



**CITY OF NOVI CITY COUNCIL**  
**APRIL 8, 2024**

**SUBJECT:** Approval to award a contract for annual audit services for a three-year term ending with the June 30, 2026 fiscal year with two one-year renewal options and adoption of associated fees effective April 8, 2024.

**SUBMITTING DEPARTMENT:** Finance

**BACKGROUND INFORMATION:**

The City of Novi recently issued a request for proposal (RFP) to secure the services of an independent auditing firm to provide professional auditing services in accordance with generally accepted auditing standards. The State of Michigan Uniform Budgeting and Accounting Act, PA 2 of 1968 requires a local unit of government with a population of 4,000 or more to obtain an audit of its financial records, accounts, and procedures on an annual basis.

Six firms submitted proposals and were evaluated by finance staff based on their level of expertise and experience within the municipal sector, as well as their response to the mandatory elements included within the RFP. Based on the evaluations, two firms stood out above all others that submitted bids. The top two firms are well known for being some of the top-rated accounting firms in the state and ones that could provide outstanding service to the City. The two firms being recommended to the Mayor and City Council for consideration are Yeo & Yeo, PC, and our current auditors, Rehmann Robson (both were finalists five years ago when the last RFP was issued for audit services). The fees proposed over the five years requested in the RFP are listed below (the audit fee for the year ended June 30, 2023, was \$59,900):

	<b>6/30/2024</b>	<b>6/30/2025</b>	<b>6/30/2026</b>	<b>6/30/2027</b>	<b>6/30/2028</b>	<b>Total</b>
<b>Yeo &amp; Yeo, PC</b>	\$60,000	\$62,500	\$65,000	\$67,500	\$70,000	<b>\$325,000</b>
<b>Rehmann Robson</b> (current auditor)	\$65,900	\$69,200	\$72,700	\$76,300	\$80,100	<b>\$364,200</b>

The finance team has favorable experience working with both firms and feels either firm would provide outstanding service to the City.

**RECOMMENDED ACTION:** Approval to award a contract for annual audit services to \_\_\_\_\_ for a three-year term ending with the June 30, 2026 fiscal year with two one-year renewal options and adoption of associated fees effective April 8, 2024.

March 1, 2024



# PROFESSIONAL AUDITING SERVICES

## PROPOSAL FOR **City of Novi**

Submitted by:

**Nathan C. Baldermann, CPA, CGFM, Principal**

nathan.baldermann@rehmann.com

Statement of Confidentiality The information in this proposal is confidential and proprietary. It has been made available to the above stated company/person solely for their consideration in evaluation of this proposal. In no event shall all or any portion of this proposal be disclosed or disseminated by the above stated company/person without the express written permission of Rehmann. © 2024 Rehmann All Rights Reserved.

March 1, 2024

Finance Department  
City of Novi  
45175 Ten Mile Rd  
Novi, MI 48375

Rehmann Robson LLC ("Rehmann") greatly appreciates the opportunity to submit our proposal to audit the financial statements of City of Novi ("the City") for the years ending June 30, 2024-2028. As a leading professional services firm serving the governmental industry, you can be confident that we are well positioned to serve the City. Our team will leverage industry experience, skills and knowledge of issues impacting the City to provide high-quality services in a timely, efficient manner.

Our mission is to bring energy, focus and integrity to every interaction – relentlessly pursuing expertise to accelerate your goals. This means that you will:

- Have your audits managed and performed by full-time governmental professionals
- Work with a team known for excellence and efficiency in government financial reporting
- Have access to customized training and value-added services
- Benefit from our extensive and unique use of technology
- Understand and appreciate our approach of budgeting *better hours* rather than *more hours*

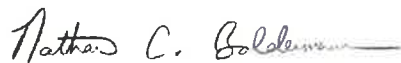
As a result of the large volume of governmental audits our team performs, we are intimately familiar with your industry – Rehmann understands your unique challenges, we know what to expect and we will share best practices. This depth will allow us to serve you from the very beginning with minimal disruption while maintaining a high level of engagement effectiveness and efficiency.

We look forward to hearing from you regarding your decision. In the meantime, please contact us with any questions you may have. This proposal is a firm, irrevocable offer for 90 days to provide independent auditing services at the prices quoted herein. We acknowledge receipt of Addendum #1.

Thank you for considering Rehmann.

Sincerely,

**Rehmann Robson LLC**



Nathan C. Baldermann, CPA, CGFM  
Principal



## WHAT YOU'LL FIND INSIDE

<b>General requirements .....</b>	<b>1</b>
<b>Independence .....</b>	<b>1</b>
<b>License to practice .....</b>	<b>1</b>
<b>Debarment, suspension, ineligibility and voluntary exclusion .....</b>	<b>1</b>
<b>Firm qualifications &amp; experience.....</b>	<b>2</b>
<b>Staff qualifications &amp; experience .....</b>	<b>4</b>
<b>Similar engagements .....</b>	<b>10</b>
<b>Specific audit approach .....</b>	<b>12</b>
<b>Anticipated potential audit problems .....</b>	<b>15</b>
<b>Report format .....</b>	<b>16</b>
<b>Appendix.....</b>	<b>17</b>
Peer review report	
Government client list	
Detailed audit approach	
Detailed single audit approach	



## **GENERAL REQUIREMENTS**

Rehmann's role as the City's independent external auditor is to deliver assurance services in an efficient manner, without disruption to your staff, while maintaining a high level of quality.

### **INDEPENDENCE**

Rehmann is independent (as defined under the independence standards in auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's *Government Auditing Standards*) of City of Novi and all of its component units. We are aware of no professional relationships involving the City or any of its agencies or component units within the last five years which would represent potential conflicts of interest; however, we will provide the City with written notice of any pertinent professional relationships entered into during the term of our contract.

### **LICENSE TO PRACTICE**

Rehmann and each certified public accountant to be assigned to the engagement are properly licensed to practice public accounting in the State of Michigan.

### **DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION**

Rehmann shall comply with the provisions of 24 CFR Part 24 that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract. Additionally, Rehmann shall not use, directly or indirectly, any of the funds provided by this contract to employ, award contracts to, or otherwise engage the services of, or fund any contractor / subcontractor during any period that the contractor / subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24.



## FIRM QUALIFICATIONS & EXPERIENCE

Founded in 1941 as a single accounting firm, Rehmann has evolved into a fully integrated financial services and advisory firm that provides accounting and assurance, comprehensive technology, accounting and human resource solutions, specialized consulting and wealth management services. Our goal is to meet the demands of today's governments by offering a greater scope of resources and experience, all while employing a forward-thinking service model that guarantees complete client satisfaction and confidence.

### GOVERNMENTAL INDUSTRY EXPERIENCE

Rehmann has a cross-functional team of professionals with extensive governmental industry experience. This unique group is dedicated specifically to serving clients in the public sector on a year-round basis and includes 75+ full-time professionals skilled in assurance services and accounting solutions for governmental entities. Other departments within our firm also work with public sector clients providing technology and human resource solutions.

WE SERVE

**1,000** PUBLIC SECTOR ENTITIES FIRM-WIDE



**182.7** MILLION

Total revenue in 2022



**950+**

Number of associates



**OFFICES**

Located throughout Michigan, Ohio and Florida

### YOUR REHMANN OFFICE

Rehmann is committed to serving the City. Accordingly, your audits will be managed and performed by governmental audit and financial reporting professionals from our Jackson office with technical standards support from Grand Rapids office executives. One principal, one senior manager, one senior and three staff auditors will be assigned to the City's audit. All individuals assigned to your audits will be full-time employees of Rehmann, assuring that you receive the local, personalized service you deserve.

### EXPERIENCE AUDITING FEDERAL AWARDS

The professionals of Rehmann's public sector group are primarily focused on governmental accounting, auditing and consulting, so all members of the City's engagement team will have extensive experience in auditing federal programs. Each year, Rehmann audits organizations administering hundreds of millions of dollars in federal awards; that means the City will consistently receive meaningful comments and advice on

how to enhance your financial management of those programs. Below are single audits performed by Rehmann for the most recent fiscal year:

TYPE OF ENTITY	NUMBER OF CLIENTS AUDITED	TOTAL FEDERAL EXPENDITURES
City	13	\$ 91,489,635
County	20	322,388,679
School	48	211,465,119
Other government	13	53,538,271
Not-for-profit	22	168,372,111
Higher education	18	382,718,652
Tribal government	2	60,137,161
<b>Grand total</b>	<b>136</b>	<b>\$ 1,290,109,628</b>

### EXCELLENCE IN GOVERNMENTAL FINANCIAL REPORTING

Rehmann's experience in assisting clients to receive (and keep receiving) the GFOA Certificate of Achievement for Excellence in Financial Reporting is extensive. Many of our executives volunteer their time as GFOA reviewers. On average, we assist **30 clients annually** in receiving the GFOA Certificate, including cities, counties, school districts and other entities.

For first time submitters, we provide sample financial reports, the checklist used by the GFOA reviewers and spreadsheets for the statistical section. More importantly, we explain the process and identify the additional information that needs to be gathered, where it can be found and what the City will need to prepare. Whether a first-time submitter or long-time certificate recipient, Rehmann will provide a range of assistance with the statistical section, MD&A tables and transmittal letter narratives. We are also available to assist in addressing the prior year GFOA review comments.

### JOINT VENTURE OR CONSORTIUM

We are not proposing as a joint venture or consortium, nor will any portion of the proposed audits be subcontracted to another firm. Thus, Rehmann is both the principal and only auditor.

