criteria listed below:

<u>CRITERIA</u>	<u>POINTS</u>
<u>Proposal Content</u>	
Comprehension of RFP Project	5
Thoroughness of Proposal.....	15
Meeting Objectives of RFP	10
<u>Consultant Qualifications</u>	
Prior Relevant Experience	25
Qualifications and Commitment of Staff	25
References	5
<u>Cost</u>	
Reasonableness of Cost.....	15
<u>Total</u>	100

XII. PROPOSAL CONTENT AND ORGANIZATION

Proposals should meet the stated requirements and propose the best methods to accomplish the work within the stated budget. The organization of proposals should follow the general outline below:

1. Transmittal Letter and Signature

The transmittal letter should include the name, title, address, phone number and original signature of an individual with authority to negotiate on behalf of and to contractually bind the proposer and who may be contacted during the period of proposal evaluation. The letter should include a brief overview of the consulting firm(s), including location, size and expertise. The letter shall also contain a statement to the effect that the proposal is a firm offer for a 90-day period. Only one transmittal letter need be prepared to accompany all copies of the proposal.

2. Title Page

Indicate RFP subject, name of proposer's firm, local address, telephone number, name of contact person and date of proposal.

3. Table of Contents

A listing of the major sections in the proposal and the associated page numbers.

4. Understanding of the Project

The proposal should include a brief narrative introducing the proposer's understanding of the project requirements. The contents of this section are to be determined by the particular respondent, but should demonstrate understanding of the unique characteristics of this project and the requirements of the project in the scope of work contained in the RFP.

5. Project Methodology

The proposer shall describe the overall approach to the project, specific techniques that will be used and the specific administrative and operational management expertise that will be employed.

6. Schedule of Tasks

The proposal shall contain a detailed schedule identifying major tasks to be undertaken to conduct the work and time frame for each task.

7. Project Management

Prospective consultants shall designate by name the project manager to be employed. The selected consultant shall not cause substitution of the project manager without prior approval by the Executive Director of KCAG.

8. Project Personnel

The prospective consultant shall describe the qualifications of all professional personnel which will be assigned to the project, including a summary of similar work or studies performed, a resume for each professional, a statement indicating how many hours each professional will be assigned to the contract and what tasks each professional will perform. The contractor shall not cause members of the project team to be substituted without prior approval of KCAG.

9. Subcontractors

If any subcontractors are to be used, prospective consultants shall submit a description of each person or firm and the work to be done by each subconsultant. The cost of the subcontract work is to be itemized in the cost proposal.

10. Consultant Qualifications and References

The prospective consultants shall provide names, addresses and telephone numbers for at least three clients for whom the prospective consultant has performed work of

similar complexity to that proposed in the RFP. A summary statement for each assignment shall be provided.

11. Project Costs

The prospective consultant shall prepare a detailed cost proposal for the work to be performed. The cost proposal shall itemize all items that will be charged to KCAG. Costs shall be segregated to show actual salary costs including hours, rates, classifications, administrative and overhead rates, and direct and indirect expenses. The cost proposal shall also include the Cost Summary table included as a sample in this RFP in Appendix B. In no event will the cost of this contract exceed a combined total cost of \$47,400.00.

If subcontractors are to be used, the prospective consultant must indicate any markup that the prospective consultant plans to take on subcontractors. The same breakdown of subcontract costs shall be provided as is required for contractor costs above.

Under various circumstances the budget could be subjected to Pre-audit and/or the final cost subject to Post-audit by KCAG or Caltrans Division of Audits and Investigations. The allowability of individual items of cost will be determined by 48 CFR, Federal Acquisition Regulations system, Chapter 1, Part 31 et. Seq. The Contractor will also be required to comply with Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. The Contractor and Subcontractors shall comply with all applicable laws and maintain books, documents, papers, and accounting records for a period of three years from the date of the final payment.

