

**CITY OF CHEBOYGAN
403 NORTH HURON STREET
CHEBOYGAN, MI 49721**

REQUEST FOR PROPOSALS

The City of Cheboygan invites all qualified independent Certified Public Accounting Firms to submit proposals to perform three annual audits of financial statements and records of the various funds of the City of Cheboygan for the fiscal years ending June 30, 2021, 2022, and 2023. The audit shall be a financial examination of all the City's funds. It will comply with all pertinent laws and regulations which govern the City, including those of the United States, the State of Michigan, and the City of Cheboygan. The examination will be in accordance with generally accepted auditing and accounting standards promulgated by the American Institute of Certified Public Accountants using Governmental Auditing Standards and Budget Circular A-133, "Audits of State and Local Governments".

General Information

All responding firms are asked to respond completely to the attached requirements for performing the audit. The Proposal requires a not to exceed fee for each year and also requires a three-year maximum lump sum fee.

Copies of all available Financial Reports for the City of Cheboygan will be made available as requested.

All vendor responses must be submitted to the City of Cheboygan Clerk-Treasurer in City Hall no later **than 2:00 p.m. on Thursday, May 27, 2021**. All proposals must be submitted in a sealed envelope marked **CITY OF CHEBOYGAN ANNUAL AUDIT** and will be mailed or delivered to the Clerk-Treasurer, 403 N. Huron Street, P.O. Box 39, Cheboygan, MI 49721.

Background Information

The City's financial records are maintained on a computerized general ledger system. The system runs on an in-house network using BS & A software.

It is the intention of the City of Cheboygan to provide year-end trial balances to the successful bidder within 60 days of the fiscal year being examined. The City shall close and balance all funds and accounts and will provide investment, inter-fund, and other relevant reconciliations.

Technical Evaluation/Selection Requirements

The City will evaluate all proposals after the due date. An evaluation of the technical ability will be done separately from a price evaluation with consideration for the following technical aspects:

- ✓ Qualifications of the Audit Firm
- ✓ Responsible work record
- ✓ Compliance with applicable peer review and continuing professional education
- ✓ Training on single audit
- ✓ Understanding of the requirements of the audit
- ✓ Scope of services included in the contract, proposed timetable of events
- ✓ Soundness of technical approach
- ✓ Qualifications of audit team

Audit proposals should provide information pertinent to the above requirements. A list of prior governmental work references is required and identification of staff that would be working on the project and their qualifications/experience are also required.

Additional Requirements

Working papers prepared during the examination must be retained for a minimum of three (3) years. Additionally, work papers may be subject to review by authorized representatives of federal, state, or municipal agencies.

If, for any cause, the successful audit firm shall fail to fulfill in a timely and proper manner obligations under this agreement, or if the successful audit firm violates any of the agreements or stipulation of this agreement, the City shall thereupon have the right to terminate this agreement by giving written notice to the successful audit firm of such termination and specifying the termination date thereof. In the event of termination, all property prepared by the successful audit firm under this agreement shall, at the option of the City, become the property of the City.

The successful audit firm will prepare the following number of bound copies at the bidders own expense:

- 1) 15 Copies of the Financial Report and one electronic copy including all accounts and funds. Also included in the Report will be the notes, tables, and transmittal letter of the successful audit firm. The Report shall include, but not be limited to:

General Purpose Financial Statements as Required by GAAP

- Governmental Fund Statements
- Proprietary Fund Statements

- Fiduciary Fund and Component Unit Statements
 - Governmental-wide Financial Statements
 - And all other disclosures, reports/notes required by GASB 34 and GAAP.
 - Budget to actual comparisons
 - Schedules of Indebtedness
- 2) A report on compliance according to Federal, State, and City Statutes including requirement of OM-133.
 - 3) A management letter referencing the weakest areas of the audit (including internal controls), if any, with suggested steps for improvement for all items listed in the management letter.
 - 4) Preparation of the F-65 and PA-51 Reports and assisting the City with meeting the requirements of GASB-68, 74 and 75.
 - 5) A supplementary schedule of the City's federal financial assistance programs. (If any) This report should show total expenditures by each program, compliance in accord with applicable laws, and an internal control evaluation.
 - 6) Telephone consultation during the year for various items as needed.

City personnel will have completed bookkeeping functions prior to the commencement of the audit, (with the exception of any audit adjustments) and will have prepared or assist in preparation of the necessary detailed schedules. They will be available during the examination to answer questions and provide assistance. Likewise, auditor will be available to City personnel to answer questions and assist throughout the term of agreement for routine questions **without additional cost.**

Completion of the audit and all working papers would be expected by September 30th following the end of the fiscal year.

Subsequent to the completion of the field work and prior to completion of the financial statements, an exit conference will be scheduled between the successful bidder, the City Manager and the City Clerk-Treasurer to review the management letter and the audit report.

It is the intent of the City to formalize an agreement each year with the successful bidder in the form of an engagement letter which follows:

This letter confirms our understanding regarding the examination of the general purpose financial statements of the City of Cheboygan, Michigan for year ended June 30, 2021 (2022-2023). The entity being audited will include, in accordance with MCGAA No. 5, **All Funds and Accounts.**

The examination of these funds will be performed in accordance with generally accepted auditing standards. It will include tests of the accounting records and other auditing procedures necessary to enable the auditing firm to express an opinion of the fairness with which the financial statements present, in all material respects, the financial position resulting from operations in accordance with generally accepted accounting principles applied on a consistent basis with the prior reporting period.

City personnel will be available during the examination to answer questions and provide assistance.

The fee for the examination will not exceed:

\$ _____ for fiscal year 2020-2021

\$ _____ for fiscal year 2021-2022

\$ _____ for fiscal year 2022-2023

TOTAL \$ _____ for all fiscal years

The Single Audit fee, if required, will be \$ _____ per year

The cost of additional services beyond the scope of the request for proposal are as follows:

<u>Position</u>	<u>Hourly Rate</u>
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Billings for additional services will be agreed upon by both parties before the work commences.

Any changes in this agreement must be requested in writing and agreed to by both parties. If such changes are made, an equitable adjustment will be made in the cost of the audit.

All reports rendered to the City by the contracting auditor are the exclusive property of the City of Cheboygan and subject to its use and control, according to applicable laws and regulations.

ACCEPTED BY:

CITY OF CHEBOYGAN

AUDIT FIRM

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____