### PEER REVIEW

The AICPA's peer review program requires that a CPA firm have an independent audit of its quality control documents, systems and procedures every three years. A copy of our most recent peer review report, which included a review of specific government engagements and for which Rehmann received a rating of *pass*, can be found in the Appendix.

### AGENCY / DESK REVIEWS

The firm has no record of substandard work. Rehmann has received no negative comments from the numerous routine field and desk reviews which have taken place on the audits submitted to the various state departments and single audit clearing house over the last several years.



## STAFF QUALIFICATIONS & EXPERIENCE

**One Team. One Focus. Your Success** – Your engagement will be managed by full-time governmental auditors, and your Rehmann team will have the optimal combination of skills and experience to support your success. As a result, these professionals will be able to work with you as peers, sharing knowledge and best practices, and meeting your completion deadline. Another continuing benefit will be ready access to these professionals to answer questions, discuss options and receive timely technical assistance. The Rehmann client service delivery model ensures you will have *direct access* to all members of your Rehmann team.

### Engagement Principal | Nathan Baldermann, CPA, CGFM

Nathan will be integrally involved in planning and overseeing your audits, ensuring we are meeting and exceeding your needs. He will provide access to additional resources available within the firm and through our industry networks.

### Secondary Principal | Daniel Clark, CPA

Daniel will be available as a backup for Nathan or for partner rotation in future periods, if desired.

### Senior Manager | Amanda Wedgwood, CPA

Amanda has significant experience serving governmental entities and will be responsible for overseeing the engagement, completing audit procedures and supervising staff. She will maintain active communication with the City throughout the year.

### Senior auditor

We will assign one of our experienced senior auditors (in-charge) to conduct and supervise the audit procedures. The specific individual assigned will be determined once the exact timing of the engagement is finalized. Whoever is assigned will be involved on a full-time basis for the duration of the audit for each annual audit and we will seek to assign the same in-charge for the entire audit contract term.

### Staff auditors

Our staff accountants have one to five years of experience and will perform many of the audit procedures, as directed by the engagement executives. The final decision of which individual staff we will assign to your audits will be made when we prepare our schedule.

### Client ambassador | William Burke

Throughout the year, you can expect an objective Rehmann advisor to serve as the City's client ambassador. Your client ambassador will ask for feedback on the quality of our service and about your experience as a Rehmann client to ensure we are doing all that we can to exceed your expectations.

Biographical resumes of these executives are included later in this section.

### CERTIFIED GOVERNMENT FINANCIAL MANAGERS

The Certified Government Financial Manager (CGFM) designation is a mark of excellence in government financial management, which signifies the highest level of education, experience and ethical standards in the government environment. Rehmann has 10 professionals with the designation.



## CONTINUING PROFESSIONAL EDUCATION

To maintain our competitive edge and to stay ahead of the curve on technical quality, we place significant emphasis on continuing professional education with appropriate focus on industry specialization and relative responsibility levels. **All professionals designated as CPAs meet or exceed the State and GAO's CPE hour requirements through a variety of external and internal programs.**

For each industry association listed in this proposal, Rehmann professionals attend the majority of the training opportunities they offer, frequently as presenters. Internally each year, Rehmann sponsors multiple in-person and virtual training opportunities, governmental technical updates and updates on auditing standards with an emphasis on engagement planning, risk assessment, and analytical review techniques. Rehmann logs each CPE course that associates attend through our centralized CPE tracking software. Detailed CPE reports are readily available for specific individuals upon request.

## INDUSTRY ASSOCIATIONS

Rehmann is actively involved in industry associations that provide access to professionals with governmental and not-for-profit experience across the country.



More importantly, Rehmann professionals are involved in leading these organizations in the following ways:

- **MSBO:** Member, and regularly provides speakers for training
- **CMHA:** Affiliate member, and regularly provides speakers for training
- **AICPA:** Member of the Government Audit Quality Center (GAQC)
- **MICPA:** Member/past chair of the governmental taskforce, and regularly provide speakers to train other CPAs across the state
- **GFOA:** Multiple special review committee members, and an advisor to the CAAFR Committee
- **MGFOA:** Multiple former board members and current member of the Standards Committee
- **AGA:** Multiple current and former AGA board members

## CONSISTENT STAFFING

It is our policy to assign the same staff to continuing engagements each year, whenever possible. Promotions, new responsibilities and circumstances beyond our control may necessitate the substitution of certain staff accountants with associates of comparable experience over the course of a contract. However, we will not change our engagement executives without prior approval from the City.



## **NATHAN C. BALDERMANN, CPA, CGFM**

PRINCIPAL | PUBLIC SECTOR  
Assurance and Financial Reporting

 517.841.4235

 nathan.baldermann@rehmann.com

 **Ferris State University**  
BS, accounting

My career has focused solely on the public sector, and our clients benefit from that by experiencing a streamlined process resulting in a wealth of knowledge and best practices applicable to their entity.

### **CURRENT ROLE**

Nate is the primary business advisor for a multitude of public sector clients, leading financial statement audit, single audit and consulting engagements. With a concentration on governmental and related not-for-profit entities, one of Nate's strengths is sharing best practices for efficient operations.

Nate serves on Rehmann's government audit quality control subcommittee, ensuring compliance with technical standards and Firm-wide consistency.

### **SERVICE AREAS**

- Public sector auditing and consulting
- Federal award compliance auditing
- Community mental health compliance, auditing and consulting
- GASB standards implementation

### **EXPERIENCE**

Nate has worked exclusively in the public sector since he began his career with Rehmann in 1994 as an intern. With deep knowledge in the industry, Nate has assisted governments in various stages and is able to draw upon that experience to provide fresh ideas to his clients.

Nate has worked with counties, cities, local and intermediate school districts, public school academies, community mental health agencies and various other governmental and not-for-profit organizations.

### **A CLOSER LOOK**

- Highly regarded in the governmental industry, Nate served on the Michigan GFOA's accounting standards committee and previously served on the board of directors.
- Having served on the Special Review Committee for the GFOA's ACFR Program, Nate is well-versed in annual comprehensive financial reports and has assisted numerous clients in receiving the certificate.
- As a thought leader in the industry, Nate has presented on new and changing standards for organizations including the Michigan GFOA, the MICPA and the AGA.



## DANIEL B. CLARK, CPA

PRINCIPAL | PUBLIC SECTOR  
Assurance and Financial Reporting

 313.202.7384

 [daniel.clark@rehmann.com](mailto:daniel.clark@rehmann.com)

 **Bob Jones University**  
BS, accounting

At Rehmann, we interact with our clients throughout the entire year to ensure their questions are thoroughly answered, and they are ahead of changing industry standards.

### CURRENT ROLE

Daniel leads annual audit and single audit engagements for a multitude of public sector clients throughout Michigan and Ohio. With a concentration on serving the public sector, Daniel spends a significant amount of time onsite at clients' locations, developing an understanding of their operations.

He serves on Rehmann's government audit quality control subcommittee, ensuring compliance with technical standards and firm-wide consistency.

### SERVICE AREAS

- Public sector auditing and consulting
- Federal award compliance auditing
- GASB standards implementation
- School district auditing and consulting

### EXPERIENCE

Daniel began his career with Rehmann in 2018 after being with another regional accounting firm since 2006. Throughout his career, Daniel has worked exclusively in the public sector. He is licensed as a CPA in both Michigan and Ohio.

Daniel's client base is comprised of counties, cities, townships, local and intermediate school districts, and various other public sector organizations.

### A CLOSER LOOK

- A thought leader in the industry, Daniel is a frequent speaker addressing topics such as upcoming accounting pronouncements, cybersecurity, and fraud.
- Daniel is a member of the AICPA, GFOA, MICPA, OSCPA (scholarship selection committee member, past co-chair of the young CPA northwest Ohio region, political endorsement committee member), and the Institute of Management Accountants.
- Significantly involved in the community, Daniel is active with Toledo Day Nursery (vice president, executive committee board member), Bedford Community Foundation (grants committee co-chair, treasurer, board member), Ann Arbor Symphony Orchestra (treasurer, executive committee, board member), and Wyldewood Baptist Church (treasurer, trustee).



## AMANDA WEDGWOOD, CPA

SENIOR MANAGER | PUBLIC SECTOR  
Assurance and Financial Reporting

 517.841.4270

 amanda.wedgwood@rehmann.com

 **Spring Arbor University**  
BA, Accounting

With our team's extensive knowledge of the industry and related standards, we are committed to serving the unique needs of each of our clients in a professional and timely manner – creating an experience that is positive and as stress-free as possible.

### CURRENT ROLE

Amanda is responsible for managing day to day fieldwork, assigning tasks and providing training. She communicates with clients throughout the engagement, with a focus on answering their questions in a timely manner and providing a fresh perspective on their operations and procedures. Amanda works primarily with public sector organizations.

### SERVICE AREAS

- Public sector auditing and consulting
- Federal award compliance auditing
- GASB standards implementation
- School district compliance, auditing and consulting

### EXPERIENCE

Amanda has worked with clients in the public sector industry since her career began in 2013, when she joined Rehmann after graduating from college. She has significant experience auditing counties, cities, school districts, authorities and related not-for-profit organizations.

### A CLOSER LOOK

- Keeping up-to-date on the latest industry standards, Amanda is a member of the MSBO, AICPA and MICPA.
- Valuing the relationships that are built with each client, Amanda communicates with them throughout the year to help their audit engagement run as smoothly as possible.
- With continuously evolving GASB pronouncements, Amanda stays ahead of the latest technical standards through training and research and helps clients understand and apply the newest pronouncements.



