



ADDENDUM NO. 1

RFP No. 2026-002

External Auditor

Date: March 20, 2026

Submittal Deadline: March 27, 2026 @ 2:00 p.m. (MDT)

Email to: mmadrid@nmfa.net

Purpose of Addendum

This Addendum is issued to clarify the contents of the RFP in response to a question received from a prospective Offeror.

Question No. 1: What factors led you to issue this RFP at this time?

NMFA Response to Question No. 1: The need for assurance of the migration of our data from one electronic platform to another. We did this in 2021 and saw how important and complex it was.

Question No. 2: Are there any unresolved disagreements with the prior year auditor related to accounting, financial reporting, audit scope, timing, or communication?

NMFA Response to Question No. 2: No.

Question No. 3: Beyond the evaluation criteria in the RFP, what are the most important qualities you are looking for in your auditor?

NMFA Response to Question No. 3: Experience assuring technological conversions of the type and magnitude we are attempting to achieve.

Question No. 4: Can you please share the total hours for the prior two fiscal years for both the financial statement and single audits?

NMFA Response to Question No. 4: Financial Statement Audit – 800, Federal Single Audit – 120, Financial Statement/ACFR Preparation – 80.

Question No. 5: Can you please share the total fees for the prior two fiscal years for the financial statement and single audits?

NMFA Response to Question No. 5: FY 24 financial statement - \$110,000, single audit - \$13,000, plus gross receipts tax. FY 25 financial statement - \$107,000, single audit - \$17,500 with \$7,500 amendment. plus gross receipts tax. +

Question No. 6: Were there any significant out-of-scope items, change orders, or additional billings in the prior two fiscal years?

NMFA Response to Question No. 6: No. We are very efficient and organized to complete and submit our audit before October 1, without delays or change orders.

Question No. 7: Have you received any significant findings in monitoring reports or received notice of significant concerns about compliance from any funding agency since your previous audit?

NMFA Response to Question No. 7: No findings at all since FY 2019.

Question No. 8: Has there been any turnover in key accounting/finance personnel that would impact the FY26 audit?

NMFA Response to Question No. 8: No. Our SOPs and planning ensure seamless continuity.

Question No. 9: What is your preference for audit fieldwork (on-site, remote, hybrid)?

NMFA Response to Question No. 9: No preference, so long as IPA is capable of uploading all docs electronically.

Question No. 10: When is interim and year-end fieldwork expected to be performed?

NMFA Response to Question No. 10: Before year- end.

Question No. 11: Are there any significant new federal programs, transactions, or other items expected for FY 26 that could materially affect audit scope?

NMFA Response to Question No. 11: No new federal programs.

Question No. 12: Did the prior auditor propose any audit adjustments in either of the last two fiscal years? If so, how many?

NMFA Response to Question No. 12: No. None since FY 2019.

Question No. 13: Item 14.0 in the General Requirements states that by submitting a response, the bidder is agreeing to the ultimate form of the terms and conditions of any contract required by the OSA; however, the RFP indicates that the terms and conditions provided in the Appendix are only an example. Is a copy of the required contract available for review?

NMFA Response to Question No. 13: We will use the standard NM-OSA contract with the main exception being the data migration assurance.

Question No. 14: The RFP notes that NMFA requires separate assurance services for its data migration from one electronic platform to another. Can NMFA please describe in greater detail the driving force for this separate assurance service? Is this a compliance requirement, audit requirement, or another type of assurance need?

NMFA Response to Question No. 14: Not a compliance requirement, but we want to do it as extra measure and to reassure our investors. We also want to pursue the highest degree of excellence we can achieve.

Question No. 15: Does NMFA expect a specific type of assurance engagement or specific deliverable related to the data migration itself, or are you looking for the auditor to propose a suggested engagement type?

NMFA Response to Question No. 15: The minimum we expect is an explicit opinion by the IPA that the data migration effort was orderly, accurate and in keeping with best practice.

Question No. 16: Has the new single integrated platform been selected?

NMFA Response to Question No. 16: The new financial accounting software: Sage Intacct. The loan servicing software: Fundingo in trial stage.

Question No. 17: Will the data migration be supported by a third-party vendor or consultant?

NMFA Response to Question No. 17: Yes: BDO.

Question No. 18: Does NMFA anticipate making any custom changes to the new platform?

NMFA Response to Question No. 18: Not to the software's code itself, but the configuration of the system will be done to meet our specific needs, within the bounds of designed flexibility.

Question No. 19: Can NMFA confirm that the new general ledger will be Sage and that the subledger will be integrated into the new platform?

NMFA Response to Question No. 19: Yes. Sage Intacct. The loan servicing software and other supporting platforms (Salesforce, Clearwater) will be integrated as a subledger.

Question No. 20: Will the post-migration control structure be designed and owned by NMFA, rather than by the external auditor?

NMFA Response to Question No. 20: We will own our migration execution plan and quality control system. The IPA will own whatever standards, testing regime, and control system they apply.

Question No. 21: Are you seeking assurance over control design, operating effectiveness, data completeness/accuracy, or some combination of those areas?

NMFA Response to Question No. 21: Yes. All of the above.

Question No. 22: Will there be a designated project manager or internal lead who will help the audit team navigate the migration plan, documentation, roles, responsibilities, and implementation status?

NMFA Response to Question No. 22: Yes.

Question No. 23: Why is NMFA going out to bid?

NMFA Response to Question No. 23: See response to question No. 1.

