

**SCOPE OF SERVICES
REQUEST FOR PROPOSAL FOR
FINANCIAL AND COMPLIANCE AUDIT SERVICES**

I. General Information

The Board of Trustees, Milwaukee Public Library (Board) is seeking proposals from qualified accounting firms for Financial and Compliance Audit Services. The Milwaukee Public Library is governed by a twelve-member Board of Trustees, consisting of both public officials and citizen members. The mission of the Library is to provide materials, services and facilities for all citizens of Milwaukee and others in order to meet present and future informational needs and raise the level of civilization in Milwaukee. The purpose of the Trust Fund is to invest donations gifted to the Library, and to use these funds to support the Library's mission.

The Milwaukee Public Library is a city department and receives funding for general operating purposes in the same manner as other city departments. The Trust Fund, which is governed by the Library Board of Trustees, is a separate fund that is administered by the Milwaukee Public Library. As a department of the City of Milwaukee, the Milwaukee Public Library's Trust Fund (Fund) is considered a component unit of city government.

As of December 31, 2021, the Fund's Fair Market Value was approximately \$6.8 million.

The Fund is composed of:

1. Trust Fund – consists of gifts, bequests, and memorials received for the support of the Library. The principal of the Trust Fund is not permanently restricted and is to be used for general Library needs.
2. Gift Funds – is used to account for the proceeds of specific revenue sources that are assigned or restricted for specified purposes.
3. Agency Fund – consists of assets which the Trust Fund processes and holds in trust for other entities within the Library or for Library purposes.

II. Proposal Submission and Due Date

The response to the RFP, in its entirety, must be received by the Business Office of the Milwaukee Public Library no later than 3:00 p.m. on the date specified in the Official Notice and the RFP. All proposals and accompanying documentation will become the property of the Milwaukee Public Library and will not be returned. Late proposals will not be accepted.

III. Questions

The Milwaukee Public Library will consider consultant questions regarding the meaning or intent of the RFP or contract documents. All questions must be in writing and be submitted, per the instructions in the Official Notice document.

IV. Minimum Qualifications

1. Accounting Firm must be a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States.

2. Accounting Firm must have prior experience conducting audits of similar scope and nature, preferably for government agencies and/or non-profit organizations.

V. Schedule Requirements

1. Planning meeting with library administrative staff to be held in a timely manner for following year's activities and schedule.
2. The draft financial statements and audit should be submitted to the Library Director by March 15, 2023.
3. The audit exit conference should be held on or about April 1, 2023 and thirty copies of the final audit reports delivered to the Board seven (7) days prior to the April Board meeting.
4. Audit must be presented at the April 2023 meeting of the Board of Trustees by the Audit firm representative/s.

VI. Proprietary Proposal Material

Any information contained in the proposal that is proprietary must be clearly designated. Marking the entire proposal as proprietary will be neither accepted nor honored. If any information is marked as proprietary in the proposal, such information will not be made public.

VII. Proposal Content

Your proposal must include the following:

1. Description of your firm's prior auditing experience. A minimum of three references must be submitted with your proposal for which similar work was performed. This will include the names of organizations along with the name and number of a contact person for each reference used.
2. Description of your understanding of the work to be performed, including audit procedures and other pertinent information.
3. Identify all members of the audit team to be assigned to this project. Provide qualifications and prior experience for each person identified. Indicate the overall supervision to be exercised.
4. If any subcontractors are to be utilized, the Accounting Firm must identify them in the proposal. The Accounting Firm shall be fully responsible to the Board for the acts and omission of firm's subcontractors and of persons directly employed by firm.

VIII. Scope of Services

1. Audit Work
 - a. Accounting Firm shall conduct a financial and compliance audit of the Trust and Gift Fund of the Milwaukee Public Library for the purpose of expressing an opinion to the Board of Trustees with respect to the financial statements.

The examination shall be conducted in accordance with generally accepted governmental auditing standards and accordingly, include such tests of the accounting records and such other auditing procedures as the Accounting Firm deems necessary in the circumstances.

- b. The audit shall include procedures to test compliance with legal requirements imposed by statutes, ordinances, resolutions and other governmental accounting standards.
- c. The audit shall include a study of the internal controls to assess the extent the controls can be relied upon to ensure accurate information, to ensure compliance with law and regulations, and to provide for efficient and effective operations.

2. Exit Conference and Board Presentation

An audit exit conference will be held with the Library Director and administrative staff of the Library at the conclusion of the fieldwork to discuss the audit work, possible findings and recommendations.

Auditor will make a presentation of the final Audit Report to the Board of Directors and/or any committees as needed. Auditor should prepare a summary report showing the financial highlights for the presentation to the Board.

3. Reports Required

a. Basic Financial Statements

b. An audit report incorporating an expression of the auditor's opinion on the financial statements for year audited.

c. A management letter summarizing audit findings and recommendations affecting the financial statements, compliance and internal control.

d. Notes to the financial statements which provide for adequate disclosure as required by generally accepted governmental accounting principles.

4. Working Papers

The Accounting Firm shall retain working papers and reports for a minimum of seven years from the date of the audit. The Accounting Firm shall make working papers available for examination upon request of the Board of Trustees, Milwaukee Public Library or its designee.

5. Accounting Software

Provide assistance on an as needed basis to Library Business Manager on QuickBooks applications.

6. GASB Requirements

Provide timely information on changes to GASB and assistance to Library staff as needed on compliance with same.

IX. Financial Stability

Following review of all proposals, the Library Director may request proof of financial stability from the Consultant. Such proof can take the form of a copy of its most recent audited, or compiled, financial statement, a bank reference or a credit rating.

X. Expected Agreement

The successful responder will be expected to enter into an agreement on the form prepared by the City, which is substantially the same as the Request for Proposal, Scope of Services and Standard Terms and Conditions. In no event is responder to submit its own standard terms and conditions as a response to this RFP.

XI. Contract Length

The contract term will be three years with the option to extend for one additional two-year period, upon mutual agreement.

XII. Contract Price

Contract price for first three years of contract must be shown on proposal. All costs related to the audit are the responsibility of Auditing Firm. No additional fees or expenses will be reimbursed.

XIII. Payment Terms

The following terms apply for each audit performed by Auditing Firm under this Contract. A request for partial payment may be made upon conclusion of field work. Final payment for audit may be requested upon presentation of the final report to the Board. Payment will be approved after acceptance and approval of the Board.

XIV. Insurance

The Consultant shall be solely responsible to meet consultant's insurance needs as required by the City during the terms of this Contract or any extension thereof. A Certificate of Insurance in the form specified in Attachment 3 shall be provided to the City by the successful Responder as an additional insured in the following types and amounts:

Worker's Compensation	Statutory
Professional Liability	\$1,000,000 per occurrence

XV. Termination for Cause

If through any cause the Accounting Firm shall fail to fulfill in a timely and proper manner its obligations under this contract, or if the Accounting Firm shall violate any of the covenants, agreements, or stipulations of the contract, the Milwaukee Public Library shall thereupon have the right to terminate this contract by giving written notice to the Accounting Firm of such termination as specified in the Standard Terms and Conditions.

XVI. Declaration of Default

The City of Milwaukee reserves the right to declare in default any contract as a result of the Responder's failure to promptly and effectively carry out the provisions of the contract.

**City of Milwaukee
Milwaukee Public Library
Terms and Conditions**

ADA Notice: Please note: Upon reasonable notice, efforts will be made to accommodate the needs of individuals with disabilities. Make requests to the Library Director's Office at (414)286-3021, 286-2794 (FAX), or Central Library, 814 W. Wisconsin Ave., Milwaukee, WI 53233 Attn: Accommodation Request.

I. TERMS APPLYING TO ALL LIBRARY CONTRACTS AND PURCHASE ORDERS:

1. Definitions Applicable to These Terms and Conditions.

1.1. City or MPL is the City of Milwaukee, through the Milwaukee Public Library and its Board of Trustees. When used in the context of a consent or approval (written or verbal), consent or approval of the City may only be given by the Library Director or their designee.

1.2. Commodity Contract is a contract for the purchase or sale of a commodity for future delivery.

1.3. Contract is this contract or service order to which these Terms and Conditions are attached and into which these Terms and Conditions are incorporated. "Contract" may be referred to as the "Agreement" elsewhere in the Contract Documents.

1.4. Contractor is the party providing goods or services to MPL pursuant to this Contract. Contractor may be variously referred to as the "successful proposer," "successful bidder," or some variation thereof elsewhere in the other Contract Documents.

1.5. Documents are all reports, studies, analysis, memoranda, information, records, and related data and materials created as a result of this Contract.

1.6. Invoice. An itemized statement from Contractor specifying the services and/or goods provided to MPL, and supported by all documentation as MPL may reasonably require.

1.7. Terms and Conditions are only those terms and conditions set forth in this document entitled "Milwaukee Public Library Terms and Conditions revised December 7, 2021." For the avoidance of doubt, Terms and Conditions do not include any other Contract Document, attachment, exhibit, or document.

2. These Terms and Conditions Apply to All City and MPL Procurements. These Terms and Conditions, in their unaltered form, apply to any contract or service order resulting from this procurement unless: (1) individual amended terms are agreed to by both parties in writing, (2) the amended terms are printed on the coversheet to the Contract, and (3) such amended terms are approved by City Attorney via signature. Pursuant to the Milwaukee Code of Ordinances, all MPL contracts must be reviewed and approved by the City Attorney. The City Attorney has preapproved these Terms and Conditions. Any modification of these Terms and Conditions by the vendor without written approval shall render the Contract voidable at the sole discretion of MPL. If these Terms and Conditions are attached to or incorporated by reference into another contract document such as a purchase order or other similar procurement document and pages 1 and 2 of this document are not completed but are, instead, replaced with the purchase order or similar document, these Terms and Conditions apply to the contract created by the purchase order or similar document.

3. Additional Terms Disclaimer.

3.1. Click to Accept. No "click to accept," "browse to accept," or similar agreement that may be required for MPL or its officers, agents, contractors or employees (the "Users") to access any software associated with

this Contract shall be valid. Only the provisions of this Contract shall apply to the Users for access to and use of any software associated with this Contract. None of Contractor's "terms of use" or "privacy policies" or other Contractor terms referenced in but not included with this Contract, including but not limited to web-based terms and conditions, shall apply.

