



To: All Prospective Bidders
From: Purchasing Department
Date: January 16, 2025
Subject: Inquiries and Responses
RFP#: 108 - 2024

Inquiries and Responses:

1. Are we able to be provided a copy of the FY2024 Department of Labor Form 5500 for the Convention Center Authority of Metropolitan Government of Nashville Davidson County Employee Savings Trust?

The most current report on the Employee Savings Trust is for CY2023. The full financial statements and audit are linked on our website at:
<https://www.nashvillemusiccitycenter.com/cca/annual-report>

2. Does Music City Center have a specific target percent for DBE / MBE / WBE utilization for the Diversity Plan?

The Music City Center's goal is to have not less than 20% DBE (MBE/WBE/SBE/SDVBE) participation.

3. What were the prior year fees for each deliverable?

Financial Statement Audit: \$51,000
Employee Saving Trust Audit: \$15,000

4. What is the level of effort/hours that the incumbent has provided for the previous years audits?

We do not track incumbent working hours.

5. Are there any improvements you would like to see in the audit process?

We have not identified any specific areas in need of improvement; however, areas of importance have always been timeliness, a solid understanding of our relationship to Metro as it relates to financial reporting, professionalism, and quality guidance when needed.

6. Are there any significant changes in operations in the current year vs. the prior year including changes in policies and procedures, personnel, or the reporting entity?

No

7. Has there been any disagreement with the current auditor firm? If yes, please provide some background on the issue.

No

8. What are the two most significant issues facing Music City Center in the next two years?

As it relates to our financial operations, two significant issues for the future will be Metro's upgrade to the financial system that we utilize and potential large scale capital projects that may be necessary to keep our building competitive and current.

9. In the previous three fiscal years, have there been any additional billings/change orders related to the audits in excess of the fixed base fees? If so, to what extent and for what reason(s)?

No

10. When are the books closed and when do you generally expect fieldwork to begin? Also, related to the timeline, could you tell us what kind of interim planning procedures could be performed prior to year-end?

Our Employee Savings Trust 401k plan closes on the calendar year, so as soon as the 5500 is complete, work can begin. Typically, the 5500 is ready around April/May.

Our fiscal year closes June 30. Most closing entries will be complete by mid-August; however we are reliant on Metro to do many entries to fully close and those time-frames vary.

11. Have the auditors historically proposed journal entries as a result of the fieldwork? If there are generally entries proposed, could you share the nature of the entries?

No, they have not typically had to propose journal entries.

12. What recommendations or findings have been included in the management letter in recent years?

There have been no recommendations or findings in recent years.

13. Have there been any internal audit procedures or processes performed by Metro's internal audit department for MCC during the fiscal year 2024 or planned for 2025?

None other than whatever standard work they do on all Metro department AP entries.

14. How involved is the MCC team in preparing the draft of the financial statements? Does the audit firm currently prepare the statements and related footnotes for MCC review or are these handled by your team?

The audit firm generally prepares a rolled forward template of the financial statement document, but the MCC team prepares the financial statements and footnotes for audit review.

15. With the benefit plan being a governmental plan and since we don't have a plan document, can you explain how ERISA is applicable to this plan?

ERISA does not apply to all government retirement benefit plans, it does apply to any qualified 401(k) plan, so 401(k) plans are required to have compliance testing completed after each plan year, even when they are deemed to pass ADP (Actual Deferral Percentage) and ACP (Actual Contribution Percentage) testing due to their Safe Harbor status.

Our Adoption Agreement indicates our plan is a qualified 401(k) plan, covered by the Employee Retirement Income Security Act (ERISA).

We complete compliance testing each year, however since our plan is a Safe Harbor plan, we are deemed to pass both the ADP and ACP testing.