

## RFP 2026-001 Questions and Answers - Posted 2.26.2026

### 1. Federal Programs & Single Audit Scope

The RFP reflects significant federal funding across multiple programs. Are there any anticipated changes to major program determinations for FYE 06.30.2026 (for example, new awards, program wind-downs, or unusually large one-time funding)? **No.**

### 2. Subrecipient Monitoring

Based on our review of the prior-year SEFA, it appears there was no subrecipient activity. Can you confirm whether you expect a similar fact pattern for FYE 06.30.2026, or whether Inspire anticipates passing through federal funds to subrecipients during the year? **IDC does not currently have any subrecipients and no plans for future subrecipients.**

### 3. Payroll Allocation & Time-and-Effort Controls

Have there been any changes to payroll allocation methodologies, systems, or monitoring controls since the prior audit? **No.**

### 4. Leases and Facilities Complexity (ASC 842)

The RFP materials indicate a large facilities footprint and ongoing lease activity. Have there been any new leases, lease modifications, or embedded lease arrangements during FYE 06.30.2026 that would materially increase ASC 842 assessment, testing, or disclosure effort compared to the prior year? **IDC has leased 13 additional vehicles this Fiscal Year and plans to lease an additional 6 vehicles at the end of this fiscal year or the beginning of next fiscal year.**

### 5. Capital Projects and Construction Activity

The prior-year audit included a finding related to capital projects and construction activity. Please provide an update on the current status of that finding, including any corrective actions implemented and whether those controls were fully in place throughout the year. **IDC has implemented new procedures to record retainage as a liability at FYE.**

Additionally, were there any new or ongoing capital additions, renovations, or construction-in-progress projects during the year—particularly those funded by federal or state awards? **IDC currently has three (3) construction projects, two will be completed and capitalized by the end of this fiscal year. The third one is expected to be completed before 7/01/2026. We do not have any other construction or major renovations planned at this time.**

#### 6. **Self-Insured Health Plan Obligations (IBNR and Stop-Loss Coverage)**

The RFP materials and prior-year financial statements indicate the presence of a self-insured health plan. Please confirm whether Inspire continues to operate a self-insured plan for FYE 06.30.2026 and provide any updates regarding the methodology used to estimate incurred-but-not-reported (IBNR) claims. In addition, please confirm the existence and terms of any stop-loss coverage (including attachment points and carriers) and whether there have been any changes year over year. **IDC will continue with a self-insured health plan. No changes to methodology used for IBNR reserve. IDC does maintain stop loss coverage.**

#### 7. **Adjusting Journal Entries and Management Letter History**

Please provide insight into the nature and extent of proposed adjusting journal entries in prior years (for example, volume and complexity), and whether a management letter has historically been issued. These factors influence audit risk assessment, review effort, and overall engagement hours. **Typical adjusting JE includes the ASC 842 lease activity for the FY. Audit includes Governance Communication.**

#### 8. **Financial Statement Preparation Responsibilities**

Does management prepare the initial draft financial statements and related footnote disclosures, or does the auditor assist with financial statement preparation? Clarifying this responsibility is important for planning purposes and affects the nature and extent of audit support required. **CFO prepares initial draft financial statements. Auditors prepare footnotes based on information provided by CFO.**

#### 9. Year-End Close Timing and Audit Readiness

Please confirm the expected timing of year-end close and when management anticipates being audit-ready, including the availability of key schedules and supporting documentation. Understanding this timeline will help us align staffing, fieldwork sequencing, and scheduling assumptions. **FYE is 6/30. FYE closeout generally goes through September. Initial fieldwork is usually scheduled in October with final audited financials presented to BoD at the end of January.**

#### 10. Employee Benefit Plan Audit Coordination

Please confirm whether there have been any plan design changes, new plans, mergers, or changes in third-party administrators that could affect the scope, timing, or coordination effort required for the employee benefit plan audit. **Changed from Transamerica to Empower last FY for our 401K plan. No other changes I'm aware of.**