3.2. Contractor's Terms and Conditions. Contractor's individual terms and conditions that conflict with or overlap with these Terms and Conditions in any way, shall be void, irrespective of whether those terms are attached to the Contract, purport to be incorporated into the Contract, or contain terms purporting to prioritize such terms over these Terms and Conditions. Any insertion of Contractor's individual terms and conditions constitutes modification of this Contract and requires City Attorney approval as set forth in the section entitled "These Terms and Conditions Apply to All City and MPL Procurements".

4. Payment Terms.

4.1. Prompt Payment. Contractor shall submit an Invoice to MPL on a monthly basis for any fees accrued during the preceding month within thirty (30) days of the end of said month. Pursuant to Common Council File No. 101137, if MPL does not make payment within 45 days after receipt of the Invoice, MPL shall pay simple interest beginning with the 31st calendar day after submission of the Invoice at the rate of one percent per month. No attorney's fees, expenses, or other collection costs may be billed to MPL unless otherwise agreed in writing. MPL may dispute any incorrect charges, charges disallowed by this Contract, or charges for work, services, or deliveries that were incomplete, incorrectly done, defective, damaged, or the like. No interest shall be applied to any outstanding amounts when Contractor has been sent notice that the amount owed to Contractor is subject to a good faith dispute within 45 days of the receipt of the Invoice, provided the notice was sent by first-class mail, personally delivered, or otherwise sent in accordance with any notice provisions in this Contract. In the event that the 45th day after receipt of the Invoice is a Saturday, Sunday, or national holiday, payment may be made on the following business day without interest being owed to Contractor. MPL's failure to pay in a timely fashion does not relieve Contractor of its obligation to perform the services for which it has been retained. Consistent with Wis. Stat. § 66.0135(3), Contractor shall pay any of its subcontractors for satisfactory work within seven (7) days of Contractor's receipt of payment from MPL or seven (7) days from receipt of an invoice from the subcontractor, whichever is later. If Contractor fails to make timely payment to a subcontractor, Contractor shall pay interest to the subcontractor at the rate of 12 percent per year, compounded monthly, beginning with the 8th calendar day after Contractor's receipt of payment from MPL or receipt of an invoice from the subcontractor, whichever is later.

5. Personnel.

5.1. Subcontractors. Contractor may not employ subcontractors to fulfill the scope of services or otherwise perform under this Contract without written pre-approval from MPL. If Contractor receives written pre-approval to hire subcontractors from MPL, Contractor shall hire such subcontractors via written subcontract, and Contractor shall insert language into each such subcontract specifying that the subcontractor shall be subject to each provision of this Contract, including, but not limited to, all insurance requirements. Contractor shall be as fully responsible to MPL for the acts and omissions of its subcontractors and of persons indirectly employed by it as it is for the acts and omissions of its own officers, employees and agents.

5.2. Independent Contractors. Contractor is an independent contractor, and neither Contractor, nor Contractor's officers, employees or agents are employees of MPL, nor are they entitled to any fringe benefits or any other benefits to which MPL's employees are entitled to or are receiving. Personal income tax payments, social security contributions, insurance, and all other governmental reporting and contributions required as a consequence of Contractor receiving payment under this Contract shall be the sole responsibility of Contractor. MPL and Contractor form no joint venture or partnership under this Contract.

5.3. Contractor to Supply all Personnel. Contractor will secure at its own expense all personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with MPL. All of the services required hereunder will be performed by Contractor or under its

supervision and all personnel engaged in the work shall be fully qualified and authorized or permitted under state and local law to perform such services.

5.4. Withholding of Salaries. Notwithstanding anything in this Contract, if in the performance of this Contract there is any underpayment of salaries by Contractor or its subcontractor to any employee, MPL shall be allowed, in its sole discretion, to withhold payment under this Contract to Contractor in an amount equal to the difference between the salaries required to be paid and the salaries actually paid to such employee. The amounts withheld shall be disbursed by MPL on behalf of Contractor or subcontractor, if any, to the employee(s) to whom they are due. Contractor shall credit MPL for any payments made to Contractor's employee(s) pursuant to this Subsection as though the payments were made to Contractor pursuant to this Contract. MPL shall not be required to pay interest or late fees pursuant to the section entitled "Prompt Payment" on account of an untimely payment resulting from MPL's decision to make payments to any of Contractor's employees hereunder.

6. Living Wage Requirement

6.1. Living Wage. Contractor agrees to pay all persons employed by Contractor in the performance of this Contract, whether on a full-time or part-time basis, a base wage of not less than a living wage as defined by Section 310-13 of the Milwaukee Code of Ordinances.

6.2. Living Wage Reporting. Contractor agrees to make a sworn report or affidavit, within 10 days following Contractor's completion of this Contract or every 3 months, whichever occurs first, and to submit a like sworn report or affidavit from every subcontractor employed by Contractor to MPL regarding every person employed as a result of this Contract. The affidavit or report shall include the person's name, address, type of work performed, total hours worked on this Contract, hourly wage rate, gross earnings, and employer's contribution to vacation, welfare and retirement funds. The sworn reports or affidavits shall be accompanied by a statement that each person employed as a result of this Contract has been paid in full an amount of not less than the living wage as defined by the Milwaukee Code of Ordinances Section 310-13 and that there has not been, nor is to be, any rebate or refund of any part of said wages.

6.3. False Oath. If any documents submitted to MPL contain any false, misleading or fraudulent information, or if Contractor fails to comply with the provisions of this Section, MPL may withhold payments as provided for under the section entitled "Withholding of Salaries" and/or immediately terminate, cancel or suspend this Contract in whole or in part in its sole discretion. Contractor further acknowledges that violations of this clause could result in the denial of Contractor's right to participate in future City contracts.

6.4. Posting the Living Wage. Notice of the requirement to pay a living wage under the section entitled "Living Wage" shall be posted by Contractor in any location where persons employed in the performance of this Contract work in a prominent place where it can be easily seen and read and shall be supplied to any person employed in the performance of this Contract at that person's request within a reasonable period of time thereafter.

6.5 Service Contract Compliance. This section shall only apply to service contracts as defined by Section 310-13-2c of the Milwaukee Code of Ordinances.

7. Term and Termination.

7.1. Term and Time of Performance. The Services shall commence upon the later of (a) the execution of the Contract by all parties or (b) as set forth in any schedule or scope of services included in the Contract Documents. Unless otherwise specifically provided for in the Contract, Contractor shall perform the Services in such sequence as to assure their expeditious completion in the light of the purposes of the Contract and at such times and during such hours as MPL may request and in a manner commensurate with the highest industry standards. All of the Services shall be completed within the term as indicated in the Contract. Completion of the Services within the Term is essential to the Contract. In addition to all other remedies inuring to MPL should the Services not be

completed during the Term, Contractor shall continue to be obligated thereafter to fulfill its responsibility to complete the Services and shall use its best efforts to complete the Services expeditiously.

7.2. Termination Due to Insolvency. MPL may, in its sole discretion, terminate the Contract immediately upon: (i) termination or suspension of Contractor's business; (ii) insolvency or filing of a voluntary or involuntary petition in bankruptcy; (iii) appointment of a receiver, assignee or other liquidating officer for all or substantially all of Contractor's assets; or, (iv) any assignment of any portion of Contractor's assets for benefit of creditors.

7.3. Termination for Insufficient Funds. The Contract shall terminate at such time that MPL fails to appropriate sufficient sums to pay the amount due in the budget year for which the Contract applies. MPL will notify Contractor within thirty (30) days after it becomes aware that funding will not be appropriated. MPL's decisions regarding sufficiency of appropriations and authorizations shall be accepted by Contractor as final. In such an event, Contractor shall immediately reduce and/or discontinue its activities hereunder as requested by MPL.

7.4. Termination for Cause. If Contractor fails to fulfill in a timely and proper manner any of its obligations or violates any of the provisions of this Contract, MPL shall have the right to terminate this Contract. MPL shall notify Contractor of its intent to terminate by giving Contractor written notice at least five (5) business days before the effective date of the termination and identifying the alleged deficiencies in Contractor's performance, and shall give Contractor thirty (30) days to cure such deficiencies prior to termination. In such event, all deliverables completed by Contractor as of the date of termination shall, at the option of MPL, become property of MPL. Notwithstanding the foregoing, Contractor shall not be relieved of liability to MPL for damages sustained by MPL by virtue of any breach of the Contract, and City shall retain its remedies under law.

7.5. Termination for Convenience of MPL. MPL may terminate this Contract at any time for any reason by giving at least thirty (30) days' written notice to Contractor.

7.6. Payment Upon Early Termination. If Contractor is terminated early by MPL as provided in this Section, Contractor will be paid for Services actually and satisfactorily rendered, or Goods actually and satisfactorily delivered; provided, however, that if Contractor is terminated for cause, MPL may withhold payment sufficient to cover the costs of obtaining, and any difference in pricing from, a new contractor. Contractor shall not charge MPL any early termination fee. If there has been a prepayment by MPL, Contractor will refund to MPL, within thirty (30) days of the effective date of termination, a pro-rata portion of any prepaid fees and costs that have not been incurred as of the effective date of termination.

8. Records, Privacy, and Reports.

8.1. Public Records Law. Contractor understands that MPL is bound by the Wisconsin Public Records Law, Wis. Stat. §19.21, et. seq. Pursuant to Wis. Stat. §19.36(3), MPL may be obligated to produce, to a third party, the records of Contractor that are "produced or collected" by Contractor under this Contract ("Records"). Contractor is further directed to Wis. Stat. §19.21, et. Seq., for the statutory definition of Records subject to disclosure under this paragraph, and Contractor acknowledges that it has read and understands that definition. Irrespective of any other term of this Contract, Contractor is obligated to: (1) retain Records for seven years from the date of the Record's creation, and (2) produce such Records to City if, in City's determination, City is required to produce the Records to a third party in response to a public records request. Contractor's failure to retain and produce Records as required by this paragraph shall constitute a material breach of this Contract, and Contractor must defend and hold City harmless from liability due such breach.

