

March 7, 2016

Rhode Island Commerce Corporation

ADDENDUM NO. 001

Questions & Answers

The Rhode Island Commerce Corporation is soliciting proposals from firm(s) qualified to perform audit services for the years ended June 30, 2016; 2017 and 2018 for the following entities:

Rhode Island Commerce Corporation & Component unit, Small Business Loan Fund Corporation
Rhode Island Industrial Facilities Corporation
Rhode Island Industrial-Recreational Building Authority
I-195 Redevelopment District Commission
Rhode Island Commerce Corporation Pension Plan and Trust

Question #1: Are the financial statements available for the I-195 Redevelopment District Commission for 2015?

Answer #1: Link to the I-195 Redevelopment District Commission 2015 Audited Financial statements: <http://www.195district.com/news-and-press/transparency/>

Question #2: Is there a copy of the RI Commerce Corporation Pension Plan and Trust available for review?

Answer #2: <http://commerceri.com/wp-content/uploads/2016/03/Accountants-Report-Financial-Statements.pdf>

Question #3: How many years have you had your current CPA firm?

Answer #3: Three year engagement for the auditors responsible for the audit of Rhode Island Commerce Corporation & Component unit, Small Business Loan Fund Corporation, Rhode Island Industrial Facilities Corporation, Rhode Island Industrial-Recreational Building Authority, and I-195 redevelopment District Commission. Two year engagement for the auditors responsible for the audit of the Rhode Island Commerce Corporation Pension Plan and Trust

Question #4: Was a management letter issued in the prior year, and, if so, is it available for review?

Answer #4: There were no management letters or internal control letters issued for RI Commerce Corporation & Component unit, Small Business Loan Fund Corporation, RI Industrial Facilities Corporation, RI Industrial-Recreational Building Authority, or I-195 Redevelopment District Commission. Link below is Management Letter for the RI

Commerce Corporation Pension Plan and Trust: <http://commerceri.com/wp-content/uploads/2016/03/SAS-115-EBP-Mgmt-ltr-Shell-No-material-weaknesses-06-15-P-2.pdf>

Question #5: Were there any special services performed by the CPA firm in the prior year over and above the normal audit engagement?

Answer #5: Yes

Question #6: What were the prior year fees for each entity?

Answer #6: Financial Statement Audit Fees: RI Commerce Corporation including component unit Small Business Loan Fund Corporation- \$15,900, Single audit if required, \$118/hour, Agreed-Upon procedures, \$118/hour; RI Industrial Facilities Corporation-\$3,000; RI Industrial-Recreational Building Authority-\$3,000; I-195 Redevelopment District Commission-\$2,500; RI Commerce Corporation Pension Plan and Trust-\$18,500.

Question #7: Does management prepare the financial statements for the CPA firm? If so, when are they generally available to the firm?

Answer #7: Yes, management prepares the financial statements. They are available as completed. RI Industrial Facilities Corporation, RI Industrial-Recreational Building Authority and I-195 Redevelopment District Commission are generally available by the last week in July. RI Commerce Corporation & Component unit, Small Business Loan Fund Corporation is generally available by the end of the first week in August.

Question #8: Please disclose the typical timeline in order to meet the September 30th state deadline (planning, fieldwork, number of staff involved in the audit engagement)

Answer #8: Rhode Island Commerce Corporation has three staff primarily responsible for year-end closing and financial statement preparation. These three staff are available through-out the audit for gathering data requested and facilitating the audit. As for the audit team, it varies depending on audit firm staff availability and level of experience with the entities. On site planning usually occurs in early June, and there are typically 1-2 staff accountants (at least 1 CPA required) performing fieldwork from late July through September. There is a manager and partner assigned to the engagement who review work papers on site periodically throughout the audit period.

Question #9: Were there any adjusting entries recommended and/or recorded by the CPA firm?

Answer #9: Yes

Question #10: The budget for the specified services

Answer #10: The budget will be dependent on the selected and approved audit firm response.

Question #11: The most recent fee paid for the specified services

Answer #11: See question and answer #6

***End of Addendum ***