12. Insurance

Without limiting KCAG's right to obtain indemnification from CONTRACTOR or any third parties, CONTRACTOR, at its sole expense, shall maintain in full force and affect the following insurance policies throughout the term of the contract:

- a. Comprehensive general liability insurance with coverage of not less than \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. Comprehensive general liability insurance policies shall name KCAG, their officers, agents, and employees, individually and collectively, as additional insured, but only insofar as the operations under the terms of the contract are concerned. Such coverage for additional insured shall apply as primary insurance or self-insurance and any other insurance, maintained by KCAG, their officers, agents, and employees, shall be given excess only and not contributing with insurance provided under the CONTRACTOR's policies herein.
- b. Comprehensive automobile liability insurance with limits for bodily injury of not less than \$25,000 per person, \$250,000 per accident and for property damages of not less than \$50,000, or such coverage with a combined single limit of \$250,000.
- c. Worker's compensation insurance as required by law. This insurance shall not be canceled or changed without a minimum of thirty (30) days advance written notice given to KCAG. CONTRACTOR shall provide certification of said insurance to KCAG within twenty-one (21) days of the date of the execution of the contract. Such certification shall show, to KCAG's satisfaction, that such insurance coverages have been obtained and are in full force; that KCAG, their officers, agents, and employees will not be responsible for any premiums on the policies;

that as and if required such insurance names KCAG, their officers, agents and employees individually and collectively as additional insured (comprehensive and general liability only), but only insofar as the operations under the contract are concerned, that such coverage for additional insured shall apply as primary insurance and any other insurance, or self insurance, maintained by KCAG, their officer, agents, and employees, shall be excess only and not contributing with insurance provided under the CONTRACTOR's policies herein; and that this insurance shall not be canceled or changed without a minimum of thirty (30) days advance, written notice given to KCAG.

In the event CONTRACTOR fails to keep in effect at all times insurance coverage as herein provided, KCAG may, in addition to other remedies it may have, suspend or terminate the contract upon the occurrence of such event.

XIII. MODIFICATIONS OR WITHDRAWAL OF PROPOSALS

Any proposal received prior to the date and time specified above may be withdrawn or modified by written request of the consultant. All verbal modifications of these conditions or provisions are void as ineffective for proposal evaluation purposes. Only written changes issued by consultants to the Executive Director of KCAG are authorized and binding.

XIV. REJECTION OF PROPOSALS

Failure to meet the requirements of the RFP will be cause for rejection of the proposal. KCAG may reject any proposal if it is conditional, incomplete, contains irregularities, or has inordinately high costs. KCAG reserves the right to reject any and all proposals without cause. KCAG may waive an immaterial deviation in a proposal. Waiver of an immaterial deviation shall in no way modify the RFP's documents or excise the proposer from full compliance with the contract requirements, if the proposer is awarded the contract.

XV. CONTRACT AWARD

The selected consultant will execute a contract with KCAG. The official selection of the consultant will be made by the KCAG Transportation Policy Committee at its December 2025 meeting. The execution of the contract and notice to proceed shall take place on or about December 15, 2025.

XVI. TITLE VI ASSURANCE

The Kings County Association of Governments, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C 2000d-4 and Title 49, Code of Federal Regulations, Transportation, Subtitle A, Office of the Secretary, Part 21 Nondiscrimination in Federally Assisted Programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority businesses enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or nation origin in consideration of an award.

XVII. PAYMENT SCHEDULE

The consultant will be paid based on work actually performed during the preceding month. The consultant should forward a copy of all invoices for payment for work performed and associated expenses, including salaries and overhead, travel, printing costs, postage, telephone, etc., by the 10th day of each month. KCAG will withhold ten percent (10%) of the payments due until the successful completion of the project and the delivery and acceptance of all final products by the KCAG Transportation Policy Committee.

APPENDIX A

**SAMPLE
COST SUMMARY TABLE**

TASK	COST	COST
Fiscal Year	FY 2025/26	FY 2026/27
KCAG TDA Financial & Compliance Audit Report (Task 1)		
KCAG Single Audit Report for Federal Expenditures (Task 2)		
County of Kings TDA Financial & Compliance Audit Report; Incudes Road Fund (Task 3)		
City of Hanford TDA Financial & Compliance Audit Report (Task 4)		
City of Lemoore TDA Financial & Compliance Audit Report (Task 5)		
City of Corcoran TDA Financial & Compliance Audit Report (Task 6)		
City of Avenal TDA Financial & Compliance Audit Report (Taks 7)		
Initial Contract Term Total		
Optional Task*		
Optional Task*		

**Discretionary Consultant's Task*