

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** November 13, 2020

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Contract for Countywide Audit Services 2020-2025

**FISCAL EFFECT:**

- |                          |                                                                               |                          |                               |
|--------------------------|-------------------------------------------------------------------------------|--------------------------|-------------------------------|
| <input type="checkbox"/> | No Direct County Fiscal Impact                                                | <input type="checkbox"/> | Increase Capital Expenditures |
| <input type="checkbox"/> | Existing Staff Time Required                                                  | <input type="checkbox"/> | Decrease Capital Expenditures |
| X                        | Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> | Increase Capital Revenues     |
|                          | <input checked="" type="checkbox"/> Absorbed Within Agency's Budget           | <input type="checkbox"/> | Decrease Capital Revenues     |
|                          | <input type="checkbox"/> Not Absorbed Within Agency's Budget                  | <input type="checkbox"/> | Use of contingent funds       |
| <input type="checkbox"/> | Decrease Operating Expenditures                                               |                          |                               |
| <input type="checkbox"/> | Increase Operating Revenues                                                   |                          |                               |
| <input type="checkbox"/> | Decrease Operating Revenues                                                   |                          |                               |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year (2021)</b>
<b>Operating Budget</b>	Expenditure	0	350,475 (a)
	Revenue	0	0
	Net Cost	0	350,475 (a)
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

**(a)** Sufficient funding has been included in the 2021 requested budget for countywide audit services for the year ending December 31, 2020.



## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution will authorize the Director of Audits to execute a five-year contract with the firm of Baker Tilly US, LLP in an aggregate not-to-exceed amount of \$1,863,869. Of this amount, the Director of Audits is authorized to commit 2021 budgeted funds for countywide audit services covering the year ending December 31, 2020, for a not-to-exceed amount of \$350,475.

This action will also authorize the Director of Audits, at the Director's discretion, to renew the contract with Baker Tilly US, LLP for a one-year term at a not-to-exceed amount of \$406,522.

If the five-year contract, plus the optional one-year renewal are executed, the potential fiscal impact of this action on the budget years 2021-2026 is as follows:

<u>Budget Year</u>	<u>Amount</u>
2021	\$ 350,475
2022	\$ 361,078
2023	\$ 372,980
2024	\$ 384,483
2025	\$ 394,853
2026	\$ 406,522
<b>Not-to-exceed Total</b>	<b>\$2,270,391</b>

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.



Department/Prepared By Office of the Comptroller – Audit Services Division/Paul Grant

Authorized Signature Jennifer L. Follard/pag

Did DAS-Fiscal Staff Review?  Yes  No

Did CDBP Review?<sup>2</sup>  Yes  No Not Required