## WILLIAM BURKE

DIRECTOR OF CLIENT SERVICES AND BUSINESS DEVELOPMENT

-  517.316.2464
-  [bill.burke@rehmann.com](mailto:bill.burke@rehmann.com)
-  **Michigan State University**  
BA, business administration

I strive to build collaborative partnerships by listening to client and prospect concerns then introducing them to Rehmann client service executives who can provide customized, financially rewarding business solutions and peace of mind.

### CURRENT ROLE

Bill leads Rehmann's client service, practice growth and new business development efforts in its Lansing/Jackson region. In addition to identifying opportunities to provide comprehensive accounting and consulting services to companies, organizations and individuals, Bill initiates meaningful dialogue with clients and advises on courses of action to help them achieve their goals.

In his role as a client ambassador, Bill delivers The Rehmann Experience as an objective liaison between Rehmann and client executives. He conducts client satisfaction assessments, participates in brainstorming sessions for client service improvements and helps develop strategic plans that meet client-defined expectations for performance and service.

### THE REHMANN EXPERIENCE

For more than 80 years, Rehmann has provided forward-thinking solutions to our clients. We are obsessed with client success, making it our duty to anticipate our clients' daily and future needs, while providing them with proactive solutions to meet their goals. Our trustworthy advice, answers and guidance take the stress out of every challenge and change. We're there when you need us. That's The Rehmann Experience.

### SERVICE AREAS

- Business development
- Practice growth
- Product and service development
- Client ambassador
- Entrepreneurship
- Networking



## SIMILAR ENGAGEMENTS



Over the past year, Rehmann has invested  
**125,000 HOURS**  
in public sector client engagements providing  
assurance services and accounting solutions

 **25+**  
Counties

 **60+**  
School  
Districts

 **20+**  
Colleges &  
Universities

 **50+**  
Cities, Villages  
& Townships

 **275+**  
Not for Profit

 **110+**  
Other Governmental  
Entities

Rehmann serves a variety of other public sector entities including libraries, tribal governments, road commissions, transit authorities, public authorities, community mental health and affiliated providers, housing projects, medical care facilities and others.

## CLIENT REFERENCES

We invite you to contact our clients directly and ask about our people, capabilities and service. Below are several engagements that are similar to the City's engagement.

### City of Battle Creek

Financial audit and single audit led by Nathan Baldermann

Total staff hours: 780

Annual federal award expenditures: \$ 13.1 million

Date gained: June 1999

Contact: Aaron B. Kuhn, Revenue Services Director | 269.966.3336 | abkuhn@battlecreekmi.gov

### City of Jackson

Financial audit and single audit led by Nathan Baldermann

Total staff hours: 570

Annual federal award expenditures: \$ 9.9 million

Date gained: January 1973

Contact: Heather Ehnis, Finance Director | 517.768.6384 | hehnis@cityofjackson.org

### City of Ann Arbor

Financial audit and single audit led by Daniel Clark

Total staff hours: 540

Annual federal award expenditures: \$ 9.6 million

Date gained: May 2022

Contact: Tami Cook, Accounting Services Manager | 734.794.6500 | tcook@a2gov.org

### City of Royal Oak

Financial audit and single audit led by Nathan Baldermann

Total staff hours: 440

Annual federal award expenditures: \$ 18.2 million

Date gained: May 1998

Contact: Tony DeCamp, Assistant Finance Director / Controller | 248.246.3033 | TonyD@romi.gov

### City of Oak Park

Financial audit and ACEE led by Daniel Clark

Total staff hours: 370

Annual federal award expenditures: \$ 1.6 million

Date gained: November 1998

Contact: Erik Tungate, City Manager | 248.691.7410 | etungate@ci.oak-park.mi.us

**A complete list of governmental audit clients is included in the Appendix.**

## SPECIFIC AUDIT APPROACH

Rehmann is committed to delivering high-quality assurance services in a timely, efficient manner.

### DELIVERABLES

- Financial audit and single audit, if required, for the years ending June 30, 2024-2028
- Preparation of a management letter of comments and recommendations
- Exit conference with management
- Presentations to the finance (or audit) committee and/or city council
- Due diligence reviews of various official statements for periodic debt issuances, if requested
- Availability for ongoing technical assistance throughout the year

The format and presentation of the financial statements will conform to applicable standards set forth by:

- Governmental Accounting Standards Board (GASB)
- American Institute of Certified Public Accountants (AICPA)
- Government Finance Officers Association (GFOA)
- U.S. Office of Management and Budget
- Michigan Department of Treasury

### APPROACH

We will complete our work in four inter-related phases. An overview of our audit approach is provided below; a detailed explanation of the audit process and Rehmann's approach is included in the Appendix.



#### Phase 1: Planning and risk assessment

Your Rehmann team will hold a planning meeting with the City prior to the start of the engagement to schedule our audit procedures, arrange for downloads of information, document internal controls over financial reporting and compliance, and review other materials. We will also begin preparing the format of the financial statements in Microsoft Excel.

Once the City has a reasonably-adjusted trial balance available, our team will analytically review the draft financial statements and document our assessment of audit risk by areas. We will use this information to tailor our standard audit programs to correlate with our risk assessment of the City's accounting and financial processing environment.

**Phase 2: Audit procedures and testing**

Working from the reasonably-adjusted trial balance, we will begin year-end audit procedures (also referred to as audit "fieldwork"). These procedures may include on-site fieldwork, remote audit procedures, or a mix of both. Our lead schedules and audit workpapers will be created based on the City's draft financial statements. Each audit area will be tested through a combination of analytical, substantive and sampling procedures, consistent with the tailored audit programs developed in Phase 1.

As these procedures are completed, our team will review the workpapers, quality control documents, and checklists as part of our formal system of quality control. All comments and issues generated by these reviews will be resolved in the field.

**Phase 3: Prepare and review draft financial statements**

Financial statement preparation continues through the entire audit process; once the financial statements and related notes have been compiled, they will also be processed through our formal quality control process.

In addition, we will summarize our recommendations and observations in writing and schedule an exit meeting with the City's management team to discuss our findings, including internal control and program compliance observations and recommendations.

**Phase 4: Conclude audit and issue final financial statements**

After management has reviewed the draft financial statements and any audit findings or recommendations, we will perform conclusion and issuance procedures. Once complete, we will provide final versions of the financial statements and reports.

**SCHEDULE**

Our anticipated schedule of audit milestone dates is intended to comply with your filing date. An initial estimate of such dates is as follows:

DESCRIPTION	DATE(S)
Planning phase	June/July
Primary audit procedures (fieldwork)	September 15-30
Draft reports	On or before October 15
Final reports	Prior to first November board meeting (prior to October 31 will be our target)

## QUALITY CONTROL

In order to ensure that all engagements meet our high-quality standards, we have implemented a firm-wide system of quality control. The significant components of this system, as they relate to your audit, are as follows:

- All workpapers and audit programs are reviewed by the associates' immediate supervisors, and ultimately, the engagement principal.
- Draft financial statements and other reports are given a detailed review by an associate not connected with their preparation.
- Finally, the financial statements and other reports are reviewed for format, presentation and compliance with all applicable professional guidance and technical pronouncements by the engagement principal and a top-level executive independent of the engagement team.

Through this quality control process, we are able to assure our clients that their financial reports have been subjected to the most stringent review of technical compliance and reporting excellence available.

## SIGNIFICANT EXECUTIVE INVOLVEMENT

You can expect substantial involvement from your engagement executives. When our most experienced people are investing a significant amount of time in an engagement, we will conduct the audit with optimal efficiency. In addition, we've experienced frequent executive interaction with our clients strengthens our relationship, gives us a deeper understanding of your needs, and fully leverages the knowledge and experience of your Rehmann team.

## EFFECTIVE USE OF TECHNOLOGY

Rehmann enhances our client experience using technology. Whether the City desires fieldwork to be completed onsite or offsite, rest assured that Rehmann has the capability to seamlessly meet your needs. Our enhanced audit technology includes:

- Data extraction, automation, and advanced data analysis tools to provide management with valuable insights
- Advanced analytics, artificial intelligence, and machine learning software to provide greater accuracy and efficiency
- Work from anywhere, anytime tools — a highly secure Virtual Private Network (VPN) enables Rehmann associates to access network data remotely, in a completely protected way
- Convenience for clients — Rehmann's cloud-based document exchange platform allows for secure, paperless document transfer from clients to their engagement team accessible anytime, anywhere. This platform also incorporates a digital document workflow to track status of requests and the audit.
- Ability to work with your IT department to obtain the audit documentation from your systems remotely, if desired
- Collaboration tools for communication — associates use secure tools for video conferencing and phone calls

## ANTICIPATED POTENTIAL AUDIT PROBLEMS

### POTENTIAL AUDIT PROBLEMS

There are no anticipated audit problems of which we are aware, based on our understanding of current facts and circumstances, and our understanding of pending or potential changes in generally accepted accounting principles and auditing standards. If any problems are encountered during the engagement, we will be proactive in bringing such matters to the attention of the City and finding a mutually acceptable solution. We encourage clients to share feedback with us regularly as it is our goal to exceed your expectations.

### RESOLUTION OF TECHNICAL ISSUES

If a technical issue requires additional consultation, the City's engagement principal will identify the appropriate experience needed for resolution. Rehmann's flexible, internal communication system enables principals to leverage the individual knowledge found throughout the firm. Through various mediums, our professionals have ready-access to subject matter experts with relevant industry or practice area experience.

