

Topic	Question	MiHIN's Response
401(k)	Was the 401(k) Plan audited for 12/31/2018? If available, can we get a copy of the 2018 401(k) Plan audited financial statements?	Upcoming 401(k) audit for December 31, 2020 will be the first time it's conducted (was not required prior).
401(k)	Will the 401k require an audit as of December 31, 2019, or are you anticipating one for December 31, 2020?	No, prior to Jan 1, 2020, the number of participants did not require an audit to be performed.
401(k)	What is the plan year end for the 401(k)?	December 31
401(k)	When are the auditors on-site for the 401(k) audit?	Upcoming 401(k) audit for December 31, 2020 will be the first time it's conducted (was not required prior), so scheduling is flexible.
Accounting Policy	Was ASC 606 (new revenue recognition standards) adopted during fiscal 2020 or has it been deferred as recently allowed? If adopted, was there a material impact on revenue recognition?	Yes, no material impact from its implementation was determined.
Accounting Policy	What is the revenue recognition policy for sale/resale of software within IOI?	Refer the accounting policies described in audited financial statements.
Accounting Policy	Are there any capitalized software costs? There was not an accounting policy related there to in the 2019 financial statements.	They are included in the property, plant and equipment.
Accounting Policy	For GLHC, have you completed the assessment of the fair value and related recording? Did you use an outside party to assist? Describe the December 31, 2019 transaction with Great Lakes Health Connect and the related accounting.	The fair value assessment has not yet been fully completed although the integration with GLHC will be recorded as an acquisition utilizing business combination accounting at fair value. Refer to https://mihin.org/tag/glhc for information about the integration.
Future	Did you apply for the Payroll Protection Program (PPP) as part of the stimulus program?	Yes.
Future	How have things changed with the current economic situation due to the COVID disruption? Do you anticipate any new revenue sources or any reductions in services during the period we are proposing on?	Our group of companies anticipates a potential impact due to the general economic slowdown, government budget shortfalls, etc. At the same time, COVID 19 and related funding that has been made available via recent federal stimulus laws are providing additional business opportunities for us.
Future	MiHIN has created several new entities over the past several years. What MiHIN's expected growth over the next three years? Are you expected to create any new entities?	No additional entities are in the plans at the moment. However, as business opportunities and conditions constantly change in our industry, as any other industry, and we want to appropriately respond to such changes, it is possible that additional entities will be added to our group of companies.
Future	Have there been any new significant transactions in 2020, or are any planned?	Other than the impact of COVID 19, a new subsidiary has been created with no financial activity at the moment.
Future	Are there any changes expected to your major program (CFDA# 93.778 - Medicaid Cluster, CFDA# 93.435 or , CFDA# 93.624) or new major Type A federal programs (federal expenditures greater than \$750,000) expected during fiscal year 2020?	No, Fiscal year 2020 is expected to be similar to fiscal year 2019 in terms of federal programs (current expectation).

Topic	Question	MiHIN's Response
General	How many people are in the accounting department?	Nine people in the accounting department.
General	Company address	120 West Saginaw Street, East Lansing, Michigan 48823
General	Company website	Refer to Section 1 of the RFP document.
General	Corporate email (if you have one)	rfp2020-002@mihin.org
General	LinkedIn profile (if you have one)	https://www.linkedin.com/company/michigan-health-information-network-shared-services/
General	What is important to you in your audit and tax service team?	Typical items including but not limited to technical expertise, timeliness, reasonable fees, etc.
General	Why is MiHIN going out for RFP and how long have you been with current provider?	Our current audit firm has been providing audit and tax services since the company's inception 10 years ago. As a matter of proper governance an RFP for these services has been created.
General	What have the audit fees been in the last three years? Were any additional fees incurred?	This is confidential information that we are not at liberty of disclosing.
General	What are the positives and negatives from your previous experiences?	Nothing of substance to disclose
General	For fieldwork, how many auditors are in the field and for how many days?	In the prior year, there were 2 auditors in the field.
General	Is interim fieldwork encouraged?	Yes, especially in the first year as a new auditor of our entities it will be beneficial for such firm to have interim fieldwork.
Past	Can we obtain a copy of the 9/30/18 and 9/30/19 trial balances? Can we obtain the last 2 years Financial Statements and Federal Single Audit?	Please refer to the audited financial statements for respective years. Audited financial statements are available on the Federal Audit Clearinghouse website. Search for Auditee name Michigan Health Information Network Shared Services.
Past	Can we obtain the last two years tax returns?	Forms 990 for 9/30/2018, 9/30/2017, and 9/30/2016 are available on GuideStar's website. The 9/30/2019 990 has not yet been finalized.
Past	Any journal entries/auditor adjustment (if any)	No journal entries have been requested, proposed, or recommended
Past	Have there been any Single Audit findings and/or management letter comments in the last two audit periods? If so, have steps been taken to correct them?	There have been no internal control comments, significant deficiencies, or material weaknesses in the past 5 years.
Past	In the RFP, it indicates the audit is to be completed by February 15. We noted the date of the independent auditor's report was April 3 for the 9/30/19 financial statements. Can you provide any information on what caused the delay in issuance of the 2019 financial statements?	Several subsidiaries were created during the summer of 2019 which resulted in unanticipated additional audit procedures to be completed for fiscal year 2019 audit.
Past	Why are nontrrolling interest capital contributions reported as an Operating Activity in the 2019 Statement of Cash Flows?	Since MiHIN is a non-profit, there is not a separate equity statement, thus all equity activity is included in the Statement of Activities and must be broken out of the Statement of Cash Flows within the operating section to calculate actual operating activity. It is then recorded again within Investing activity.

Topic	Question	MiHIN's Response
Scope	Does The MiHIN Group prepare the financial statements or will financial statement preparation assistance be requested from the Offeror?	Assistance with financial statement preparation will be requested from the selected audit firm although management will be very involved in the preparation and review.
Scope	Does management prepare the tax provision calculation or does the audit firm?	Management prepares the preliminary tax provision calculation for financial statement purposes with the expectation that assumptions will be audited by the selected firm.