

## Responses to Proposal Questions

- Does Northern Trust provide comprehensive statement including information on all underlying assets?  
Yes.
- Can Voya/Northern Trust provide reconciliation between the participant accounts and the underlying investments as of 12/31?  
Response from last year's auditor: "Voya and Northern Trust provided us with their year-end reports. Baker Tilly reconciled the participant account trial balance to the Voya year-end trust report. Beth, the total agreed without any issues, but Voya or NT did not physically give us this reconciliation."
- What is the official name of the Stable Value Fund (i.e. Invesco Stable Value Retirement Trust) and are audited statements available?  
Invesco Stable Value Retirement Trust is the name of the fund and an audited report was available for the year-ended December 31, 2016.
- Does the plan contain assets other than Mutual Funds, Common & Preferred Stocks, and Bonds (i.e. partnerships, derivatives...)?  
Per Note 3 of the financial statements, the Plan holds equities, equity funds, fixed income, personal choice retirement accounts, group annuity and common collective trust funds.
- Is the expectation that the selected firm also draft the MD&A?  
The MD&A is part of the financial statement preparation.
- How is the credit quality and duration of fixed income investments accumulated (page 18 of the financial statements)---from the consultant, record-keeper, or compiled by the accounting firm?  
The Plan's Investment Consultant, Callan, provides this information
- Please verify that the legacy AUL annuity contracts are group annuity contracts and have not been transferred to individual annuity contracts.  
I believe the answer is that the AUL annuity contracts are group annuity contracts; however, this answer is being verified for accuracy. I will send another email with a response once this answer is known.
- While we have Wisconsin licensed Certified Public Accountants we utilize local and national, industry specific personnel to perform these services. Please let us know if this is acceptable. Potentially. The Board will take this into consideration during its evaluation of the proposals.
- What is the expected completion date of the draft statements for 2017 and each subsequent year (if different)?  
Ideally we would like to see the final financial statements completed by early June; however, it is preferred that the trial balance completion is provided late May. For subsequent years, we would prefer the financial statements are finalized by early May.
- What is the expected and preferred timing of performing this work? I.e. when would you be ready for us to begin our work and what is the internal desired timeline for completion?

Work for these services is expected to start as soon as the contract is finalized. Ideally we would like to see the final financial statements completed by early June; however, it is preferred that the trial balance completion is provided late May.

- **Why are you putting out an RFP for these services?**  
The Deferred Compensation Board felt it was prudent to have the financial statement preparation services and the financial auditing services separated and prepared by two different firms.
- **Is the incumbent being invited to submit a proposal as well?**  
No. The incumbent will solely be providing financial auditing services to the Plan.
- **Must all work be performed on-site or is it acceptable and/or preferable to perform work remotely?**  
It is preferred that the work is performed remotely; however, we anticipate that the winning vendor meets with the Plan staff initially and when presenting the final work product.
- **The RFP requests hard copies of the proposal. Would you also like an electronic copy?**  
Yes, electronic copies are also preferred and may be emailed to the Executive Director.
- **How many of your employees are available to assist with questions, etc.?**  
We have three Plan staff who can assist with question.
- **Are there any monthly/quarterly closes or reconciliations currently being prepared, or are they only done annually?**  
No; however, we would like to see this done on a quarterly basis.
- **How many year-end adjustments are typically required?**  
For the year ended December 31, 2016, six adjusting journal entries were made.
- **Can you provide a PBC list from your auditors?**  
Year-end reports from Voya and Northern Trust were used to prepare the financial statement trial balance.
- **How many level 3 investments are part of the plan? (see page 16 in the 2016 Audit Report)**  
As of December 31, 2016, the Plan held one level 3 investment.
- **Are payments and distributions reconciled during the year?**  
No; however, we would like to see this done on a quarterly basis.
- **Do the contributions from the city departments need to be reconciled with W-3's?**  
No.
- **Are you aware of any major changes to the plan or audit report from last year?**  
No.

- Section 3.7 requests that we provide a workplan and schedule. When will the required annual information (such as the participant reports, payroll reports and investment statements) be provided to us? Also, when do the auditors plan to start fieldwork?

The required annual information will be provided to the winning vendor as soon as the contract is finalized. The auditors plan on starting fieldwork the 2<sup>nd</sup> week of May (and will focus on testing of non-financial statement samplings prior to the finalization of the financial statements.
- Would the contracted firm be expected to complete the “Management’s Discussion & Analysis” or will that be provided to us?

The MD&A is part of the financial preparation.
- When listing relevant experience and references, are you only listed specifically in other 457(b) and/or governmental plans or would you consider ERISA plans to be relevant since the reporting is very similar?

We would consider ERISA plans, as well, for relevant experience and references.
- Will your current auditor provide full access of their prior year audit work papers to the financial statement preparation firm?

Baker Tilly (the current auditor) has no problem allowing access to the workpapers related directly to the trial balance preparation and financial statement disclosures; however, Baker Tilly will ask the preparation firm to sign a letter regarding the use of their access.
- What is your timeline for completing this work?

Ideally we would like to see the final financial statements completed by early June; however, it is preferred that the trial balance completion is provided late May.
- Why are you hiring a separate firm to prepare your financial statements?

The Deferred Compensation Board felt it was prudent to have the financial statement preparation services and the financial auditing services separated and prepared by two different firms.
- What is the budget for this work?

There is no specific budget for these services.