8.2. Patient Privacy and Data Handling. This Subsection applies if Contractor receives from MPL, or collects under this Contract, any of the following: "protected health information" as defined by 45 CFR § 160.103 and Wis. Stat. §146.816; "registration records" or "treatment records" as defined in Wis. Stats. § 51.30; or "patient health care records" as defined in Wis. Stats. § 146.81 (collectively, "Patient Records"). Contractor represents that (1) Contractor is a "covered entity" for purposes of the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), **or** (2) Contractor is not a "covered entity," but has entered into a Business

Associate Agreement with MPL, which is attached hereto. Contractor and any subcontractors will comply with all applicable state and federal medical privacy laws, including, but not limited to, HIPAA and Wis. Stats. §§ 51.30, 146.816 and 146.82, when applicable. Contractor further covenants and agrees that it will enter into a Business Associate Agreement as required by HIPAA with any subcontractor with access to Patient Records under this Contract, and will provide a copy of such subcontract to MPL prior to any subcontractor providing any services related to this Contract.

8.3. Ownership. All Documents are MPL's exclusive property. MPL has the right to use the Documents for any purpose without additional compensation to Contractor unless otherwise provided for in the Contract.

8.4. Confidentiality. All of the Documents are confidential and Contractor agrees that it will not, without prior written approval from MPL, make the Documents available to any individual, agency, public body or organization except as required by the Contract or by any applicable law or legal process. Upon MPL's request, Contractor shall deliver all Documents to MPL and then destroy all copies of the Documents, whether in written, electronic or other form or media, in a commercially reasonable manner and shall certify in writing to MPL that all Documents have been returned to MPL and destroyed in a commercially reasonable manner at no cost to MPL. Contractor shall comply with all MPL's directions regarding the return and/or destruction of the Documents within fourteen (14) days. Contractor shall notify MPL if it has knowledge of an unauthorized acquisition or use of the Documents as soon as possible, but no later than within one (1) business day of such knowledge.

8.5. Reports and Information. Upon MPL's reasonable request, Contractor shall provide statements, records, reports, data, and information pertaining to matters covered by the Contract.

8.6. Documentation of Costs. Contractor shall ensure that all fees and costs it incurs pursuant to this Contract are supported by properly executed payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Contract and shall be clearly identified and readily accessible.

9. INDEMNIFICATION AND DEFENSE OF SUITS.

9.1. **INDEMNIFICATION OBLIGATIONS IN GENERAL.** Contractor shall indemnify City and its officers, agents and employees for all losses, damages, costs, expenses, judgments, accrued interest, liabilities, or decrees arising out of any claim, action in a court, or proceeding before an administrative agency that is brought against City or any of its subcontractors, officers, agents, or employees for the acts or omissions of Contractor or any of its subcontractors, officers, agents, or employees in whole or in part in the performance of the covenants, acts, matters or things covered by this Contract, or for injury or damage caused by the alleged acts or omissions of Contractor or any of its subcontractors, its officers, agents or employees. City will, at its sole option, decide whether to tender the defense of any claim, action in court, or proceeding before an administrative agency in which Contractor has a duty to indemnify to Contractor or Contractor's insurer and upon such tender it shall be the duty of Contractor and Contractor's insurer to defend such claim, action, or proceeding without cost or expense to City or its officers, agents, or employees using counsel selected by Contractor and Contractor's insurer and approved by City. Contractor shall not settle any claim, action in any court, or proceeding before an administrative agency relating to City unless City consents to the settlement in writing.

9.2. **INTELLECTUAL PROPERTY INDEMNIFICATION.** If any action in court, claim, or proceeding before an administrative agency is brought against City or any of its officers or employees due, in whole or in part, to the alleged infringement of or by Contractor of any copyright, license, trademark, service mark, logo, or other intellectual property, (collectively, "Claims"), Contractor shall indemnify City and its officers and employees from all losses, damages, costs, expenses, judgments, or decrees to the extent arising out of such Claims caused by Contractor or one of its subcontractors, officers, employees or agents.

10. Nondiscrimination. It is City's policy not to discriminate against any qualified employee or qualified applicant for employment because of an individual's sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, gender identity or expression, victimhood of domestic abuse or sexual assault, past or present membership in the military service, HIV status, domestic partnership, genetic identity, homelessness, familial status, or an individual's affiliation or perceived affiliation with any of these categories ("Protected Classes"), pursuant to Milwaukee Code of Ordinances ("MCO") Section 109-9. Contractors and their subcontractors employing any resident of the City of Milwaukee may not discriminate against any member of the Protected Classes, and such contractors must insert this clause into any subcontracts of subcontractors employing any resident of the City of Milwaukee.

11. Standard of Care. If this Contract obligates Contractor to provide MPL with services (i.e., is not limited to a contract for Goods), Contractor shall, as an independent contractor and not as an employee of MPL, perform the services set forth in the Contract Documents (the "Services"). Contractor agrees that the Services shall be performed in accordance with generally accepted professional practices and in a manner consistent with the highest level of care and skill exercised under similar conditions by members of Contractor's profession practicing in Wisconsin. Performance of the Services shall conform to all applicable federal, state and local laws and regulations.

12. Entire Agreement, Amendments, Severability.

12.1. Entire Agreement. The Contract Documents constitute the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, discussions, representations, warranties and covenants between the parties concerning the subject matter hereof. Any amendments, changes or modifications to this Contract shall be in writing and executed by the parties.

12.2. Severability. If any term of this Contract is, to any extent, held invalid or incapable of being enforced, such term shall be excluded only to the extent of such invalidity or unenforceability. All other terms hereof shall remain in full force and effect and, to the extent possible, any invalid or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term as determined by MPL. If such invalid or unenforceable term has a material and adverse effect on a party and a valid and enforceable replacement that comes closest to expressing the intention of such invalid or unenforceable term as determined by MPL cannot be created, the party materially and adversely impacted shall be allowed to terminate the Contract pursuant to the section entitled "Termination for Cause."

12.3. Effect of Regulations. Should any local, state or national regulatory authority having jurisdiction over City impose a valid and enforceable order upon City which has the effect of changing or superseding any term or condition of the Contract, such order shall be complied with, but only so long as such order remains in effect and only to the extent actually necessary under the law. In such event, the Contract shall remain in effect and be modified or terminated in the manner provided for by the section entitled "Severability."

13. Remedies and No Waiver. Nothing in this Contract shall be construed to waive any privilege, right of recovery, cause of action, defense, remedy, category of damages, or immunity to which City is entitled under common law, or federal, state, or local law; waiver of any of the foregoing may only be accomplished in writing by an individual with the authority to bind City.

14. Insurance Requirements. Throughout the term of this Contract, Contractor is solely responsible for meeting its insurance needs, but shall, at a minimum, carry insurance that meets the insurance requirements set forth in this Section. Any failure to comply with these minimum requirements during the Term is a material breach of this Contract permitting MPL to, in its sole discretion, immediately terminate this Contract without prior notice.

14.1 Certificate of Insurance Required. A certificate of insurance acceptable to the City must be provided prior to final execution of this Contract. Any certificate of insurance provided to the City shall accurately state that the

issued insurance policies meet the requirements outlined below and must be an original certificate issued by a company licensed to do business in the State of Wisconsin or signed by an agent licensed by the State of Wisconsin. Contractor shall send City a current and valid Certificate of Insurance and/or Policy within fourteen (14) days of any request by City. Immediately upon any material change to Contractor’s insurance coverage, Contractor shall send City an updated Certificate of Insurance and/or Policy.

14.2 City’s Authority to Terminate. The certificate shall be approved by the City Attorney and placed on file with the City prior to commencement of work under this Contract. The City reserves the right to examine and approve the actual policy of insurance before the City executes any Contract for this purchase. If the required certificate is not received and approved, the City of Milwaukee has the authority to terminate this Contract.

14.3 City as Additional Insured. The City of Milwaukee shall be named as an additional insured (using ISO Form CG2026 or its equivalent) with respect to liability coverage other than professional liability, including cyber liability coverage. The certificate holder shall be designated as:

City of Milwaukee
200 E. Wells Street, Room 601
Milwaukee, WI 53202

14.4 City Approval of Insurance Companies. Insurance companies must be acceptable to the City and have a current A.M. Best rating of A-VIII or better.

14.5 Use of Occurrence Form. All policies other than professional liability policies shall be written on an occurrence form.

14.6 Notice of Cancellation or Non-Renewal. The City shall be provided with at least 30 days’ written notice of cancellation, non-renewal or material limitation of coverage of any and all insurance policies required by this contract, for any reason including non-payment of premium. To ensure that such notice occurs, an endorsement must be added to the policy/policies permitting Earlier Notice of Cancellation or Non-Renewal. Such endorsement must contain the following stipulation:

“We will mail notice of cancellation (including for nonpayment of premium), non-renewal or material limitation of coverage to the organization shown in the schedule. We will mail the notice at least 30 days before the effective date of the action.”

A copy of the endorsement of Earlier Notice of Cancellation or Non-Renewal stipulation must be submitted with the Certificate of Insurance.

14.7 Required Coverages. Each of the following minimum coverages is required pursuant to this Contract unless “No” is indicated in the left-hand column:

REQUIRED?	COVERAGE	MINIMUM AMOUNT OF COVERAGE REQUIRED
Yes	Worker’s Compensation (The City does require Worker’s Compensation coverage for Sole Proprietorships)	Statutory Limits
Yes	Employer’s Liability	Each Accident: \$100,000 Disease – Policy Limit: \$500,000 Disease – Each Employee: \$100,000 • Coverage must include a Waiver of Subrogation Endorsement in favor of City and its directors, officers, agents, employees, and volunteers.

