



## **CITY OF MT. PLEASANT**

### **REQUEST FOR PROPOSALS FOR ANNUAL AUDITS**

The City of Mt. Pleasant is requesting qualified Certified Public Accountants to submit proposals for the performance of annual audits of its financial accounts and records for the purpose of rendering an Independent Auditors' Report and for performance of a federal Single Audit for the purpose of rendering the applicable Single Audit opinions.

Proposals will be accepted at the office of the City Clerk's office, 320 W. Broadway Street, Mt. Pleasant, Michigan 48858, until 1:30 p.m., Thursday, October 3, 2013 at which time the proposals will be publicly opened and read. All proposals shall be submitted in a sealed envelope plainly marked "Audit Proposals – October 3, 2013".

Specifications are available at the office of City Clerk, 8 a.m. - 4:30 p.m., Monday – Friday or on the City of Mt. Pleasant website at [www.mt-pleasant.org](http://www.mt-pleasant.org). A pre-bid conference will be held at 1:30 p.m., Wednesday, September 11, 2013, at 320 W. Broadway Street.

The City of Mt. Pleasant reserves the right to reject any or all proposals, to waive any irregularities and select the proposal most advantageous to the City of Mt. Pleasant.

Nancy J. Ridley  
Administrative and Financial Services  
Director/Assistant City Manager

Dated: August 30, 2013

## CITY OF MT. PLEASANT

### Request for Proposals for Annual Audit Services Specifications

The City is required by the State of Michigan and by its charter to perform an annual audit. The City of Mt. Pleasant is requesting proposals from qualified Certified Public Accountants to perform audit services in accordance with Generally Accepted Auditing Standards; Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audit of State and Local Governments. The proposals are to cover five (5) fiscal periods commencing with the fiscal year January 1, 2013 through December 31, 2017. The City's fiscal year is calendar year.

A pre-bid conference will be held at 1:30 p.m., Wednesday, September 11, 2013 at 320 W. Broadway Street, Mt. Pleasant, Michigan 48858. At that time the finance staff will be available to answer any questions and review the financial records. Attendance at this meeting is strongly recommended.

The 2012 Comprehensive Annual Financial Report is available on the City's website, [www.mt-pleasant.org](http://www.mt-pleasant.org).

#### **A. General Information**

The City of Mt. Pleasant, population 26,016, is located in the center of Michigan's lower peninsula. The City is organized under Michigan's Comprehensive Home Rule City Act. The City of Mt. Pleasant employs approximately 117 full time employees.

#### **B. Financial Information**

The City's annual budget consists of ten (10) appropriated funds. The 2013 budgeted expenditures for the appropriated funds total \$14,489,410. A complete listing of funds is included in Appendix A.

The City levies 15.75 mills for approximately \$6,423,000 in property taxes. The City maintains an investment portfolio of approximately \$37,000,000. The City participates in two pension plans, MERS and an Act 345 plan administered by the City. The City has two post-employment benefit plans, employer paid health care for some of the police officers and retiree subsidy to the City's self-insurance plan. The City has issued various forms of debt. As of December 31, 2012 the debt outstanding is \$16,439,122. The City has three TIFA Districts, one LDFA, one DDA and an Economic Development Corporation (EDC). Several Broomfield Redevelopment Development Authorities (BRDA) are presented as discrete component units. The City is self-insured for health, dental, prescriptions and optical insurance. This is accounted for in an Internal Service Fund.

The City receives grants from various agencies. Sometimes these grants are federal monies. Occasionally the City has received federal grants that are considered major programs by the Single Audit Act. In the last five (5) years the City was required to have a Single Audit for one year. It is anticipated a Single Audit will be required for 2013.

City of Mt. Pleasant  
Request for Proposals for Audit Services  
Proposal Specifications

The City's finance staff consists of seven full time and one three quarter time (7.75) employees. The Deputy Finance Director is responsible for the accounting records. The Deputy Finance Director is a former auditor of municipal government and has a CPA license. The accounting records are maintained using BS&A software on a separate financial server. The City's Information Technology staff consists of three (3) employees who are responsible for maintaining the hardware and software.

