

THIS ADDENDUM IS ISSUED TO MODIFY, CLARIFY OR CORRECT THE ORIGINAL DOCUMENTS AND IS HEREBY MADE A PART OF SAID DOCUMENTS.

Questions received and Answers given:

Question 1: What is the reason for the Agencies are issuing a request for proposal for audit services?

Answer 1: The Agencies procurement policies dictate professional services be procured through an RFP process.

Question 2: Was the Agency's current auditor invited to respond to this RFP? If not, please indicate the reasons why.

Answer 2: The Agency's current auditor is not precluded from responding to this RFP. Notification of the RFP posting was sent out through the City's e-notify system to all subscribers.

Question 3: Has the Agencies encountered any significant or unusual difficulties over the past three (3) years with the financial and/or audits under Uniform Guidance (with the current auditors, financial records, compliance with laws and regulations, etc.)?

Answer 3: No

Question 4: Are the timing deadlines outlined in the proposal consistent with what has been achieved over the past three (3) years? If not, please explain.

Answer 4: Yes

Question 5: Are the Agencies aware of any fraud, errors, or irregularities that should be evaluated in determining the scope of the audit?

Answer 5: No

Question 6: Do the Agencies have internal control documentation of key accounting cycles (disbursements, payroll, financial reporting, etc.) as well as its significant financial and accounting processes?

Answer 6: Yes

Question 7: Please describe what accounting functions are centralized and/or decentralized?

Answer 7: All functions are centralized.

Question 8: Does the auditor obtain access to the general ledger detail through direct computer access or do the Agencies produce a report of general ledger detail for the auditor's use? Could remote (read only) access be provide?

Answer 8: We produce the general ledger detail for auditor's use. Remote is possible. 2020's audit was 100% remote.

Question 9: How are the Agency's prepared workpapers shared with the current audit firm? Is a portal used? Are all workpapers available at the start of audit fieldwork?

Answer 9: Auditor's portal. Yes, at least 90% completed by start of fieldwork.

Question 10: Do the Agencies expect any significant turn over in key accounting positions during the life of this contract (retirement, etc.)? Are there any significant accounting positions currently open that would impact the audit? If the answer is yes to either question please describe.

Answer 10: Not at this time.

Question 11: Provide the number of committee and/or council meetings that the auditors are expected to attend in any given year.

Answer 11: Two: one for RACM and one for NIDC.

Question 12: What do the Agencies value in an external audit firm?

Answer 12: External audits are required, per the RFP.

Question 13: Can you please provide total fees in detail by Agency segment by year and by requested service for the last 3 years? If additional fees were billed above original engagement letter; please provide details of services received.

Answer 13: Total fees for RACM = \$159,100. Total Fees for NIDC = \$61,150. Services received in the last 3 years are consistent with services required in the RFP.

Question 14: Please provide the number of individuals involved and the length of time they were on-site.

Answer 14: 2-4 individuals. Approximately one week for each agency (RACM/NIDC) for preliminary work and one week for each agency for final fieldwork.

Question 15: Did the previous auditors perform any of their audit procedures remotely? If so – how did that work for the Agency’s staff; what went well, what didn’t...etc.? If not – would the Agency’s consider a mix of onsite and remote auditing? This has not been a normal practice for our team in the past; but as we work through the COVID 19 events, it is something that we are now doing and doing successfully....enough so that it is something I could see use exploring as normal practice in future years when appropriate and agreed to by our engagement team and clients.

Answer 15: We were able to be 100% remote with success.

Question 16: Were additional non-attest services provided by your auditors in the past three years? If so, please describe the services and the fees charged.

Answer 16: NIDC’s form 990

Question 17: What audit entries have been proposed (posted or passed entries) by the auditors in the last three years? Do you anticipate similar entries in future years?

Answer 17: N/A

Question 18: What is the overall condition of accounting records when audit fieldwork begins? Are all accounts reconciled when the audit commences, or are there certain funds or accounts that are reconciled at a later time? If so, please describe.

Answer 18: All accounts are reconciled by the start of final fieldwork.

Question 19: Who prepares the financial statements and footnotes for each Agency; management or the auditors?

Answer 19: Our staff/management

Question 20: Has the Agencies evaluated the impacts of GASB/FASB Leases standard implementation? If so, what impact do you expect these standards to have on the Agencies as it related to level of effort and financial reporting?

Answer 20: We have started to evaluate. Any additional level of effort will be minimal.

Question 21: Are there specific accounting, auditing or other challenges you anticipate in the upcoming year(s)? If yes, please explain.

Answer 21: No

Question 22: Do the Agencies anticipate major changes in its operations that will have a significant impact on upcoming audits? If so, please explain.

Answer 22: No

Question 23: Are the Agencies expecting to administer any significant new federal awards in the next three years? If so, please describe.

Answer 23: Unknown at this time.

Question 24: Does each Agency expect to receive any expend more than \$750,000 of federal grant/aid in a given year that would require a Federal and State Single Audit?

Answer 24: The total expenditures of federal grant aid/aid vary from year to year based on available funds and needs of projects.

Question 25: Does the entities anticipate any significant changes in funding sources (i.e. grant funding from Federal, State, and local sources) that may impact the scope of work related to the Uniform Guidance or State Single Audit Requirements?

Answer 25: No significant changes.

Question 26: Will the entities be affected by the funding made available to the City of Milwaukee for the American Rescue Plan Act?

Answer 26: We do not expect NIDC or RACM to receive any of these funds.

Question 27: Will there been a change in key personnel from the prior year with any of the entities?

Answer 27: No

Question 28: Will there been any changes in processes or controls from the prior year?

Answer 28: No

ALL PROPONENTS SHALL ACKNOWLEDGE RECEIPT AND ACCEPTANCE OF ADDENDUM NUMBER 1 (DATED September 21, 2021) FOR REQUEST FOR PROPOSAL #57945, BY SIGNING IN THE SPACE PROVIDED AND SUBMITTING THE SIGNED ADDENDUM WITH YOUR REQUEST FOR QUALIFICATIONS. SUBMITTALS WITHOUT THIS ADDENDUM MAY BE CONSIDERED NON-RESPONSIVE.

SIGNED THIS _____ DAY OF _____, 2021.

SIGNATURE

COMPANY NAME