If an extreme technical matter arises that requires a more formal consultation, the firm looks to our established executive committees, which provide direction on emerging accounting, audit and tax issues. The committees are flexible, allowing for immediate availability, and the individuals who serve on these committees are considered the firm's definitive experts. In situations of dispute resolutions, any member of the engagement team who disagrees with the final resolution may document their disagreement in the workpapers.

**Rehmann provides its clients with *direct access* to in-house industry and technical expertise, which allows for fast resolution of unanticipated audit problems or technical issues.**



## REPORT FORMAT

As your current auditors, we will continue to use the format in the previously issued ACFR. Visit <https://treas-secure.state.mi.us/DocumentSearch> to see the report.

### NEXT STEPS

Thank you for the opportunity to propose services to the City. We are confident Rehmann will meet and exceed your expectations. Please contact us with any questions you may have.

**Nathan Baldermann, CPA, CGFM | 517.787.6503 | [nathan.baldermann@rehmann.com](mailto:nathan.baldermann@rehmann.com)**



## **APPENDIX**

Peer review report  
Government client list  
Detailed audit approach  
Detailed single audit approach

# PEER REVIEW REPORT

PAGE 1 OF 2



CPAs & BUSINESS ADVISORS

## Report on Firm's System of Quality Control

August 30, 2023

To the Principals of Rehmann Robson LLC  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, an audit performed under FDICIA, and an examination of a service organization (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

**Rehmann**

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Rehmann Robson LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rehmann Robson LLC has received a peer review rating of *pass*.

*Eide Bailly LLP*

Eide Bailly LLP

## GOVERNMENT CLIENT LIST

Following is a list of Rehmann's public sector clients. Outsourcing clients are indicated with an asterisk (\*).

### CITIES

City of Ann Arbor	City of Frankenmuth	City of Oak Park
City of Battle Creek	City of Fremont Michigan	City of Pontiac
City of Benton Harbor	City of Gaylord	City of Riverview
City of Charlevoix	City of Grand Blanc	City of Royal Oak
City of Cheboygan*	City of Holland	City of Sebastian, FL
City of Chelsea*	City of Inkster	City of Sturgis*
City of Clawson*	City of Jackson	City of Tecumseh
City of Delphos, OH	City of Lapeer	City of Three Rivers
City of East Lansing	City of Mackinac Island*	City of Wyoming
City of Escanaba	City of Novi	City of Ypsilanti*
City of Flint		

### COUNTIES

Bay County Building	Ingham County	Midland County
Berrien County	Ionia County	Monroe County
Calhoun County	Isabella County	Muskegon County
Clinton County	Kalamazoo County	Newaygo County
County of Jackson	Kalkaska County	Wayne County
County of Saginaw	Kent County	Washtenaw County
Dow Event Center	Leelanau County	Wexford County
Eaton County	Lenawee County*	
Indian River County, FL	Mecosta County	

### VILLAGES AND TOWNSHIPS

Armada Township	Harrison Charter Township	Town of Orchid, FL
Benton Charter Township*	Little Traverse Township	Village of Augusta
Berlin Charter Township	Macon Township	Village of Blissfield
Blair Township	Penn Township	Village of Brooklyn
Concord Township	Pittsfield Charter Township	Village of Chesaning*
East Bay Township	Saginaw Charter Township	Village of Dundee
Frenchtown Charter Township*	Superior Township*	Village of Kalkaska
Glen Arbor Township	Sylvania Township*	Village of Mackinaw City*
Green Lake Township*		

### LIBRARIES

Note: standalone library clients are listed. We audit additional libraries through various municipalities.

Chippewa River District Library	Portage District Library
Kent District Library*	Shiawassee District Library

## TRIBAL GOVERNMENT

Bay Mills Indian Community  
FireKeepers Casino\*  
Grand Traverse Band LLC  
Grand Traverse Band Economic Development Corp.

Grand Traverse Resort & Spa LLC  
Nottawaseppi Huron Band\*

## SCHOOL DISTRICTS

Adrian Public Schools  
Airport Community Schools  
Allen Park Public Schools  
Anchor Bay School District  
Bangor Township Schools  
Bedford Public Schools  
Big Jackson Public School  
Big Rapids Public Schools  
Black River Public School  
Dearborn Heights School District No. 7  
Detroit Public Schools\*  
Detroit Public Schools Community District\*  
Dexter Community Schools  
Dundee Community Schools  
East Jackson Community Schools  
Escanaba Public Schools  
Flint Cultural Center Academy\*  
Freeland Schools  
Fruitport Community Schools  
Gibraltar School District  
Grand Traverse Academy\*  
Hesperia Community Schools  
Honey Creek Community School\*  
Houghton Lake Community Schools  
Huron School District  
Ida Public Schools  
Ionia Public Schools  
Jackson County ISD  
JKL Bahweting School  
Kent Intermediate School District\*

Knapp Charter Academy  
Lakeview Community Schools  
Lincoln Consolidated Schools\*  
Linden Community Schools  
Mackinac Island School  
Madison District Public Schools\*  
Manchester Community Schools  
Marshall Public Schools  
Marquette Area Public Schools  
Milan Area Schools  
Mona Shores Public Schools  
Monroe County ISD  
Napoleon School District  
Northwest School District  
Pennfield Schools  
Pinckney Community Schools  
Plainwell Community Schools  
Portage Public Schools  
Potterville Public Schools\*  
Redford Union Schools  
Sault Ste Marie Area Public Schools  
Southgate Community Schools  
South Lake Community Schools  
Springport Public Schools  
St. Ignace Public Schools  
Summerfield Schools  
Vandercook Lake Public Schools  
Vanguard Charter Academy  
Vassar Public Schools\*  
Western School District

## COLLEGES & UNIVERSITIES

Baker College  
Bay College  
Bay Mills Community College  
Cleary University  
Eastern Michigan University\*  
Ferris State University\*  
Glen Oaks Community College

Lansing Community College  
Macomb Community College  
Michigan State University\*  
Mid Michigan College  
Montcalm Community College  
Mott Community College  
North Central Michigan College



Gogebic Community College  
Grand Valley State University\*  
Jackson College  
Kirtland Community College  
Lake Michigan College

Northern Michigan University  
St. Clair County Community College  
University of Michigan\*  
West Shore Community College

### **ROAD COMMISSIONS**

Branch County Road Commission  
Clinton County Road Commission  
Hillsdale County Road Commission  
Leelanau County Road Commission

Luce County Road Commission\*  
Marquette County Road Commission  
Missaukee County Road Commission  
St. Joseph County Road Commission

### **TRANSIT**

Note: standalone transit clients are listed. We audit additional transit authorities through various municipalities.

Bay Area Transportation Authority  
Clinton Area Transit Authority

Regional Transit Authority of Southeast Michigan\*  
Toledo Area Regional Transit Authority\*

### **MEDICAL CARE FACILITIES**

Bay County Medical Care Facility

### **COMMUNITY MENTAL HEALTH (CMH)**

Allegan County CMH  
AuSable Valley CMH\*  
CMH of Clinton, Eaton and Ingham Counties\*  
Community Living Services\*  
Detroit Wayne Integrated Health Network\*  
Genesee Health System\*  
HealthWest CMH\*  
Integrated Services of Kalamazoo\*  
Lifeways\*  
Macomb County CMH\*  
Monroe CMH\*  
Network 180\*  
North Country Mental Health\*  
Northeast Michigan CMH Authority\*  
Northern Michigan Regional Entity\*

Oakland Community Health Network\*  
Pines Behavioral Health Services\*  
Region 10\*  
Riverwood Center (Berrien CMH)\*  
Saginaw County CMH\*  
Sanilac CMH  
Shiawassee County CMH\*  
St. Clair County CMH\*  
CMH Services of St. Joseph County  
Summit Pointe\*  
Tuscola CMH\*  
Van Buren CMH\*  
Washtenaw Community Health Organization\*  
Woodlands Behavioral Healthcare Network\*

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## OTHER

Battle Creek Promise Zone Authority  
City of Grand Rapids Pension Systems  
Cloverland Electric Coop  
Downtown Development Authority (Jackson)  
East Lansing - Meridian Water & Sewer Authority  
Grand Rapids-Kent County Convention/Arena Auth.  
Grand Traverse Metro Emergency Services Auth.  
Great Lakes Commission  
Great Lakes Water Authority  
Harbor-Petoskey Area Airport Authority  
Health Department of Northwest Michigan\*  
Indian River Mosquito Control District\*  
Ingham County Land Bank Fast Track Authority  
Jackson Narcotics Enforcement Team (JNET)  
Kent County Dispatch Authority  
Lansing Economic Development Corporation  
LAWNET  
Lenawee Conservation District  
Mackinac Island Department of Public Works\*  
MBS International Airport  
Menominee Delta Schoolcraft Community Action  
Michigan Department of Treasury  
Monroe County Agency  
Resources Global Professionals  
Saginaw County 9-1-1 Authority  
Traverse City Downtown Development Authority\*  
Tri-County Regional Planning Commission  
Ypsilanti Community Utilities Authority

## DETAILED AUDIT APPROACH

Each audit engagement is unique and requires different procedures to meet specific circumstances. However, the following broad approach is followed for most of our audits. While certain steps may occur in different order than presented below, a typical audit consists of the following procedures:

### PHASE 1: PLANNING AND RISK ASSESSMENT

Certain audit procedures and inquiries are completed prior to the commencement of audit fieldwork. This ensures that we have a complete understanding of the entity, agreement on the extent of procedures to be performed, and an anticipated timeline.