City staff prepares a Comprehensive Annual Financial Report that is submitted to the Government Finance Officer's Association for consideration for the Certificate of Achievement in Financial Reporting. The City has been successful in obtaining this certificate for the last twenty-five (25) consecutive years.

**C. Firm/Individual Qualifications**

The firm/individual must be a Certified Public Accountant. The firm/individual must meet the Governmental Accounting Standards requirements for eligibility to audit federal programs. The firm/individual must have at least five years of municipal audit experience. The firm/individual must have at least one current client that receives the Certificate of Achievement in Financial Reporting.

**D. Annual Performance Specifications**

1. The audit shall be conducted to satisfy the requirements of the State Department of Treasury.
2. The audit shall be conducted to satisfy the requirements of the various granting agencies that require audits of the grants made to the City.
3. The audit shall be conducted in accordance with generally accepted auditing standards, government auditing standards and the OMB Circular A-133 requirements.
4. The Independent Auditors' Report shall be rendered on the Basic Financial Statements.
5. The audit shall contain sufficient sample and transaction testing to meet the requirements of SAS 99.

City of Mt. Pleasant  
Request for Proposals for Audit Services  
Proposal Specifications

6. The audit fieldwork shall be supervised at all times by a member of staff of at least the senior status with at least five (5) years municipal experience. The partner in charge of the audit must be a Certified Public Accountant. The partner in charge must be on site at least once during the audit fieldwork.
7. The audit fieldwork must be completed within three (3) weeks of its beginning and shall be completed by March 20<sup>th</sup> of each year.
8. The review of the Comprehensive Annual Financial Report, prepared by City staff, and issuance of an opinion thereon, shall be completed by April 15.
9. The firm shall complete the Government Finance Officer's Certificate of Achievement in Excellence in Financial Reporting.
10. The firm shall submit the electronic copy of the Comprehensive Annual Financial Report to the State of Michigan Department of Treasury.
11. Issuance of the Single Audit report, if required, shall be completed by June 30.
12. The firm shall provide the number of Single Audit Reports required by the various granting agencies of the City and six (6) copies for its use. The firm shall also submit the report to the electronic repository for Single Audits.
13. The partner in charge and supervisory staff shall meet with the Audit Committee each year prior to the beginning of fieldwork and at the conclusion of the audit.
14. The partner in charge of the audit shall present the audit to the audit committee and the City Commission.
15. The audit firm shall provide periodic accounting consultation during the period of the contract.

**E. Requirement of City Finance Staff**

1. City staff will be prepared to commence audit fieldwork by March 1.
2. City staff will prepare all year end accruals and adjustments, including GASB #34 adjustments.
3. City staff will prepare, type and print the Comprehensive Annual Financial Report. One hard and one electronic copy of the Comprehensive Annual Financial Report will be provided to the auditors.
4. City staff will prepare the Local Unit Financial Report (F-65).

**F. Instructions Regarding Proposals**

Five (5) copies of the proposal must be submitted to the City Clerk's office, 320 W. Broadway Street, Mt. Pleasant, Michigan 48858, before 1:30 p.m., October 3, 2013. The proposals shall be submitted in sealed envelopes plainly marked "Audit Proposal – October 3, 2013."

Proposals must include:

1. Qualifications of the firm:
  - a. A description of the firm.
  - b. A listing of Michigan municipal clients for which your office has performed an audit, including a Single Audit, within the last five years and other pertinent information to support relevant prior experience.
  - c. A list of clients your firm has performed audits for that have received a Certificate of Achievement in Financial Reporting from the Government Finance Officers Association.
  - d. Demonstrate appropriate State of Michigan Licensing requirements.
  - e. Demonstrate applicable independence standards.
  - f. Demonstrate applicable requirements for continuing professional education required by Government Auditing Standards, issued by the Comptroller General of the United States.
  - g. Resumes of the partner(s) and supervisory staff to be assigned to the engagement.
2. Technical Approach
  - a. Express agreement to meet or exceed the performance specifications stated in section D.
  - b. A schedule for performing the key phases of the audit. (Including preliminary work date, start date, completion date and report date).
  - c. An estimate of the number of hours to complete the key phases and what level of employee will perform each phase.