REQUIRED?	COVERAGE	MINIMUM AMOUNT OF COVERAGE REQUIRED
Yes	Commercial General Liability	Each Occurrence Limit: \$1,000,000 General Aggregate: \$2,000,000 Products-Completed Operations Limit: \$2,000,000 Personal and Advertising Injury Limit: \$1,000,000 <ul style="list-style-type: none"> • Coverage must be equivalent to ISO Form CG0001 or better. • Coverage must include a Waiver of Subrogation Endorsement in favor of City and its directors, officers, agents, employees, and volunteers. • Coverage must apply to independent contractors and contractual liability. • Coverage must apply on a primary and non-contributory basis.
Yes	Automobile Liability	Bodily Injury: \$1,000,000 per person \$1,000,000 per occurrence Property Damage: \$1,000,000 per occurrence Or Combined Limit: \$1,000,000 per occurrence <ul style="list-style-type: none"> • If the Contractor owns or has any long term leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9). • Coverage must include a Waiver of Subrogation Endorsement in favor of City including its directors, officers, agents, employees and volunteers. • Coverage must include contractual liability for risks assumed in this contract. • If Federal or State government(s) require a Motor Carrier filing, such filing shall be made available to City upon request.
Yes	Professional Liability:	\$1,000,000 per occurrence <ul style="list-style-type: none"> • Coverage must remain in effect for a period of not less than two years beyond the termination date of the contract. • If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than two years, if the replacement insurer will not preserve the original retroactive date. • Coverage must include a Waiver of Subrogation Endorsement in favor of City including its directors, officers, agents, employees and volunteers.
Yes	Umbrella (Excess) Liability	\$5,000,000 per occurrence \$5,000,000 aggregate <ul style="list-style-type: none"> • Must provide coverage in excess of the Employer's Liability, Commercial General Liability and Auto Liability Coverages (inclusive of the amendments stated above).
Yes	Crime Insurance	Employee Dishonesty: \$500,000 per loss <ul style="list-style-type: none"> • Must provide coverage for Third Party Employee Dishonesty.

REQUIRED?	COVERAGE	MINIMUM AMOUNT OF COVERAGE REQUIRED
Yes	Pollution Liability	<p style="text-align: center;">\$1,000,000 per occurrence</p> <ul style="list-style-type: none"> • Coverage must include a Waiver of Subrogation Endorsement in favor of City including its directors, officers, agents, employees and volunteers.
Yes	Cyber Insurance	<p style="text-align: center;">\$1,000,000 per occurrence</p> <ul style="list-style-type: none"> • Coverage must include cost of notification, cost of identity protection and repair insurance for affected individuals and third-party liability. • Depending on the situation, other required coverages may include: <ul style="list-style-type: none"> ○ Regulatory Fines & Penalties ○ PCI Fines & Penalties ○ Cyber Extortion/Ransomware ○ Business Interruption ○ Data Reconstruction ○ Media/Website Liability ○ Breach Response Mitigation <ul style="list-style-type: none"> ▪ Forensic investigations ▪ Legal expenses ▪ Notifications ▪ Identity monitoring
Yes	Garage & Garage Keeper's Liability	In the amount of contract or greater

14.8 **Performance Bond.** If a performance bond is required by the terms of any bid or request for proposal, the performance bond shall be on the form provided by MPL in an amount equal to 100% of the contract price or other amount specified therein. The performance bond must be issued by a surety company authorized to do business in the State of Wisconsin and must be accompanied by a power of attorney for the attorney in fact. The performance bond must cover any guaranty provisions of the Contract. The performance bond or any renewals thereof must remain in effect throughout the Term. The Contactor shall provide MPL with a copy of the performance bond within five (5) business days of contract execution.

15. **Substitutions and Equivalents.** Substitutions or equivalents of specified goods, commodities, or products are only permitted upon the written consent of the City Librarian or their designee.

16. **Survival.** Sections 1, 2, 3, 4.1, 5, 7.4, 7.6, 8, 9, 11 12, 13, 16, 17, 20, 21, 22, 23, 25, 26, 27, 30, 31, and any other section(s) which by its/their meaning is/are implied to survive termination shall continue in force and effect following the termination or expiration of this Contract.

17. **Conflict of Interest.** Any contract in which a member of the City of Milwaukee Common Council is an interested party shall be voidable at the sole discretion of City, and City may sue to recover any amounts paid on such contract.

18. **Nonexclusive.** This is not a Contract to exclusively purchase the subject goods and/or services from Contractor. MPL may, at any time and in its sole discretion, choose to award a contract to another contractor providing the same or similar goods and/or services to MPL.

19. **Order Quantity.** Irrespective of any estimated purchased amounts in the bid and/or request for proposals and/or scope of services, this Contract does not guarantee any specific amount of business for Contractor. If this is a Commodity Contract, MPL may order within ten percent (10%) more or less of the quantities specified in the Contract.

20. **Audit.** Contractor shall make the Documents available to MPL to allow City to audit, examine, excerpt or transcribe the Documents and audit, examine, excerpt or transcribe all contracts, invoices, materials, payrolls,

records of personnel, conditions of employment, and other data relating to all matters covered by this Contract any time during normal business hours and as often as MPL may, in its sole discretion, deem necessary. If federal or state grants or aids are involved in this Contract, Contractor shall make the Documents available to the appropriate federal or state agency or the United States Comptroller General to allow the appropriate federal or state agency or Comptroller General to audit, examine, excerpt or transcribe the Documents and audit, examine, excerpt or transcribe all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Contract any time during normal business hours and as often as the appropriate federal or state agency or Comptroller General may, in their sole discretion, deem necessary. Contractor shall not charge any additional fees to MPL, the appropriate federal or state agency, or the Comptroller General by virtue of any additional work or costs associated with the performance of Contractor's duties under this section.

21. Assignability. Contractor shall not assign or transfer any interest in this Contract in any manner without the written consent of MPL, provided, however, that claims for money due or to become due Contractor from MPL under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to MPL.

22. Law and Safety.

22.1. Pandemic Preparedness. CONTRACTOR shall comply with all state, federal, and local laws, rules, regulations, and orders regarding the COVID-19 pandemic. CONTRACTOR will follow all applicable state, federal, and local guidance and recommendations related to the COVID-19 pandemic including but not limited to guidance and recommendations related to social distancing, hygiene, sanitation of workspaces, provision of proper personal protective equipment to staff, proper screening methods and education of staff issued by the CDC, Wisconsin Department of Health Services, and Milwaukee Health Department.

22.2. Compliance with Law and Safety Standards. Contractor agrees to comply with all federal, state and local laws, regulations, rules, or court orders. Additionally, all material, equipment and supplies provided to MPL must comply fully with all safety requirements as set forth by the Wisconsin Administrative Code, Rules of the Industrial Commission on Safety and all applicable OSHA Standards.

22.3. Material Safety Data Sheets. If any item on this order is a hazardous chemical, as defined under OSHA 29 CFR 1910.1200, or an infectious agent, as defined by §101.58, Wis. Stats., the vendor shall include the appropriate Material Safety Data Sheet(s) as specified below, and with the initial shipment and with the first shipment after a Material Safety Data Sheet is updated. The vendor shall send the initial or updated Material Safety Data Sheet(s) with a complete container, partial container or single product. The vendor, distributor or manufacturer may make access to Material Safety Data Sheets available online via its website; however, Material Safety Data Sheets must be provided as stated herein, regardless of online availability, to meet State of Wisconsin and United States Department of Labor, Occupational Safety and Health Administration (OSHA) requirements. In addition, Contractor shall supply any material relating to the safe use of this material and hazards associated with its use, including, but not limited to, installation procedures and personal "protective" equipment requirements. All hazardous components shall be identified. All data sheets must have the corresponding MPL purchase order number/vendor contract number clearly printed on the first page. Sheets must be sent to the MPL prior to the shipment of the material. No payments are required to be made until the material safety data sheets are received.

22.4. Tax Exemption. MPL is exempt from the payment of all federal taxes. Registration No. A-245518 for tax-free transactions is on file with the Milwaukee Office of the Internal Revenue Service. MPL is exempt from Wisconsin sales or use tax under Section 77.54(1) and (9a), Wisconsin State Statutes. MPL's Wisconsin Sales and Use Tax Exemption number is 008-1020421148-07. Invoices to MPL may not include costs for Federal excise and Wisconsin sales taxes.

22.5. **Choice of Law and Venue.** This Contract shall be governed by, construed, interpreted, and enforced in accordance with the laws of the State of Wisconsin. The parties agree that for any claim or suit or other dispute relating to this Contract that cannot be mutually resolved, jurisdiction and venue shall be in Milwaukee County, Wisconsin, for matters arising under state law or, should federal courts have jurisdiction, the eastern district of Wisconsin. The parties agree to submit themselves to the jurisdiction of said courts, to the exclusion of any other court that may have jurisdiction over such a dispute according to any other law.

22.6. **Americans with Disabilities Act.** Contractor's work product (whether goods, services, information and communication technology services, engineering or architectural services, or construction) prepared for City pursuant to this Contract shall fully comply with, as applicable, the Americans with Disabilities Act, Sections 504 and 508 of the Rehabilitation Act of 1973, and Contractor shall be liable for, and shall indemnify City for, any and all violations of the ADA resulting from Contractor's failure to make its work product compliant with the ADA. If Contractor is preparing work product based on specifications prepared by or on behalf of City, and Contractor knows or should know based on Contractor's experience in its field that such specifications are not in compliance with the ADA, Contractor must notify City in writing of such non-compliance prior to commencing its work under those specifications.

23. **Notice.** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed to Contractor at the address indicated on the signature page of this Contract and to MPL at:

Milwaukee Public Library – Business Office
814 W. Wisconsin Ave.
Milwaukee, WI 53233

24. **Slavery Disclosure Affidavit.** All vendors in existence prior to 1865 contracting with City shall complete an affidavit prior to entering into a contract verifying that it has searched any and all company records of investments or profits from slavery or slaveholder insurance policies during the slavery era. The names of any enslaved persons or slaveholders described in those records must be disclosed in the affidavit.

25. **Small Business Enterprise.** If this Contract requires Small Business Enterprise participation in accordance with the Form A submitted by the Contractor in its bid or proposal, no less than the percentage of meaningful services indicated on the Form A must be performed by the firm or firms indicated on that Form. In the event the firm or firms listed on Form A are unable or unwilling to provide said services, Contractor shall contact City's Office of Equity and Inclusion ("OEI") and work with OEI to engage a replacement/s. If any document submitted by Contractor requesting certification as a Small Business Enterprise for the purpose of participating in any City contract contains false, misleading or fraudulent information, City may direct the imposition of any of the following sanctions on Contractor in its sole discretion: (a) withholding of payment, (b) termination, suspension or cancellation of the Contract in whole or in part, and/or (c) a denial to participate in any further contracts awarded by City for a period of one year after the first violation is found and for a period of three years after any subsequent violations are found.