PROCEDURE	DESCRIPTION
Planning meeting	<p>The audit team will meet with the client's key contacts and dates will be set for all audit milestones:</p> <ul style="list-style-type: none"><li>• Preliminary fieldwork, as requested</li><li>• Availability of reasonably adjusted trial balance</li><li>• Primary fieldwork</li><li>• Interim audit status meetings, if necessary</li><li>• Exit conference</li><li>• Final reports</li><li>• Presentations, as requested</li></ul> <p>By agreeing to these dates up front, we are able to schedule the right people to have availability at the right time. During this meeting, both the client and the auditors will clarify expectations for:</p> <ul style="list-style-type: none"><li>• Requested downloads and Rehmann's document exchange platform</li><li>• Client-provided workpapers (content, format, timing, etc.)</li><li>• Communication methods (phone vs. email, etc.) and direction (all requests through the primary contact vs. inquiring directly of the employee responsible)</li></ul>
Draft preliminary financial statements	<p>Using the prior year trial balance and issued financial statements, we will gain an understanding of account groupings for financial statement presentation. This will simplify the process of compiling the financial statements by only requiring newly created general ledger accounts to be grouped. It will also ensure that the audited financial statements are being prepared consistently. We refer to this as "coding the trial balance" which will then link directly to the financial statements, management's discussion and analysis tables, and leadsheets. If journal entries need to be posted after the auditors have received the trial balance, they can be posted in our Excel file and will flow through automatically to the related files.</p>

Engagement letter	The engagement letter will serve as the contract between the auditors and the client and will be sent each year. This letter contains information on the scope of the audit and the related fees. We ask that the client return a signed copy of the letter to us prior to the commencement of primary audit fieldwork.
Discussion with audit committee	Each year before the start of the audit, one of the audit executives assigned to your engagement will conduct a short meeting or phone call with the chair of your audit committee (or its equivalent in your entity). We will discuss timing and the planned scope of the audit. Your audit committee chair will have the opportunity to ask questions and provide us with any additional information he/she deems relevant.
Communication with prior auditors	Auditing standards require that we make certain inquiries of your predecessor auditors. We will provide management with a letter to send to the predecessor audit firm authorizing them to answer our questions and allow us access to their prior year workpapers. We will have the client send a copy of this letter to us so we know when to initiate communication. If we determine that the appropriate standards were followed in performing that audit, we may not consider it necessary to test opening balances.
Communication with other auditors	If the client has any funds or component units audited by other CPA firms, we will need to make certain inquiries of these firms regarding their understanding of our reliance on their separately-issued report(s) and the auditing standards they plan to follow. This process requires minimal assistance from the client and is deemed to remain in effect unless the audit firm changes.

## PHASE 2: PRIMARY FIELDWORK AND TESTING

In order to design our auditing procedures according to your unique operating environment, we will use various methods to gain an understanding of processes and internal controls. We will use the results of these inquiries and tests to assess risk and to further tailor our audit programs. This process is more extensive in the first year as a base understanding is gained by the audit team. In future years, the process will consist primarily of updating our understanding for any procedural or personnel changes that may have occurred. Our standard planning/risk assessment procedures may include the following tests:

PROCEDURE	DESCRIPTION
Document financial systems	We will obtain any existing accounting policies and/or procedures manuals to gain an understanding of the operating environment. If no such materials are available, we will provide a form of basic questions that will guide you through the process of documenting your actual practices.

Review control activities	<p>A questionnaire will be provided that describes typical control activities by transaction class (i.e., cash, accounts receivable, long-term debt, etc.). We will ask you to answer these questions and provide any additional information that may be helpful to us in understanding the internal control structure.</p> <p>Based on the responses to these questions, we will determine the 2-3 "key controls" over each transaction type.</p>
Walkthroughs	<p>Once we have an understanding of internal controls and have identified the key controls, we will select a small sample of actual transactions and "walk through" each of the key controls to determine if they have been implemented and documented appropriately. The typical areas for which walk throughs are performed include: cash disbursements, cash receipts, payroll, and general journal entries, though other areas may also be tested at this time.</p>
Establish materiality and major funds	<p>Using the reasonably adjusted trial balance and draft financial statements, the audit team will test the appropriateness of major funds. Materiality will then be calculated by opinion unit. Our substantive tests generally require the audit team to test all individually significant items and, depending on the remaining untested balance, may require sampling the remaining population.</p>
Review of board minutes	<p>In addition to discussing major activities in the year under audit with management (such as issuance of long-term debt, large capital-related purchases, new programs or services, etc.), we will review minutes from meetings of the Board and any committees. This will allow us to identify significant or unusual events or purchases and revise our planning audit procedures accordingly.</p>
Analytical review	<p>Using the current and prior years' trial balances and the final amended budget, we will perform analytical procedures at the financial statement level. In general, we consider an income statement line item to be reasonable and consistent if it is within either 10 percent of the prior year actual or current year budget. Any financial statement line items with fluctuations outside of these parameters will be selected for additional procedures. We will review fluctuations at a greater level of detail (by general ledger account) and have discussions with management to identify and document the reasons for the change.</p> <p>Based on our preliminary analytical review, certain income statement accounts may be selected for substantive testing because of their significance and/or ease of testing. Common substantive</p>

	tests over income statement accounts are described later in this appendix.
Risk assessment and brainstorming	At various times through the year, Rehmann's audit group will meet to discuss risks that are common to our clients. The audit team will review the notes from these meetings at the beginning of the audit to determine which of these risk factors might be applicable. The team will then use the information provided in the previous steps to identify additional risks and design audit procedures to address such risks. Our audit programs will be tailored to reflect the planned audit procedures.
Consideration of fraud	In the form of a questionnaire, we will make certain inquiries of personnel in various departments and positions to obtain their views about the risks of fraud and how they are addressed.  In addition, each year the audit team will conduct 2-4 procedures that are outside the scope of the typical audit. These tests are generally relatively simple and address various internal control and compliance issues.
Review of attorney invoices	We will discuss any pending or anticipated litigation with upper management and review invoices for attorney services. If items are identified that may require accrual and/or disclosure in the financial statements, we may request written responses to certain inquiries from your attorneys.

### Substantive Audit Procedures

In general, our audit approach is "balance sheet oriented". This means that we will first focus our attention on testing the ending balances of the assets and liabilities of each opinion unit. This approach has two distinct advantages: (1) it places greater emphasis on identifying potential misstatements in accounts that could have a carry-over effect on later periods (unlike income statement accounts that reset each year), and (2) it can reduce risk of material misstatement over the aggregate income statement accounts to a level where a primarily analytical approach can be applied with an acceptable detection risk for potential misstatements. This results in a very efficient audit process, and allows us to provide a high level of assurance in fewer hours. Although, as stated above, certain income statement accounts may still be tested substantively because of their ease of testing and/or significance.

Our auditors approach substantive balance sheet testing at the financial statement level (following our opinion) and not by individual trial balance accounts. Leadsheets are generated directly from the trial balance using grouping codes, and accounts are divided and subtotaled by opinion unit in order to easily determine whether appropriate testing has been completed. Each leadsheet contains both current and prior year balances to allow the auditors to quickly identify trends and expectations and document any significant fluctuations. Balance sheet accounts that have remained unchanged will be brought to the attention of management for inquiry and follow up.

Initially, all individually significant or unusual items are selected for testing and the percent of coverage by opinion unit is calculated and evaluated for adequacy to support our opinion. If, based on our risk assessment, we consider it necessary to obtain additional audit coverage, the remaining untested balance is stratified and sampled following professional standards. With each test performed, the auditors include sufficient documentation to both comply with professional standards and to allow the audit executives to understand the procedures performed and related conclusions reached during their review process.

Our entire audit process is facilitated electronically, using a paperless system. Accordingly, to the extent possible, we request that supporting schedules and documentation be provided to us in their native electronic format.

While not all inclusive, the following listing summarizes many of the standard substantive audit procedures that may be performed, along with the requested documentation:

AUDIT AREA	SUBSTANTIVE TEST
Cash and investments	<ul style="list-style-type: none"> <li>• Send bank confirmation forms (completed by management) to respective financial institutions, compare confirmed balances to bank statements, and investigate discrepancies.</li> <li>• Consider allowability of investments in accordance with State statute and the client’s investment policy.</li> <li>• Agree book balances to a trial balance account (or group of accounts for pooled cash systems).</li> <li>• Test bank reconciliations by tracing deposits in transit and outstanding checks to the subsequent period statement. Trace inter-bank transfers in transit between account reconciliations. Identify outdated or unusual reconciling items.</li> <li>• Consider the appropriateness of accrued interest on certificates of deposit and investments.</li> <li>• Calculate Federal Depository Insurance Coverage (FDIC).</li> <li>• Prepare financial statement disclosures such as those concerning interest rate risk, credit risk, and concentration of credit risk.</li> </ul>
Receivables	<ul style="list-style-type: none"> <li>• Obtain subledgers for significant account balances. Select items for detail testing and obtain subsequent receipt noting whether the amount was earned prior to year end and received in the next period.</li> <li>• Consider whether any receivables in funds are collected outside of the period of availability (as it is defined by the client) and should be deferred in the fund financial statements.</li> <li>• Trace grant receivables to financial status reports, subsequent receipts, and/or determine whether the recorded receivable is equal to grant expenditures, less actual cash receipts.</li> <li>• Trace utility receivable balances to detail customer reports. Through the use of statistical sampling, test select customer balances for proper recording.</li> </ul>