Question No. 24: What were the fees and New Mexico Gross Receipts Tax for the prior year's audits?

NMFA Response to Question No. 24: FY 24 financial statement - \$110,000, single audit - \$13,000, plus gross receipts tax. FY 25 financial statement - \$107,000, single audit - \$17,500 with \$7,500 amendment. plus gross receipts tax at the applicable rate at the time of the audit.

Question No. 25: How many hours did the prior audit firm propose for each service in their previous proposal?

NMFA Response to Question No. 25: Financial Statement Audit – 800, Federal Single Audit – 120, Financial Statement/ACFR Preparation – 80.

Question No. 26: Are NMFA's business processes / transaction cycles documented in memo/flow chart or other formats?

NMFA Response to Question No. 26: Yes.

Question No. 27: What do you like about your current auditing experience? What do you wish you could change about your current auditing experience?

NMFA Response to Question No. 27: We very much like how the IPA's team is knowledgeable and quite approachable. We're a complex and excellence-driven operation and, for that reason, all the new IPA's have had to quickly climb a steep learning curve the first year.

Question No. 28: Is there anything specifically that you are looking for in a potential new professional services firm?

NMFA Response to Question No. 28: Competence and professionalism.

Question No. 29: What engagement process would the NMFA like to improve?

NMFA Response to Question No. 29: We think our processes are good already. We just want you to make sure to learn about our status as a component unit of the State and as a lending institution to ensure you can scale up the learning curve in good order.

Question No. 30: Are the audits conducted remotely, using a hybrid model, or in-person full-time? Is the NMFA open to audits performed remotely?

NMFA Response to Question No. 30: We've worked in all modes well. Yes, we're open to working remotely with you.

Question No. 31: Can you provide the number of auditors and the time periods of when interim and final fieldwork were performed?

NMFA Response to Question No. 31: FY 25 team consisted of 3 Senior audit personnel, audit supervisor, 2 staff auditors. Interim testing began mid July 25, field testing mid August, exit conference Sep 25.

Question No. 32: Have there been recent changes in key personnel in any of the department's accounting/finance functions or are there changes known for the future (retirements)?

NMFA Response to Question No. 32: No.

Question No. 33: Does the NMFA expect any significant changes in the accounting system or other systems relevant to financial reporting during the contract term?

NMFA Response to Question No. 33: We're migrating to a new platform for loan servicing and financial accounting.

Question No. 34: Is the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files?

NMFA Response to Question No. 34: Yes, with hardly any exceptions.

Question No. 35: Does the NMFA use service organizations? Examples include payroll processors, workers' compensation or medical claims processors, hosted data centers, cloud service providers, and managed security providers. If so, approximately how many and for which transaction cycles?

NMFA Response to Question No. 35: Yes. Payroll processor, hosted data centers, cloud service providers and, soon, managed IT services and security.

Question No. 36: Are there any significant changes in operations expected for the contract term?

NMFA Response to Question No. 36: No.

Question No. 37: How many adjusting entries were there in the prior year? And if applicable, what was the nature of those adjusting entries?

NMFA Response to Question No. 37: None.

Question No. 38: Do you allow auditor's read-only access to your financial accounting system?

NMFA Response to Question No. 38: Not in current system, but planned for Sage Intacct.

Question No. 39: Does NMFA expect any additional federal grant programs?

NMFA Response to Question No. 39: No.

Question No. 40: What general ledger system does NMFA use for accounting and financial reporting?

NMFA Response to Question No. 40: Currently, we use MIP (Momentive), but we're migrating to Sage Intacct.

Question No. 41: What loan management system does NMFA use?

NMFA Response to Question No. 41: Enable. But we're migrating to Fundingo.

Question No. 42: Please confirm the scope of services NMFA is requesting includes preparation of the financial statements, and other non-audit services?

NMFA Response to Question No. 42: No. We prepare our own financial statements, which we prepare and present to our audit committee every month.

Question No. 43: Who are the individuals to oversee the preparation of the financial statements and other non-audit services? What is their level of experience and knowledge?

NMFA Response to Question No. 43: We do not need IPA to prepare financial statements. The interlocutors for the audit will be our Controller, Norman Vuylsteke, Accounting Manager, Joanne Johnson, and Senior Accountant, Maria Ruelas.

Question No. 44: Can you please clarify question #6 in Appendix B, External Audit Services Questionnaire “provide a list of other public and quasi-public entities your firm will be engaged with at the same time it will be auditing the NMFA”. Do you mean during the same weeks/months the audit is taking place or in general during the entire contract period?

NMFA Response to Question No. 44: Department of Finance and Administration for coordination of required component entity reporting. None related to the During the summer, when we expect to present our financial statements and finalize our ACFR.

Question No. 45: When is the expected go-live date of the new loan servicing system? What stage is the data migration project currently in?

NMFA Response to Question No. 45: Implementation of significant parts of the new platform will be complete before fiscal year-end with expected go live in Sep 26, when some data migration will begin. The biggest tranche of data migration is scheduled to be complete by late-summer. Configuration and UAT for GL, AR, AP, Cash Management, reporting (Phase 1). Remaining modules (PR-utilizing ADP, Procurement, Budget, etc.) Jul 26.

All Other Provisions Unchanged

Except as specifically stated in this Addendum, all terms, conditions, and requirements of the RFP remain unchanged.

Acknowledgement of Addenda No. 1:

Printed name: _____

Signature: _____

Title: _____

Company Name: _____