26. **Taxpayer Identification Number.** Contractor must provide accurate information related to its taxpayer identification number. If incorrect information is provided and Contractor fails to adequately and timely respond to MPL's efforts to obtain corrected information, MPL may impose a fee equal to MPL's added costs for meeting backup withholding requirements. This sum may be deducted from payments owed to Contractor pursuant to this or other contracts, or may be billed separately. Failure to cooperate with MPL in this regard, or failure to pay a fee imposed under this provision, could result in Contractor being barred from participating in future City contracts.

27. **Counterparts.** The Contract may be executed in counterparts, each of which shall be deemed an original. All counterparts shall together constitute one and the same instrument.

28. Commodity Contracts. The terms and conditions in this Section apply to the purchase of commodities.

28.1. Invoices. All invoices (in duplicate), shipping notices, and bills of lading are to be mailed to the department receiving the order within 24 hours after shipment. All invoices must reference the purchase order number or they will be returned to you. Please obtain the address of the MPL Business Office where the invoice should be sent if not stated on the face on this purchase order under “bill to” address.

28.2. Cancellation. MPL reserves the right to cancel any order in whole or in part if deliveries are not made in accordance with this Contract.

28.3. Price.

28.3.1. *Omitted.* If price is omitted, it is agreed that Contractor’s price will be the lowest prevailing market price as determined by MPL and as supported by evidence.

28.3.2. *Increases.* Subject to the conditions of this subsection, if, through no fault of Contractor, limited supplies or general inflation result in increased prices incurred by Contractor for the goods, supplies, materials, or equipment purchased pursuant to this Contract (collectively the “Goods”) after the first calendar year beginning on the Effective Date of the Contract and every anniversary of the Effective Date thereafter (“Year”) of this Contract, Contractor shall be entitled to request an increase in the price paid by MPL moving forward. The request must be made to MPL at least sixty (60) days in advance of the requested effective date of the increase and must be approved by MPL prior to the increase taking place. Contractor shall only be allowed to request an increase once during every Year regardless of whether such increase is ultimately approved by MPL. Any individual increase will be the lesser of (1) the actual increase in the cost of goods over the past twelve months, or (2) fifteen percent (15%) of the original contracted price of goods during the first Year of this Contract. The increase shall be contingent on MPL appropriating sufficient funds to pay the increased price. Contractor must provide evidence of the price increase to MPL sufficient to demonstrate that, in MPL’s sole discretion, the increase in cost to MPL is justified by the evidence prior to any increase being approved by MPL. This clause shall not apply to any "discount from list" agreements. Denial of any request to increase the price does not constitute grounds to terminate this Contract.

28.3.3. *Decreases.* Contractor shall notify MPL of any decrease in the price Contractor pays for the Goods within 30 days of such decrease and shall immediately decrease the price paid by MPL for the Goods on any future Invoices. The decrease in price to MPL shall equal the decrease in the cost Contractor incurs in purchasing the Goods. Contractor shall provide evidence of the current cost of the Goods to MPL within 30 days of any request for the same.

28.3.4. *Surcharges.* Fuel and/or shipping surcharges are not allowed and will not be paid by MPL. If there is a freight increase prior to delivery of the product, the additional increase will be at the expense of Contractor.

28.3.5. *Apparel Contracts.* If this Contract includes the provision of items of clothing and cloth produced by weaving, knitting, and felting, including but not limited to uniforms, coveralls, footwear, linens and entrance mats, Contractor shall provide those apparel items from “responsible manufacturers,” as that term is defined by City of Milwaukee Ordinance 310-17, and the Contractor shall include an equivalent stipulation in all subcontracts.

28.4. Delivery and Packing.

28.4.1. *Packaging.* Materials shall clearly be labeled and properly packaged in accordance with federal and Wisconsin requirements, and as specified in the terms and conditions of the invitation for bid or request for proposals if so specified. Packages are to be plainly marked with Contractor’s name and purchase order number. No charges will be allowed for boxing, packing, or crating. Damaged goods will not be accepted.

28.4.2. *Delivery F.O.B. Destination.* All deliveries shall be F.O.B. (“free on board”) destination, prepaid by Contractor, and MPL shall not take delivery of shipped goods until such goods arrive at MPL’s receiving dock or other specified destination.

28.4.3. *Delays in Delivery.* Failure of Contractor to adhere to delivery schedules as specified or to promptly replace rejected materials shall, in addition to any other remedies available to MPL at law or in equity, render Contractor liable for all costs in excess of the contract price when alternate procurement is necessary. Excess costs shall include the administrative costs. However, delays in delivery caused by any bona fide strikes, government priority or requisition, riots, fires, sabotage, acts of God, or any other delays deemed by the City, in its sole discretion, to be clearly and unequivocally beyond Contractor’s control may be recognized by City. Contractor may be relieved of the responsibility of meeting the delivery schedules upon Contractor’s filing with MPL of a statement requesting an extension of delivery, signed by Contractor and giving in detail all the essential circumstances which, upon verification by MPL, justify such action under the provisions of this subsection by MPL. The request for extension must be filed with MPL no later than seven (7) calendar days prior to the actual delivery date. Failure to file this request for delivery extension shall render Contractor liable for the difference between the “open market” and the contract price, and other costs, as applicable, under the Uniform Commercial Code.

29. Green Contracting.

29.1. Duplex/Recycled Paper. In accordance with efficient resource procurement and utilization policies adopted by the City of Milwaukee, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper, and labeled as such.

29.2. Recycled Materials. Contractor shall utilize recycled materials whenever technically and economically feasible. Bidders and proposers are encouraged to bid/propose products with recycled content which meet specifications.

30. Warranty. Unless otherwise specifically stated by Contractor in its bid or proposal, equipment purchased as a result of this request shall be warranted against defects by the Contractor for at least one (1) year from date of receipt. The equipment manufacturer’s standard warranty shall also apply (i.e. shall not be in place of Contractor’s warranty), and must be honored by Contractor.

31. Debarment and Suspension. Contractor represents and warrants that, as of the execution of this Contract, neither Contractor nor any subcontractor or sub-consultant performing work under this Contract (at any tier) is included on the federally debarred bidder’s list listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p.189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” If at any point during Contract’s term Contractor or any subcontractor or sub-consultant performing work at any tier is included on the federally debarred bidder’s list, Contractor shall notify MPL immediately. Contractor’s completed Vendor Debarment Certification is attached hereto and incorporated herein.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

The bidder, proposer, contractor, or subcontractor, as appropriate, certifies to the best of its knowledge and belief that neither it nor any of its officers, directors, or managers who will be working under the Contract, or persons or entities holding a greater than 10% equity interest in it (collectively "Principals"):

1. Are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency in the United States;

2. Have within a three-year period preceding this proposal, bid, or agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust or procurement statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Are presently indicted for or otherwise criminally or civilly charged by a government entity, (federal, state or local) with commission of any of the offenses enumerated in paragraph 2 of this certification; and

4. Have within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or bid, or termination of the award or, in some instances, criminal prosecution.

I hereby certify as stated above:

Signature Date

Print Title and Name of Authorized Representative

I am unable to certify to one or more the above statements. Attached is my explanation.

Signature Date

Print Title and Name of Authorized Representative

MILWAUKEE PUBLIC LIBRARY
LOCAL BUSINESS ENTERPRISE (LBE) PROVISIONS

I. General

- A. In accordance with Chapter 365-Local Business Enterprise Contracting Program of the Milwaukee Code of Ordinances, the application of a Local Business Enterprise (LBE) bid incentive is required in all contracting activities of the Milwaukee Public Library (MPL), unless contrary to federal, state or local law or regulation. To this end, the Library Director, as a contracting officer of the City, will apply an award standard in all bids so that an otherwise responsive and responsible bidder which is a Local Business Enterprise shall be awarded the contract, provided that its bid does not exceed the lowest bid by more than 5%. An additional number of points, equal to 5% of the maximum number of points used in the evaluation of Request for Proposals (RFPs), shall be applied to increase the total score attained by a local business enterprise.
- B. Bidders seeking the Local Business Enterprise preference shall prepare and submit with their bid a completed and notarized affidavit certifying their LBE status. Failure to do so may result in an LBE forfeiting their rights to be considered for the bid incentive.
- C. Sanctions – If any document submitted to the City via the MPL Board of Trustees by a contractor under this chapter for the purpose of participating in any MPL Board of Trustees contract contains false, misleading or fraudulent information, the Library Director may direct the imposition of any of the following sanctions on the offending contractor:
 - 1. Withholding of payment.
 - 2. Termination, suspension or cancellation of the contract in whole or in part.
 - 3. Denial to participate in any further contracts awarded by the Milwaukee Public Library Board.
- D. Penalty – Any person, business or corporation knowingly engaging in fraud, misrepresentation or in any attempt, direct or indirect, to evade the provisions of this chapter by providing false, misleading or fraudulent information shall, upon conviction, forfeit not less than \$2,000 nor more than \$5,000 together with the costs of prosecution.

II. Protest and Appeal Procedure

- A. Prior to Bid Opening - Protests regarding form and content of bid documents must be received by the Library Director not less than five days prior to the scheduled bid opening time. A protest shall be in writing and state the reason for it. The protest will be reviewed and if modification is necessary, the bid opening day will be extended and addenda sent to each bidder. The decision of the Library Director is final.
- B. The Milwaukee Public Library reserves the right to waive any of these specifications when it is in the best interest of the City and in accordance with the procedures set forth in Chapter 365 of the Milwaukee Code of Ordinances.

III. Definitions

- A. Local Business Enterprise means a business which satisfies all of the following criteria:
1. Operates a business, or owns or leases property within the geographical boundaries of the City of Milwaukee. Post office boxes shall not suffice to establish status as a Local Business Enterprise.
 2. A residential address may suffice to establish compliance as a Local Business Enterprise, but only if the business does not own or lease other real property, either within or outside the geographical boundaries of the City of Milwaukee.
 3. Has leased property and at least half of the acreage of all the real property owned or leased by the business is located within the geographical boundaries of the City of Milwaukee.
 4. Has been doing business in the City of Milwaukee for at least one (1) year.
 5. Is not delinquent in the payment of any local taxes, charges or fees, or the business has entered into an agreement to pay any delinquency and is abiding by the terms of the agreement.
 6. Will perform at least 10% of the monetary value of the work required under the contract.