Inventory	<ul style="list-style-type: none"> <li>• Compare detailed listings of items, individual cost, and extended cost to the general ledger control accounts.</li> <li>• Inquire about obsolete inventory.</li> </ul>
Prepays	<ul style="list-style-type: none"> <li>• Determine the nature of prepaid items in each general ledger account.</li> <li>• Recalculate prepaid balance using invoices and check vouchers, determining whether the amount was paid prior to year-end.</li> </ul>
Capital assets	<ul style="list-style-type: none"> <li>• Obtain rollforwards of capital asset activity. Agree beginning balances to prior year audited amounts and ending balances to general ledger control accounts.</li> <li>• Obtain a detailed listing of additions and agree to the rollforward. Test individually significant items by tracing to approved invoices.</li> <li>• Compare capital outlay expenditures to capital asset additions for reasonableness. If considered necessary, perform a search for unrecorded capital assets to audit completeness.</li> <li>• Agree approved capital items from board minutes to additions listing.</li> <li>• Obtain a detailed listing of disposals and agree to the rollforward. Determine whether any proceeds on the sale of such assets has been reported appropriately in the financial statements.</li> <li>• Obtain depreciation schedules and test the accuracy of calculation based on the selected depreciation method and useful life.</li> <li>• Test the accounting for and disclosure of amounts acquired through capital leases or installment purchase agreements.</li> <li>• Test the allocation of depreciation expense by function.</li> <li>• Inquire about timing of physical inventory observations, the existence of idle assets, and whether remaining useful lives are still appropriate.</li> <li>• Inquire about the existence of intangible assets such as usage or access rights.</li> <li>• Consider whether amounts remain on construction contracts related to construction in progress for disclosure in the notes to the financial statements.</li> </ul>
Payables	<ul style="list-style-type: none"> <li>• Obtain a detailed listing of the composition of general ledger control accounts and compare to year-end account balances.</li> <li>• Perform a completeness test by selecting certain subsequent disbursements, reviewing the invoice for information on the accounting period involved, and determining whether the amount is properly included or excluded from year-end accounts payable.</li> <li>• Trace fiduciary liabilities to subsequent disbursements or detailed subledgers of amounts held by individual/entity.</li> <li>• Determine whether any amounts are being held in agency funds which should be accounted for in the respective funds.</li> </ul>

<p>Accrued liabilities</p>	<ul style="list-style-type: none"> <li>• Recalculate accrued salaries and wages payable by gaining an understanding of the timing of service periods and pay dates, obtaining support for the first pay date in the subsequent period, determining the number of service days covered by the pay run and the number of service days during the period under audit, recalculating the accrual.</li> <li>• Recalculate the accrual for the employer's share of FICA taxes payable based on known rate of 7.65%.</li> <li>• Consider the reasonableness of other fringe benefit accruals such as health insurance, retirement, and workers' compensation.</li> <li>• For self-insurance programs, obtain calculations or third-party reports estimating incurred-but-not-reported claims. Rollforward self-insurance claims payable for disclosure in the footnotes.</li> </ul>
<p>Long-term debt</p>	<ul style="list-style-type: none"> <li>• Obtain a rollforward of long-term debt activity. Compare the beginning balances to the prior year audit.</li> <li>• Obtain amortization schedules for bonds and notes payable. Consider whether any debt covenants exist and test accordingly.</li> <li>• Trace principal payments to the debt rollforward and the amortization schedules.</li> <li>• Agree the current portion of long-term debt and future minimum payments of principal and interest to the amortization schedules.</li> <li>• Determine whether new debt was approved by the governing body and issued in accordance with State statute.</li> <li>• Determine whether there were premiums and/or discounts associated with the issuance of the debt by obtaining the sources and uses statement. Consider whether any bond issuance costs should be capitalized and amortized over the life of the bonds. Recalculate such balances.</li> <li>• Recalculate accrued interest payable based on the first interest payable of the subsequent period, the length of time covered by this interest payment, and the length of time within the year under audit.</li> </ul>
<p>Leases and Subscription-Based Information Technology Arrangements</p>	<ul style="list-style-type: none"> <li>• Obtain copies of all new lease agreements and subscription-based information technology arrangements (SBITAs) entered into during the current year.</li> <li>• Obtain a rollforward of lease and SBITA activity. Compare the beginning balances to the prior year audit.</li> <li>• Obtain amortization schedules for lease and SBITA liabilities, along with support for the discount rate used to calculate these balances.</li> <li>• Trace principal payments to the lease and SBITA rollforwards and the amortization schedules.</li> </ul>

	<ul style="list-style-type: none"> <li>• Agree the current portion of lease and SBITA liabilities and future minimum payments of principal and interest to the amortization schedules.</li> </ul>
Compensated absences	<ul style="list-style-type: none"> <li>• Obtain a detailed listing of compensated absences (accrued sick and vacation time) by employee and agree to general ledger control accounts.</li> <li>• Obtain an understanding of compensated absences policies, such as vesting, payment rates, and maximum payouts.</li> <li>• Select a sample of individuals for testing. Trace accrued hours to source files and pay rates to personnel files or union/bargaining unit contracts. Recalculate accrual and determine whether hours are within the maximum amount.</li> <li>• Determine whether FICA taxes are being accrued on the year-end balance.</li> <li>• Rollforward compensated absences liability by obtaining either the accrual for amounts earned or the amounts used/paid for disclosure in the notes to the financial statements.</li> <li>• Consider the appropriateness of the expense allocation for the change in compensated absences of activities.</li> <li>• Inquire about an estimated current portion and consider whether this is being presented appropriately in the financial statements. Compare current portion to actual uses/payments for reasonableness.</li> <li>• Inquire about the existence of any severance agreements or termination benefits. Obtain supporting documentation and test accordingly.</li> </ul>
Equity	<ul style="list-style-type: none"> <li>• Compare beginning equity by fund to the prior year audit, and investigate any differences.</li> <li>• Review fund balance classifications based on the nature of the funds and board resolutions/policies (if applicable).</li> <li>• Review net asset classifications for accuracy. Recalculate net assets invested in capital assets net of related debt.</li> </ul>

These substantive procedures will be completed primarily by our staff and senior auditors. Each workpaper will be reviewed by the engagement manager (and where appropriate, the engagement principal) during fieldwork so questions can be resolved in a timely matter.

### PHASE 3: FINANCIAL STATEMENT PREPARATION AND REVIEW

Another key element of the fieldwork process is the preparation of draft financial statements (including footnotes), the management letter, and other applicable reports/correspondence. The following are the primary steps in the preparation of the financial statements:

PROCEDURE	DESCRIPTION
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Downloads	<ul style="list-style-type: none"> <li>• Obtain a download directly from the client's financial accounting system which includes: complete account number, account name, and account balance. For income statement accounts, the original and amended budgets will be downloaded as well.</li> <li>• Extract the system download into a usable Excel file using Monarch or other data extraction software.</li> <li>• Assign fund and entity-wide financial statement captions to each account based on the level of detail in the financial statements. This effectively maps each account on the client's chart of accounts to the appropriate sections of the financial statements.</li> </ul>
Linking	<ul style="list-style-type: none"> <li>• Use Excel PivotTables to summarize the data in the trial balance based on the assigned captions, which allows any account coding changes or journal entries discovered through the audit process to be posted to the auditors' version of the trial balance</li> <li>• Match the captions to the actual financial statements.</li> </ul>
Footnotes	<ul style="list-style-type: none"> <li>• Draft notes to financial statements using a current disclosure checklist to ensure completeness.</li> <li>• Obtain supporting documentation for disclosures not directly linked to the trial balance or financial statements, such as: retirement and other postemployment benefit plan funding progress and funded status, related party transactions, subsequent events, etc.</li> </ul>
Communication with those charged with governance	<ul style="list-style-type: none"> <li>• Through the audit process, the engagement team will keep a list of potential audit issues and/or internal control or efficiency recommendations.</li> <li>• Near completion of fieldwork, the potential items are reviewed and discussed amongst the audit team.</li> <li>• The method of communication for items deemed to be control and/or compliance deficiencies is determined and a communication with those charged with governance letter (informally known as the "management letter") is drafted.</li> </ul>
Other reports	<ul style="list-style-type: none"> <li>• If the client is subject to a single audit, the reports on Single Audit Act compliance will be prepared.</li> </ul>
Detail check	<ul style="list-style-type: none"> <li>• After the financial statements and notes are received and a disclosure checklist is completed, the entire report is reviewed by another individual. Controls totals are compared between statements and schedules, numbers are footed and cross-footed, footnotes are agreed to the underlying financial statement amounts (when applicable), and overall presentation is reviewed for proper formatting, spelling, and grammar.</li> </ul>

	<ul style="list-style-type: none"> <li>• The audit opinion (and Yellow Book report and/or single audit report, as applicable) are compared to current professional standards for completeness and accuracy.</li> <li>• Any management letter comments are reviewed for clarity and appropriateness.</li> <li>• The preparer of these documents is then provided feedback from the independent review and follows up on questions/comments accordingly.</li> </ul>
Technical standards review	<ul style="list-style-type: none"> <li>• The engagement principal will review the audit team's workpapers and perform a technical standards review of the financial statements and management letter.</li> <li>• Additional technical standards reviews are conducted after fieldwork by a principal not associated with the engagement (i.e., a "cold review" of the statements).</li> </ul>
Exit conference	<ul style="list-style-type: none"> <li>• Audit findings or recommendations are explained in detail, and an open dialog is held to ensure that the facts and circumstances are properly understood by all parties.</li> <li>• Any open items are summarized in written format and reviewed with the client.</li> <li>• The timeline for engagement completion and issuance (initially agreed-upon as part of the planning meeting) is reviewed for reasonableness, and updated as needed.</li> </ul>

Any questions or issues that arise through the technical standards review are discussed between the audit team and management. If changes have been made to the initial drafts, management is provided with a final draft for its review and approval. We then provide management with a draft representation letter. This is a document that puts into writing the assertions made by management to the auditors throughout the audit process. We ask that this letter be printed on the client's letterhead and signed by two individuals (generally the equivalents of the CEO and CFO). We consider the signed representation letter to be management's assertion that drafts have been reviewed and our authorization for processing of final reports.

