

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 28, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Contracts for Countywide Audit Services 2014-2019

FISCAL EFFECT:

No Direct County Fiscal Impact

Increase Capital Expenditures

Existing Staff Time Required

Decrease Capital Expenditures

X Increase Operating Expenditures
(If checked, check one of two boxes below)

Increase Capital Revenues

X Absorbed Within Agency's Budget

Decrease Capital Revenues

Not Absorbed Within Agency's Budget

Decrease Operating Expenditures

Use of contingent funds

Increase Operating Revenues

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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	421,100 (a)
	Revenue	0	0
	Net Cost	0	421,100 (a)
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

(a) Sufficient funding has been included in the 2015 requested budget for the countywide audit of 2014.

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.¹ 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 would authorize the Director of Audits to enter into a contract with the firm of Baker Tilly Virchow Krause, LLP, and commit 2015 funds for the audit of the County's 2014 Comprehensive Annual Financial Report and the "Single Audit" of Federal/State grants at a cost not-to-exceed \$421,100. This action would also authorize the Director of Audits, at the Director's option, to renew the contract with Baker Tilly Virchow Krause, LLP, annually for up to five additional years at an aggregate additional not-to-exceed cost of \$2,339,255.

If contracts for all six years available are executed the potential fiscal impact of this action on the budget years 2015-2020 is as follows:

<u>Budget Year</u>	<u>Amount</u>
2015	\$ 421,100
2016	\$ 435,855
2017	\$ 450,960
2018	\$ 467,495
2019	\$ 484,030
2020	\$ 500,915
Not-to-exceed Total	\$2,760,355

¹ 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.

² 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 Jerome J. Heer/JAG

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required