IV. Local Business Enterprise Requirements

- A. The Milwaukee Public Library shall, unless contrary to federal, state or local law or regulation, apply an award standard in all bids so that an otherwise responsive and responsible bidder which is a Local Business Enterprise shall be awarded the contract, provided that its bid does not exceed the lowest bid by more than 5%.
- B. If the bids of two or more Local Business Enterprises do not exceed the lowest bid by more than 5%, the contract shall be awarded to the Local Business Enterprise that submitted a bid that exceeded the lowest bid by the smallest amount.
- C. If a bid submitted by a non-Local Business Enterprise and a bid submitted by a Local Business Enterprise are identical, the contract shall be awarded to the Local Business Enterprise, even if the bids are only identical due to the 5% award standard provided for in this chapter.
- D. If two bids submitted by two Local Business Enterprises are identical, the winner will be determined in accordance with the process for tie-breakers as established by the Library Director.
- E. If the difference between the low bidder's amount and the lowest Local Business Enterprise amount is within 5% of the low bidder and exceeds \$25,000, then the provisions in section III-A shall not apply.
- F. Paragraph III-A shall only be applied to the "base bid".

MILWAUKEE PUBLIC LIBRARY

**LOCAL BUSINESS ENTERPRISE (LBE)
AFFIDAVIT OF COMPLIANCE**

IMPORTANT: This form must be submitted with your bid to be considered for LBE status.

Bid/RFP No.: _____

Company Name: _____

Address: _____

City, State, Zip: _____

This signed and notarized affidavit of compliance will be the contractor’s sworn statement that the business satisfies all of the following criteria:

- Operates a business, or owns or leases property within the geographical boundaries of the City of Milwaukee. Post office boxes shall not suffice to establish status as a Local Business Enterprise.
- A residential address may suffice to establish compliance as a Local Business Enterprise, but only if the business does not operate another business, or own or lease other real property, either within or outside the geographical boundaries of the City of Milwaukee.
- Leased property shall not suffice to establish compliance as a Local Business Enterprise unless at least half of the acreage of all the real property owned or leased by the business is located within the geographical boundaries of the City of Milwaukee.
- The business has owned or leased real property within the geographical boundaries of the City of Milwaukee *and* has been doing business in the City of Milwaukee for at least one (1) year.
- The business is not delinquent in the payment of any local taxes, charges or fees, or the business has entered into an agreement to pay any delinquency and is abiding by the terms of the agreement.
- The business will perform at least 10% of the monetary value of the work required under the contract.

IMPORTANT: Is your business certified as a Small Business Enterprise (SBE) with the City of Milwaukee?
Please Select: ___ Yes or ___ No

NOTE: If you are the primary owner of more than one business location and the other business location(s) is not located within the geographical boundaries of the City of Milwaukee, the business you are seeking to qualify as a Local Business Enterprise must serve as the primary functionally operational entity that is capable of providing the required services, commodities, or supplies for the purposes of this Bid/RFP. If you own more than one business, please list the name of the business(es) and their addresses on the “Business Property Location” form.

SITE VISITS: Please note the contractor agrees to allow the City to verify Local Business Enterprise status by allowing City Staff to visit the operation(s) of the business that is seeking Local Business Enterprise status at any time without notice, in an effort to maintain the integrity of the City’s bidding process.

I hereby declare compliance with the City of Milwaukee Code of Ordinances Chapter 365.

Authorized Signature: _____

Printed Name: _____

Date: _____

NOTARIZATION

Subscribed and sworn to before me this _____ day of _____, 20 _____.

Notary Signature

Print Name

My commission expires _____, 20 _____. (SEAL)

PLEASE SUBMIT THIS FORM WITH YOUR BID OR PROPOSAL TO:

Milwaukee Public Library Business Office
814 W. Wisconsin Avenue
Milwaukee, Wisconsin 53233

Failure to return with bid/proposal will result in rejection of your bid/proposal.

MILWAUKEE PUBLIC LIBRARY

**LOCAL BUSINESS ENTERPRISE (LBE)
BUSINESS PROPERTY LOCATION FORM**

Important Note: This form must be submitted with your bid to be considered for LBE status.

Bid/RFP No.: _____

Property Location 1

Name:	
Address:	
City, State, Zip:	

Property Location 2

Name:	
Address:	
City, State, Zip:	

Property Location 3

Name:	
Address:	
City, State, Zip:	

Property Location 4

Name:	
Address:	
City, State, Zip:	

PLEASE SUBMIT THIS FORM WITH YOUR BID OR PROPOSAL TO:

Milwaukee Public Library Business Office
814 W. Wisconsin Avenue
Milwaukee, Wisconsin 53233
OR FAX TO 414-286-2798

MILWAUKEE PUBLIC LIBRARY
SMALL BUSINESS ENTERPRISE (SBE) PROVISIONS

I. General

- A. In accordance with Chapter 370 of the Milwaukee Code of Ordinances Small Business Enterprise (SBE) participation is required in all contracting activities of the Milwaukee Public Library. The ordinance requires that certified SBEs be utilized for a percent of the total dollars annually expended through commodity, service contracts and construction contracts. For construction and goods and services contract the requirement is 25%. For the purchase of professional services, the requirement is 18%. In an effort to meet these requirements, the Board of Trustees of the Milwaukee Public Library acting through the Library Director, as contracting officer for the City, designates the level of participation of SBE bidders are required to achieve the minimum SBE participation stated in the Official Notice.
- B. The contractor/vendor shall prepare and submit accurate and timely SBE utilization forms and reports to the Milwaukee Public Library. The reports shall include, but not be limited to, SBE Compliance Plan (Form A), monthly utilization (Form D), and SBE subcontractor payment certification (Form E) forms. Failure to submit the forms and/or reports to the Milwaukee Public Library may result in disqualification of future bids, delay of payments, or other sanctions deemed appropriate. The final contract payment will not be made until final SBE utilization reports (Form D) and SBE subcontractor payment certifications (Form E) are on file with the Milwaukee Public Library.
- C. During the performance of this contract, the Milwaukee Public Library reserves the right to conduct compliance reviews. If the contractor/vendor is not in compliance with the specifications, the Milwaukee Public Library will notify the contractor/vendor in writing of the corrective action that will bring the contractor/vendor into compliance. If the contractor/vendor fails or refuses to take corrective action as directed, except in the case of fraudulent information, the Milwaukee Public Library may take one or more of the following actions listed below:
 - 1. Terminate or cancel the contract, in whole or in part.
 - 2. Consider debarment of the contractor/vendor from bidding.
 - 3. Withhold payments on the contract.
 - 4. Any other remedy available to the City by law or in equity.

II. Definitions

- A. “*SMALL BUSINESS ENTERPRISE*” (SBE) means a small business concern that is 51% owned, operated and controlled by one or more individuals who are small business owner (who is at an “economic disadvantage”). The individuals must have day-to-day operational and managerial control and interest in capital, financial risks, and earnings commensurate with the percentage of ownership.
- B. “*OWNED/OPERATED AND CONTROLLED*” means a business which is one of the following:
 - 1. A sole proprietorship legitimately owned and operated and controlled by an individual as defined in Chapter 370 of the Milwaukee Code of Ordinances.

2. A partnership or joint venture legitimately owned, operated and controlled by individuals who are small owners who are at a disadvantage and who own at least 51% of the beneficial ownership interests in the enterprise and who hold at least 51% of the voting interests of the enterprise.
3. A corporation legitimately owned, operated and controlled by one or more small owners who are at a disadvantage and who own at least 51% of the outstanding shares and who hold at least 51% of the voting interests of the corporation.

III. SBE Utilization Requirements

- A. Each contractor/vendor shall utilize SBE firms to a minimum of the percentage specified on this contract. Note that the contractor/vendor shall be required to attain SBE participation on their base bid (excluding specified activities, alternates and change orders). SBE commitments relative to contract award shall be based upon the approved SBE Compliance Plan (Form A).
- B. The determination of SBE utilization shall be based on the following criterion:
 1. The firms identified as SBE by the contractor/vendor on the SBE Compliance Plan must be certified by the City of Milwaukee's Office of Small Business Development prior to bid opening.
 2. The contractor/vendor shall be credited for the entire expenditure to SBE firms only if all of the identified scope of work is performed directly by the certified SBE firm.
 3. The contractor/vendor shall be credited for the entire expenditure to an SBE manufacturer only if the manufacturer produces goods from raw materials or substantially alters them for resale. Only 20% of the SBE participation may be extended for SBE suppliers that do NOT manufacture the products they supply.
 4. The contractor/vendor shall count only the SBE requirement of expenditures to SBEs that perform a commercially-useful function in the actual performance of the contract. SBEs are required to notify the Milwaukee Public Library if they subcontract out work on this project so that the Milwaukee Public Library can determine how much, if any, of the subcontracted work can be counted toward the SBE requirement. The Milwaukee Public Library will make the final determination and evaluation of whether or not the SBE is performing a commercially-useful function on this project.
- C. Contractors/vendors should submit a completed SBE Compliance Plan (Form A) with the bid or proposal certifying that the Contractor/vendor understands the provisions of Chapter 370 and intends to comply with them.
 1. Information on the Form (A) shall include, but not be limited to:
 - a. The names, addresses, contact person and telephone numbers for the certified SBE firms that will participate on the bid as subcontractors or suppliers.
 - b. A description of the scope of work to be performed by the SBE(s) on this project.
 - c. The SBE contract dollar value and corresponding percentages that the dollar value represents of the total contract amount.