#### **PHASE 4: CONCLUSION AND ISSUANCE PROCEDURES**

Management will be provided with a final PDF of all reports produced in the audit. The client may use this document for distribution to grantor agencies and related parties, upload to the client's website, or to produce additional printed copies.

The audit process concludes with presentation to the governing body (or one of its committees), as requested. We are confident that our audit process will maximize efficiency while still providing the highest level of audit assurance. Our auditing team has a deep understanding of accounting and financial reporting. We will make as many requests ahead of time as possible, coordinate information requests and questions, and strive to keep the audit process as efficient as possible.

## DETAILED SINGLE AUDIT APPROACH

Your single audit will be conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Each audit engagement is unique and requires different procedures to meet the specific circumstances. However, the following broad approach is followed for most of our single audits. These procedures are generally performed concurrently with the financial statement audit and the reports are issued on the same date. However, this work can be performed at a separate time if requested by management. The following procedures describe our general approach in performing a single audit.

### Testing of schedule of expenditures of federal awards and understanding internal controls over federal awards

Our first step in performing a single audit is obtaining a complete schedule of expenditures of federal awards (SEFA) from management. While the auditors may assist in the compiling and formatting the SEFA, the responsibility of identifying federal awards and providing information on the Assistance Listing Number (ALN), grant/pass-through award number, pass-through agency, and current year expenditures is the responsibility of management. We will request that a complete SEFA be provided before commencement of the single audit procedures. The following are the primary steps in testing the SEFA and obtaining and understanding the related procedures and internal controls:

PROCEDURE	DESCRIPTION
Agree to general ledger	<ul style="list-style-type: none"><li>• Obtain an understanding of the chart of accounts used to track federal revenue and expenditures and which identifying numbers correspond to each grant award.</li><li>• Agree federal revenue (by grant and in total) to the SEFA.</li><li>• Agree federal expenditures to the SEFA.</li><li>• Inquire of the existence of non-cash awards that may recorded as a government-wide adjustment only.</li></ul>
Agree to source documents	<ul style="list-style-type: none"><li>• Obtain source documents to substantiate amounts/disclosures in the SEFA, such as grant award agreements, financial status reports, award close-out reports, etc.</li></ul>
Obtain understanding of internal controls	<ul style="list-style-type: none"><li>• Review with management the overall controls over compliance with each of the applicable compliance requirements of the OMB Compliance Supplement.</li><li>• Inquire of any program audits or grantor agency monitoring during the year and results of those visits.</li><li>• Review prior year audits for instances of control deficiencies or noncompliance related to federal awards.</li></ul>

### Determine major programs and perform controls/compliance testing

A single audit involves detail testing of individual programs (or clusters of programs) which are selected by the auditors using various criterion. Some of the factors are subjective and others have very little flexibility. For example, programs of a certain size must be tested at least every third year. The audit team will select major programs based on the criteria listed in the Uniform Guidance and their risk assessment process.



Programs/clusters selected as major will be communicated to management as soon as they are determined and a detailed request list will be provided. The following procedures describe our controls/compliance testing:

PROCEDURE	DESCRIPTION
Determine major programs	<ul style="list-style-type: none"> <li>• Determine whether the auditee meets "low-risk" criteria by reviewing single audit reports and Federal Audit Clearinghouse submissions from the past two years. Calculate the required audit coverage (20 percent or 40 percent, depending on whether the entity is "low-risk").</li> <li>• Perform risk assessments and select those programs required to be tested in the current year.</li> <li>• Select additional programs, as necessary, to obtain sufficient audit coverage.</li> <li>• Calculate materiality for each major program/cluster.</li> </ul>
Gather information	<ul style="list-style-type: none"> <li>• Extract the general ledger transaction detail for the revenue and expenditure accounts used for each major program (complete general ledger detail already obtained through financial statement audit procedures).</li> <li>• Group general ledger transactions based on transaction type (i.e., payroll, accounts payable, indirect charge, etc.).</li> <li>• Summarize transactions by type and agree expenditures in total to the SEFA.</li> <li>• Review the matrix of compliance requirements as provided in the OMB Compliance Supplement (if available) for selected programs and determine applicable compliance requirements.</li> <li>• Obtain the grant agreement and budget and review along with the summarized general ledger postings to determine whether the compliance requirements indicated on the matrix are all applicable.</li> <li>• Review the detail compliance requirements and suggested audit procedures of the specific grant in the OMB Compliance Supplement.</li> <li>• Determine whether any other authoritative guidance exists, such as pass-through grantor manuals or memos, and review such requirements.</li> </ul>
Controls/compliance testing (overall procedures)	<ul style="list-style-type: none"> <li>• Perform tests of controls and compliance for each applicable compliance area. Such procedures are generally a combination of inquiries/observations along with a sample of actual transactions.</li> <li>• Select individually significant items for testing and sample remaining balances to obtain sufficient audit coverage for controls and compliance.</li> <li>• Inquire of the internal controls over each compliance area and the method of documenting such controls.</li> </ul>



- Review source documentation and determine whether the entity demonstrated compliance and documented controls over compliance.
- Document understanding of each applicable compliance requirement, related internal controls, testing performed, and audit conclusions.

General procedures for each of the applicable compliance requirements are as follows, but will vary based on audit risk assessment, materiality, provisions of the grant agreement, and other factors:

PROCEDURE	DESCRIPTION
Allowable costs/cost principles	<ul style="list-style-type: none"> <li>• Review invoices and purchase orders for accounts payable disbursements. Determine whether disbursements were allowable in accordance with the provisions of the grant agreement and whether the disbursement was made and documented in accordance with the entity's purchasing policies.</li> <li>• Recalculate payroll charges based on approved timesheets and pay rates (for hourly employees).</li> <li>• Determine whether time and effort were documented in accordance with the Uniform Guidance.</li> <li>• Analytically compare fringe benefit charges for Federal programs to entity-wide averages for reasonableness.</li> <li>• Agree indirect charges to approved rates or cost allocation plan.</li> </ul>
Cash management	<ul style="list-style-type: none"> <li>• Determine whether cash advances are allowed for the grant or if it is operated strictly on a reimbursement-basis.</li> <li>• Review a sample of actual cash draws and compare to source documentation (such as a general ledger expenditure report).</li> <li>• For reimbursement-based grants, determine whether cash was disbursed (and not just expended) within 3 days of receipt.</li> <li>• Identify whether the cash draw was subjected to a documented independent review and approval.</li> </ul>
Eligibility	<ul style="list-style-type: none"> <li>• Determine eligibility requirements under the grant and whether they apply to individuals or groups of individuals.</li> <li>• Obtain an understanding of how eligibility is determined, documented, and independently verified.</li> <li>• Obtain a detailed listing of the individuals/groups receiving benefits under the grant. Select a sample and review source documentation to verify eligibility.</li> </ul>
Equipment and real property management	<ul style="list-style-type: none"> <li>• Determine whether the entity has purchased capital items with federal funds in the current or previous years.</li> <li>• Obtain a listing of capital items purchased with federal funds and ensure that each asset is being flagged as "federally-funded" and</li> </ul>

	<p>listed along with the grantor agency name and other required information.</p> <ul style="list-style-type: none"> <li>• Inquire of the most recent physical inventory and reconciliation to the accounting records and review documentation of this process.</li> <li>• Determine whether any disposals during the current year were made in accordance with Federal guidelines.</li> <li>• Inquire about the controls over safekeeping and appropriate use of federally-funded equipment. Determine whether a physical inspection or tour is necessary.</li> </ul>
Matching, level of effort, and earmarking	<ul style="list-style-type: none"> <li>• Review management's documentation for compliance with minimum and maximum percentage requirements.</li> <li>• Determine whether matching requirements were met and trace to supporting documentation.</li> </ul>
Period of performance	<ul style="list-style-type: none"> <li>• Determine the period of performance of the grant by reviewing the award agreement.</li> <li>• Select a sample of transactions and ensure that each was incurred during the period of performance.</li> <li>• Determine whether grant funds were required to be expended in accordance with certain timelines and whether such requirements were met.</li> </ul>
Procurement, suspension and debarment	<ul style="list-style-type: none"> <li>• Review the entity's purchasing and procurement policies. Determine when competitive bidding is required.</li> <li>• Review a sample of transactions and determine whether each was processed in accordance with entity policies and procedures.</li> <li>• Determine the expenditures in which competitive bidding was required. Select a sample of such expenditures and review procurement files for evidence of full and open competition and compliance with entity policies.</li> <li>• Determine whether any vendors/contractors were utilized in the amount of \$25,000 or more for which suspension/debarment procedures would apply. Search vendor/contractor name on the Federal Excluded Parties List System (EPLS) and identify whether any are listed as suspended or debarred.</li> <li>• Inquire about the controls over doing business with suspended or debarred parties. Review corroborating evidence, such as: excerpts of contracts, signed certifications regarding suspension/debarment, or other documentation, as applicable to the entity.</li> </ul>
Program income	<ul style="list-style-type: none"> <li>• Determine whether the entity generated any income through use of grant funds. If so, ensure that it was accounted for appropriately and reinvested in the program.</li> </ul>