City of Mt. Pleasant  
Request for Proposals for Audit Services  
Proposal Specifications

- d. A brief description of the audit procedures to be followed, presented in a form which shall best aid the City in evaluation your firm's ability to identify, evaluate and communicate on local governmental financial problems.

3. Fees

- a. The maximum annual fee your firm will charge the City for each year of the audit contract. The annual fee should be stated separately for the financial audit and Single Audit. If no Single Audit is required, it is expected this fee will not be charged.
- b. Include the hourly rates for each level of staff used in calculating charges leading up to the maximum fee and any difference in annual fee should the City authorize your firm to expand the scope of the contracts. Also include the firm's policy and method, if any, expected to be used in calculating adjustments to the annual fee should an increase or decrease in the number of funds to be audited occur.

**G. Proposal Evaluation Procedures**

The City of Mt. Pleasant audit committee will evaluate the proposals on the basis of the qualifications, relevant experience, and responsiveness of the bidders, as well as the estimated cost of the engagement. The audit committee of the City is comprised of two City Commissioners and one citizen. The audit committee's recommendation will be presented to the City Commission for its consideration.

The City of Mt. Pleasant reserves the right to reject any or all proposals, to waive any irregularities and select the proposal most advantageous to the City of Mt. Pleasant.

**H. Contracts and Payment**

The City of Mt. Pleasant expects to sign a contract with the selected firm. Progress payments will be billed monthly for services rendered in the prior month. Final payment will be made upon receipt and acceptance of the final reports.

**I. Inspection of Records/Further Information**

On-site inspection of records must be made during the pre-bid conference. Inquiries shall be made to the Deputy Finance Director at (989) 779-5381.

# CITY OF MT. PLEASANT

## Request for Proposals for Annual Audit Services Specifications

### Appendix A

Fund #	Fund Name	Budget Status			Component Unit		2013 Expenditures/ Expenses
		Budgeted	Mgt Info Sum.	None	Blended	Discrete	
<b>Governmental Funds</b>							
	101 <i>General Fund</i>	x					\$ 11,213,430
Special Revenue Funds							
	202 <i>Major Street</i>	x					931,440
	203 <i>Local Street</i>	x					902,090
	208 Parks & Recreation *	x					960,510
	209 Cemetery Perpetual Care	x					0
	211 Special Assessments *	x					0
	231 Downtown Improvement & Parking	x					172,030
	263 CDBG *	x					0
	264 Economic Development Loan	x					0
	296 Building Authority	x			x		309,910
Capital Projects							
	410 Capital Improvement Fund		x				686,750
	420 Borden Building		x				0
Debt Fund							
	305 Borden Building Debt		x				341,750
<b>Proprietary Funds</b>							
Enterprise Funds							
	575 Land Development		x				412,500
	581 Airport		x				412,800
	590 Sewer		x				2,490,950
	591 Water		x				2,767,280
	596 Solid Waste		x				529,020
Internal Service **							
	633 Central Stores		x				60,400
	661 Motor Pool		x				721,080
	677 Self Insurance		x				2,313,600
<b>Fiduciary Funds</b>							
Agency							
	701 Special Trust & Agency			x			
	702 Housing Commission PR			x			
	703 BAYNET 2% Agency			x			
	750 Payroll			x			
Pension Trust Funds							
	732 Police & Fire Pension			x			
	733 Police Retiree Health Care			x			
Component Units							
	493 Economic Dev. Corp.		x			x	6,000
	494 Mission Street DDA		x			x	508,510
	495 TIFA Funds		x			x	1,124,070
	496 LDFA		x			x	198,990
	497 Brownfield Redevelopment		x			x	131,540

\* - Combined with General Fund for GASB 54 Presentation

\*\* - Individual Fund presentation only eliminated in Entity Wide Financials

*Major Fund*

## CITY OF MT. PLEASANT

### Request for Proposals for Annual Audit Services Specifications

#### Appendix B

##### Timetable

September 3	Proposal specifications mailed/advertising placed
September 11	Pre-bid meeting at 1:30 p.m.
October 3	Proposals due
October 8 – 17	Audit Committee reviews, conducts interviews, if necessary
October 18	Audit Committee recommendation to City Commission
October 28	City Commission awards