2. The listing on the SBE Compliance Plan (A) shall constitute a representation that the contractor/vendor has communicated directly with the SBE(s) listed. If the contractor/vendor is awarded the contract, they will enter into a subcontract with the certified firm(s) for that portion of the work listed at the designated price(s) set forth.
3. SBE participation is an element of bid responsiveness. Failure to meet the specified SBE requirements will render the bid/proposal unresponsive, and the Milwaukee Public Library may then recommend award to the next apparent winning bidder.
4. Only SBEs that have been certified by the Office of Small Business Development may be listed on the SBE Compliance Plan and counted towards the percentage requirements on this project. A listing of the current CITY certified SBE firms is maintained at:

Department of Administration
Office of Small Business Development
City Hall, Room 606
200 East Wells Street
Milwaukee, Wisconsin 53202

- D. If for any reason a SBE cannot perform, THE CONTRACTOR/VENDOR SHALL CONTACT THE MILWAUKEE PUBLIC LIBRARY FOR APPROVAL TO SUBSTITUTE ANOTHER CITY SBE CERTIFIED FIRM. The contractor/vendor must submit a written request for substitution which specifies the reasons for the request. Approval must be obtained prior to making substitution. Any difference in the cost occasioned by such substitution shall be borne by the contractor/vendor. If the contractor cannot find another certified firm to do the work at a comparable price, a non-SBE firm may be substituted with the approval of the Milwaukee Public Library.
- E. If the contractor/vendor has a problem in meeting the SBE requirements or if any other problems relative to SBE(s) arise during or before completion of the contract, the contractor/vendor shall immediately contact the Milwaukee Public Library.
- F. Certification programs other than the City's Office of Small Business Development are not accepted by the City of Milwaukee nor do they have any bearing on the eligibility criteria established by the City.
- G. The Milwaukee Public Library reserves the right to waive any of these specifications when it is in the best interest of the City and in accordance with the procedures set forth in Chapter 370 of the Milwaukee Code of Ordinances.

**COMPLIANCE PLAN - CITY OF MILWAUKEE - MILWAUKEE PUBLIC LIBRARY
SUBCONTRACTORS AND/OR MATERIAL SUPPLIERS (SBE PARTICIPATION)**

This form must be completed in its entirety and is a required submission with bid or proposal. **All** proposed subcontractor(s) and/or material supplier(s) for this project must be shown.

PRIME CONTRACTOR'S NAME: _____ BID OR RFP NUMBER: _____

DATE: _____ TOTAL BID AMOUNT: _____ TOTAL SBE AMOUNT: _____

NAME OF SUBCONTRACTOR/SUPPLIER ADDRESS/CONTACT PERSON AND PHONE NUMBER	LIST CITY OF MIL. CERTIFICATION: SBE	PERCENT OF BID	DOLLAR AMOUNT	WORK PERFORMED/ MATERIAL SUPPLIED	AUTHORIZED SBE OWNER/REPRESENTATIVE SIGNATURE
1. 					
2. 					
3. 					
4. 					
5. 					

I certify that the information included on this Form A is true and complete to the best of my knowledge. I further understand and agree that this Form A is a condition of my Bid/Proposal responsiveness. Failure to submit this form and/or meet the specified SBE requirements may render the Bid/Proposal nonresponsive.

Contractor Authorized Signature: _____ Print Name & Title: _____

Reviewed by OBSD Analyst: _____ Date: _____

MILWAUKEE PUBLIC LIBRARY

**SMALL BUSINESS ENTERPRISE (SBE)
AFFIDAVIT OF COMPLIANCE**

Project Name: _____

Bid/RFP Number: _____

Company Name: _____

City, State, Zip: _____

Per the Invitation to Bid the commitment for SBE participation on this project is: ____%

The Milwaukee Public Library reserves the right to reject and disqualify any invitation to bid which does not achieve the percentage requirements specified for SBE involvement and which fails to comply with the City's requirements as outlined in the SBE provisions.

The undersigned hereby states that I/We have not discriminated in any manner on the basis of race, sex, or national origin in any manner in the preparation of the attached invitation to bid or in the selection of subcontractor(s) or material supplier(s) for such bid. I/We also, acknowledge, understand, and agree that submission of an invitation to bid or request for proposal shall commit the responder to comply with the City's SBE participation on this contract, including submission of the information required by the proposed schedule of subcontractor(s)/or material supplier(s) with authorized signature from each SBE utilized on Form A.

I/We hereby states that all of the above information is true and correct to the best of his/her knowledge.

Authorized Signature: _____

Printed Name: _____

Title: _____ Date: _____

NOTARIZATION

Subscribed and sworn to before me this _____ day of _____, 20__ .

Notary Signature

Print Name

My commission expires _____, 20____. (SEAL)

PLEASE SUBMIT THIS FORM WITH YOUR BID OR PROPOSAL TO:

Milwaukee Public Library Business Office
814 W. Wisconsin Avenue
Milwaukee, Wisconsin 53233

Failure to return with bid/proposal will result in rejection of your bid/proposal.

MILWAUKEE PUBLIC LIBRARY

Affidavit of Compliance

Disclosure of Participation in or Profits Derived from Slavery by Contractors

Only required if not already on file with the City of Milwaukee

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

This affidavit of compliance will be the contractor's sworn statement that publicly discloses any slavery policies sold by any companies, or profits from slavery by industries or their predecessors who are doing business with the City of Milwaukee as defined in the Milwaukee Code of Ordinances 310-14. Effective May 31, 2014, only Contractors whose company was established during the slavery era, shall complete this Affidavit prior to entering into a contract.

Please check one:

- checkbox This business was in existence during or prior to the slavery era (1865). I have searched any and all records for records of investments or profits from slavery, and have found no such records.
checkbox This business was in existence during or prior to the slavery era (1865). I have searched any and all records for records of investments or profits from slavery, and am disclosing the findings below.

Findings being disclosed (please attach additional pages, if necessary):

[Empty box for findings]

I hereby declare that all statements are true, accurate and complete as of the date furnished to the City of Milwaukee.

Authorized Signature: _____

Printed Name: _____ Date: _____

NOTARIZATION

Subscribed and sworn to before me this _____ day of _____, 20 _____.

Notary Signature _____

Print Name _____

My commission expires _____, 20 _____. (SEAL)

PLEASE SUBMIT THIS FORM WITH YOUR BID OR PROPOSAL TO:

Milwaukee Public Library Business Office
LibraryProcurement@milwaukee.gov
814 W. Wisconsin Avenue
Milwaukee, WI 53233

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Audited Financial Statements
Year Ended December 31, 2021

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Independent Auditors' Report

Board of Trustees
Milwaukee Public Library Trust Fund
Milwaukee, Wisconsin

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Milwaukee Public Library Trust Fund ("Fund"), a component unit of the Milwaukee Public Library of the City of Milwaukee as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Milwaukee Public Library Trust Fund at December 31, 2021, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Milwaukee Public Library Trust Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Milwaukee Public Library Trust Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Auditors' Responsibilities for the Audit of Financial Statements (Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Milwaukee Public Library Trust Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Milwaukee Public Library Trust Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above include only the financial statements of the Milwaukee Public Library Trust Fund. The financial statements of the other funds that form the reporting entity of the Milwaukee Public Library or the City of Milwaukee are not included in this report.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Riilly, Penner & Benton LLP

April 18, 2022
Milwaukee, Wisconsin

MILWAUKEE PUBLIC LIBRARY TRUST FUND

Milwaukee, Wisconsin

Statement of Net Position

December 31, 2021

Assets:

Cash and investments	\$	6,701,643
Accounts receivable – current		100,639
Total assets	\$	<u><u>6,802,282</u></u>

Liabilities:

Accounts payable	\$	<u>13,683</u>
------------------	----	---------------

Net Position:

Unrestricted	\$	6,555,846
Restricted		232,753
Total net position	\$	<u><u>6,788,599</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Statement of Activities
Year Ended December 31, 2021

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenues and Changes in Net Position</u>
Functions:				
Milwaukee Public Library Support	\$ <u>209,694</u>	\$ <u>8,372</u>	\$ <u>516,010</u>	\$ 314,688
General Revenues:				
Investment income:				
Interest and dividend income				112,785
Net realized gain on investments				535,275
Net change in unrealized gain on investments				<u>55,110</u>
Total general revenues				<u>703,170</u>
Change in Net Position				1,017,858
Net Position - Beginning of year				<u>5,770,741</u>
Net Position - End of year				\$ <u><u>6,788,599</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Balance Sheet - Governmental Funds
December 31, 2021

	<u>Trust Fund</u>	<u>Gift Fund</u>	<u>Restricted Gift Fund</u>	<u>Total</u>
Assets:				
Cash and investments	\$ 5,185,340	\$ 1,283,550	\$ 232,753	\$ 6,701,643
Accounts receivable	<u>---</u>	<u>100,639</u>	<u>---</u>	<u>100,639</u>
Total assets	<u>\$ 5,185,340</u>	<u>\$ 1,384,189</u>	<u>\$ 232,753</u>	<u>\$ 6,802,282</u>
 Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 13,683	\$ ---	\$ ---	\$ 13,683
 Fund Balances:				
Unassigned	4,987,657	697,023	---	5,684,680
Assigned	184,000	687,166	---	871,166
Restricted	<u>---</u>	<u>---</u>	<u>232,753</u>	<u>232,753</u>
Total fund balances	<u>5,171,657</u>	<u>1,384,189</u>	<u>232,753</u>	<u>6,788,599</u>
 Total liabilities and fund balances	 <u>\$ 5,185,340</u>	 <u>\$ 1,384,189</u>	 <u>\$ 232,753</u>	 <u>\$ 6,802,282</u>

The accompanying notes to financial statements
are an integral part of these statements.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2021

	<u>Trust Fund</u>	<u>Gift Fund</u>	<u>Restricted Gift Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Gifts and bequests	\$ ---	\$ 4,375	\$ 25,560	\$ 29,935
Contributions from primary government	---	486,075	---	486,075
Investment income:				
Interest and dividend income	112,727	50	8	112,785
Net realized gain on investments	535,275	---	---	535,275
Net change in unrealized gain (loss) on investments	55,188	(78)	---	55,110
Sales	---	5,493	---	5,493
Other	---	2,879	---	2,879
Total revenues	703,190	498,794	25,568	1,227,552
Expenditures				
Current:				
Library materials	70,303	2,815	15,000	88,118
Outside services	---	24,425	---	24,425
Honorarium	---	8,610	570	9,180
Supplies	---	38,004	7,587	45,591
Professional fees	35,974	---	---	35,974
Other	---	2,711	3,695	6,406
Total expenditures	106,277	76,565	26,852	209,694
Excess (deficiency) of revenues over (under) expenditures	596,913	422,229	(1,284)	1,017,858
Other Financing Sources (Uses)				
Transfer in	---	47,148	---	47,148
Transfer out	(47,148)	---	---	(47,148)
Total other financing sources (uses)	(47,148)	47,148	---	---
Net change in fund balances	549,765	469,377	(1,284)	1,017,858
Fund Balances - Beginning of year	4,621,892	914,812	234,037	5,770,741
Fund Balances - End of year	\$ 5,171,657	\$ 1,384,189	\$ 232,753	\$ 6,788,599

The accompanying notes to financial statements
are an integral part of these statements.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The Milwaukee Public Library Trust Fund (“Trust Fund”) complies with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Trust Fund are discussed below.

A. Reporting Entity

The Milwaukee Public Library Trust Fund is a component unit of the Milwaukee Public Library (“Library”), which is a department of the City of Milwaukee.

These financial statements do not include the balances and transactions of the Milwaukee Public Library or the City of Milwaukee. Therefore, these financial statements are not intended to, and do not present the financial position and results of operations of either the Milwaukee Public Library or the City of Milwaukee.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. The Trust Fund does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Trust Fund does not allocate indirect expenses to functions in the statement of activities. Program revenues included 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures. Major individual governmental funds are reported as separate columns in the fund financial statements.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2021
(Continued)

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the organization or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. The same element of the individual governmental fund or enterprise that met the 10 percent is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or enterprise fund that the organization believes is particularly important to financial statement users may be reported as a major fund.

The Trust Fund reports the following major governmental funds:

Special Revenue – Trust Fund – The trust funds consist of larger donations received for the support of the Library. These gifts are not restricted and are to be used for the general Library needs.

Special Revenue – Gift Fund – is used to account for the proceeds of specific revenue sources that are assigned, or that management will assign, for specified purposes.

Special Revenue – Restricted Gift Fund – is used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

C. Measurement Focus and Basis of Accounting

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within 60 days of year end. Expenditures are recorded when the related fund liability is incurred.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2021
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Deposits and Investments

Although not restricted by state statutes, investments of the Unrestricted Gift Fund are invested in accordance with state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority
- c. Bonds or securities issued or guaranteed by the federal government
- d. The local government investment pool
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency
- f. Securities having an open-end management investment company or investment trust, subject to various conditions and investment options
- g. Repurchase agreements with public depositories, with certain conditions

Investments of the Restricted Gift Fund and Trust Fund are regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The Trust Fund has adopted an investment policy. However, the policy does not include provisions related to custodial, credit or interest rate risks.

The Trust Fund has adopted GASB Statement No. 72, *Fair Value Measurement and Application*; investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period.

The Trust Fund categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. Valuation methodologies used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2021.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2021
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Deposits and Investments (Continued)

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end and close-end mutual funds registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Preferred Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Trust Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of investments are recorded on a trade-date basis. Realized gains and losses of the Trust Fund's assets are reported in the statement of activities and statement of revenues, expenditures and changes in fund balances. Adjustments necessary to record investments at fair value are recorded in the statement of activities and in the statement of revenues, expenditures and changes in fund balance as net change in unrealized gain (loss) on investments. No investments are reported at amortized cost. Investment balances for individual funds are pooled unless maintained in segregated accounts.

E. Receivables

Accounts receivables consist of all revenues earned or to which the Trust Fund is otherwise entitled and has not yet received. Management determines the need for an allowance for doubtful accounts receivable based on prior collection experience and management's knowledge of the financial position of organizations with balances due. Currently no allowance for uncollectible amounts is deemed necessary.

F. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred.

The Trust Fund is presently not party to any claims and legal proceedings. It is the opinion of management that the likelihood is remote that any claims or proceedings will occur that would have a material adverse effect on the Trust Fund's financial position at December 31, 2021.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2021
(Continued)

1. Summary of Significant Accounting Policies (Continued)

G. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the Trust Fund's policy to use restricted resources first, then unrestricted resources as they are needed.

H. Fund Balance

Fund balances are required to be reported within one of the following fund balance categories:

- *Nonspendable* - amounts that cannot be spent, either because they are not in spendable form and cannot be converted to cash, or because they are legally or contractually required to be maintained intact.
- *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- *Committed* - amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the Trust Fund. Commitments may be established, modified, or rescinded only through resolutions approved by the Trustees.
- *Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent can be expressed by the Board of Trustees or by an individual or body to which the Board of Trustees delegates authority. The Trust Fund has not adopted a policy to delegate authority to assign amounts to any individual or body.
- *Unassigned* - all other spendable amounts.

Order of Fund Balance Spending Policy:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Trust Fund considers restricted funds to have been spent first. When the expenditure is incurred for which committed, assigned, or unassigned funds are available, the Trust Fund considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Minimum Fund Balance Policy:

The Trust has not established a minimum fund balance policy.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2021
(Continued)

1. Summary of Significant Accounting Policies (Continued)

I. Interfund Transactions and Balances

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within government activities are eliminated in the statement of net position. There were no interfund receivables and payables as of December 31, 2021.

During the year ended December 31, 2021, the following transfers between funds occurred:

<u>Purpose</u>	<u>Transferred To</u>	<u>Transferred From</u>	<u>Amount</u>
General operations	Gift Fund	Trust Fund	\$ <u>47,148</u>

J. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

K. Subsequent Events

Management of the Organization has evaluated all other subsequent events through April 18, 2022, for possible inclusion as a disclosure on the financial statements. There were no subsequent events that required recognition or disclosure.

2. Cash and Investments

The Trust Fund’s cash and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Custodial Balance</u>	<u>Associated Risks</u>
Demand deposit	\$ 78,258	\$ 82,006	Custodial Credit
Commercial paper	300,000	300,000	Custodial Credit
Money market fund	59,523	59,523	Custodial Credit
Mutual Funds:			
Equity funds	4,250,947	4,250,947	Credit
Fixed income (bond funds)	2,012,005	2,012,005	Credit and Interest Rate
Preferred stocks	910	910	N/A
Total Cash and Investments	\$ <u>6,701,643</u>	\$ <u>6,705,391</u>	
Per statement of net position	\$ <u>6,701,643</u>		

MILWAUKEE PUBLIC LIBRARY TRUST FUND
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2021
(Continued)

2. Cash and Investments (Continued)

The Trust Fund's cash and investments were subject to the following risks:

Custodial Risk – Deposits: Is the risk that, in the event of a financial institution failure, the Trust Fund's deposits may not be returned to the Trust Fund. The Trust Fund's carrying value for demand deposits were \$78,258 at December 31, 2021 and the bank's carrying value was \$82,006, all of which was fully insured. The Trust Fund's carrying value for the commercial paper was \$300,000, of which \$250,000 was fully insured and \$50,000 was uninsured.

Custodial Risk – Investment: Is the risk that, in the event of the failure of the counterparty, the Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk: Interest rate risk is the risk that the Trust Fund is exposed to fair value losses arising from rising interest rates due to long-term maturity dates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Trust Fund limits the maturity of any security to no more than seven years from the date of purchase.

Average effective duration provides a measure of a fund's interest rate sensitivity. The higher the average effective duration the greater the risk that the fund's value will change as interest rates change. The average effective duration of fixed income mutual funds held by the Trust Fund range from 2.22 to 7.60 years.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Trust Fund minimizes credit risk by limiting investments primarily to the safest types of securities. The fixed income mutual funds have average bond ratings ranging from A to B.

The Trust Fund categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Trust Fund does not have any investments that are measured using Level 2 or Level 3 inputs.

The following summarizes the classification of investments within the statement of net position by classification and method of valuation in accordance with the requirements of accounting principles generally accepted in the United States of America for the year ending December 31, 2021:

	Fair Value			Total
	Level 1	Level 2	Level 3	
Mutual Funds:				
Equity funds	\$ 4,250,947	\$ ---	\$ ---	\$ 4,250,947
Fixed income (bond funds)	2,012,005	---	---	2,012,005
Preferred stocks	910	---	---	910
Total	<u>\$ 6,263,862</u>	<u>---</u>	<u>---</u>	<u>\$ 6,263,862</u>

The Trust Fund invests in various investment securities. Investment securities are exposed to various risks of loss such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could be material to the Trust Fund's financial statements.

MILWAUKEE PUBLIC LIBRARY TRUST FUND
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Notes to Financial Statements
December 31, 2021
(Continued)

3. Budgetary Comparisons

Under accounting principles generally accepted in the United States of America, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Trust Fund is not legally required to adopt a budget. Therefore, budget comparison information is not included in the Trust Fund's financial statements.

4. Fund Balances

As of December 31, 2021, fund balance components consist of the following:

Trust Fund:	
Unassigned	\$ 4,987,657
Assigned:	
Staff training, public program support, marketing and promotion and collection materials	184,000
Total Trust Fund	\$ <u>5,171,657</u>
 Restricted Gift Fund:	
Visually impaired and physically handicapped	\$ 123,046
Preservation of Milwaukee Road materials	25,000
Insurance, art, travel, literature or music publications	42,072
Programs to promote reading for the children and elderly	39,046
General library development	300
Vogel family archives	3,289
Total Restricted Gift Fund	\$ <u>232,753</u>
 Gift Fund:	
Unassigned	\$ 697,023
Assigned:	
Architectural archives	12,647
General library development	149,250
Great Lakes Marine archival collection	17,229
Clara Little Memorial	1,563
Milwaukee photo collection	21,087
Development of MLK branch library	475,400
Railroad Archives	9,990
Total Gift Fund	\$ <u>1,384,189</u>

5. Primary Government Contribution Revenue

During the year, the primary government, the Milwaukee Public Library, sold one of their library locations and they contributed \$375,000 in proceeds to the Gift fund of the Trust. The Milwaukee Public Library leased one of their library locations to the City of Milwaukee and contributed \$100,400 of proceeds to the Gift fund of the Trust. The Milwaukee Public Library also contributed \$10,675 in proceeds to the Gift fund from an energy performance contract shortfall payment. These proceeds, totaling \$486,075, have been shown as contribution revenue from the primary government on the financial statements.