	<ul style="list-style-type: none"> <li>• Inquire of the controls over ensuring that all program income is appropriately captured as such in the general ledger and therefore identifiable for reinvestment in the grant.</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>• Gain an understanding of the required reports (financial, performance, and/or special), and submission frequency.</li> <li>• Select a sample of each type of report (financial, performance, and special) and trace reported amounts and data to the general ledger or other underlying records.</li> <li>• Determine whether selected reports were submitted by the required due date.</li> <li>• Review evidence of independent review and approval of reports prior to submission.</li> </ul>
Subrecipient monitoring	<ul style="list-style-type: none"> <li>• Obtain a listing of the grant subrecipients and dollars passed-through to each.</li> <li>• Select a sample of subrecipients and review subaward agreements for appropriate communication of required items.</li> <li>• Review monitoring files for evidence of review. Determine whether any findings were noted and if appropriate follow-up action was taken.</li> <li>• Obtain subrecipient single audit reports (if applicable) and determine whether the amounts reported by the subrecipient reconcile to the entity's records. Review paperwork to support that this review and reconciliation was completed and follow-up action was taken as necessary.</li> </ul>
Special tests and provisions	<ul style="list-style-type: none"> <li>• Identify special tests and provisions through review of the OMB Compliance Supplement and the grant agreement.</li> <li>• Design tests to determine compliance with such requirements, obtain information on the population, select a sample of transactions, and review evidence to support compliance.</li> </ul>

### Report preparation and audit finalization

After all the detail testing is completed and related inquiries have been made, the auditors will identify whether any noncompliance or control deficiencies were noted. These instances will be evaluated for magnitude and materiality and an initial determination of method of communication will be made. The following summarizes the remaining procedures performed for the single audit:

PROCEDURE	DESCRIPTION
Review of workpapers and evaluation of potential findings	<ul style="list-style-type: none"> <li>• As with the financial statement audit, all workpapers will be subjected to an independent review before fieldwork is completed to allow for follow-up on questions.</li> <li>• At the end of audit fieldwork, or shortly thereafter, the workpapers and potential finding listing will be reviewed by the</li> </ul>

Draft report	<p>engagement partner. The appropriate method of communication for any noncompliance or control deficiencies will be determined.</p> <ul style="list-style-type: none"> <li>• Draft report on Single Audit Act compliance. This may be included in the back of the entity's financial statement audit, or as a free-standing document, based on management's preference.</li> <li>• Prepare required reports in accordance with <i>Government Auditing Standards</i> and the Uniform Guidance and ensure that language is consistent with authoritative guidance.</li> <li>• Prepare the schedule of findings and questioned costs.</li> <li>• Draft language for any items noted as control deficiencies and/or noncompliance. Each item will be identified by number, indicate the grant name and ALN, the pass-through agency (if applicable), and the pass-through/grantor award number. In accordance with professional standards, the write-up will include the <i>criteria</i> necessary for compliance, the <i>condition</i> noted in our testing, the primary reason(s) or <i>cause</i> for this condition, the related <i>effect</i> on the entity, and the auditors' <i>recommendation</i> for future action. In addition, there will be a section on the <i>view of responsible officials</i> where the entity can provide its perspective on the situation and planned corrective action.</li> <li>• Enter data into the web-based data collection form for eventual submission to the Federal Audit Clearinghouse.</li> </ul>
Technical standards review	<ul style="list-style-type: none"> <li>• Subject single audit report and data collection form to technical standards review by the engagement partner.</li> <li>• Process draft report in PDF format and provide to management.</li> </ul>
Review report with management	<ul style="list-style-type: none"> <li>• Either as part of the financial statement audit exit conference, or at a different pre-arranged time, meet with management to discuss the results of the audit.</li> <li>• Discuss and clarify any reported audit findings and obtain initial management feedback. While reading of potential findings in written, draft report format may seem too formalized, we have found that it is best to communicate these items in writing, where they can be reviewed in detail by the engagement partner first. Our auditors are encouraged to avoid verbally concluding on the method of communication of audit findings or recommendations until they can be reviewed in context by the engagement partner. This limits the chance of miscommunication or misunderstanding.</li> <li>• Agree to a timeline for report finalization, including: management feedback on drafts, "view of responsible officials" language for any findings, report issuance, and presentation to the governing body.</li> </ul>
Finalization	<ul style="list-style-type: none"> <li>• Encourage management to review the draft reports in detail and agree reporting information to the entity's internal records.</li> </ul>

- Obtain feedback from management on its review of the draft reports in detail.
- Discuss management objections to reported finding. Based on the extent of information and/or documentation provided, determine whether it is necessary to reclassify, reword, or remove any findings.
- Subject single audit report and data collection form to a second technical standards review by another audit partner.
- Provide management with final drafts.
- Auditors receive signed representation letter and management authorizes finalization of reports.
- Date audit reports to match the representation letter, prepare finals, and email to management for distribution to the Board, grantor/pass-through agencies, or other interested parties.
- Initiate submission to the Federal Audit Clearinghouse. The audit principal will electronically certify the information and an email with instructions will be provided for management to perform its certification.
- Receive auto-generated notification via email when the Federal Audit Clearinghouse receives and accepts the reporting package and certifications.
- Present results of the audit to the governing body.

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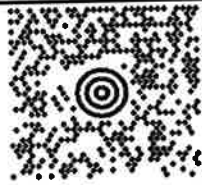
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10 LBS

1 OF 1

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ATTN: FINANCE DEPARTMENT  
CITY OF NOVI  
45175 WEST 10 MILE ROAD  
**NOVI MI 48375**



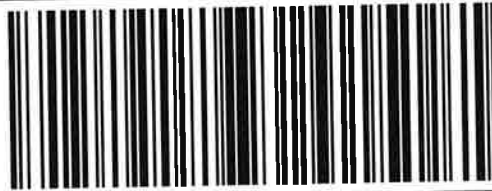
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Reference #1: Rehmann / Proposal



XOL 24.01.23 NV45 9.0A 02/2024\*





**YEO & YEO**

CPAS & ADVISORS

# Request for Proposal City of Novi

**Yeo & Yeo, CPAs & Advisors  
Jamie L. Rivette, CPA, CGFM, Principal  
691 N. Squirrel Road, Suite 100  
Auburn Hills, MI 48326  
248.239.0900**

**Acknowledged Addenda: No. 1  
Authorized to sign proposal and contract: Jamie L. Rivette**

*Jamie L. Rivette*

March 1, 2024



## Let's thrive.

Yeo & Yeo is a business success partner using the power of listening, perspective, and connected purpose to help our clients, communities, and colleagues thrive. We are grateful for the opportunity to be considered for this initiative, providing guidance on your unique path.

The following pages outline our company, our differences, our proposed relationship, and our commitment to you. If you have any questions, concerns, or clarifications, we're here to help. We appreciate your time and attention.

Thank you.



March 1, 2024

Ms. Sabrina Lilla, Deputy Finance Director  
City of Novi  
45175 Ten Mile Road  
Novi, MI 48375

Dear Ms. Lilla:

Thank you for considering Yeo & Yeo for your auditing needs. We are pleased to provide this proposal for your audit work for the fiscal years ending June 30, 2024, through 2028.

Yeo & Yeo is an innovative firm that is among the leading certified public accounting and consulting firms in the country. The following key points highlight our qualifications:

- A commitment to performing quality governmental audit, tax and consulting services. The firm currently provides services for more than 130 governmental audits.
- Members of the firm's Government Services Group are active in several associations, foundations, boards and committees.
- With our award-winning Audit process, our clients recognize greater efficiency, timely turnaround, and overall ease in the audit.
- A clear position of leadership among regional providers of auditing, accounting, business consulting, employee benefits, technology and tax services.
- Members of the firm's Government Services Group are frequent presenters at state and local conferences and trainings.

Yeo & Yeo has the knowledge and experience to furnish the auditing services that you are requesting. We adhere to the highest quality standards and are committed to serving timely and efficiently. This proposal is in effect for 90 days.

We look forward to the opportunity to work with you. Thank you for your consideration.

Sincerely,

  
Jamie L. Rivette, CPA, CGFM  
Principal, Yeo & Yeo  
Jamie.rivette@yeoandyeo.com



# Table of Contents

Independence	5
License to Practice in Michigan	5
Debarment, Suspension, Ineligibility, and Voluntary Exclusion	5
Firm Qualifications and Experience	6
Partner, Supervisory and Staff Qualifications and Experience	8
Similar Engagements with Other Government Entities	13
Specific Audit Approach	16
Identification of Anticipated Potential Audit Problems	18
Government Industry Experience	19
Commitment to Diversity, Equity, and Inclusion	22
Document Portal: Suralink	23
Educational Content and Resources	24
The Yeo & Yeo Difference	25
Proposed Schedule	26
Client Responsibilities	27
Thank You for Considering Yeo & Yeo	28



## Independence

Yeo & Yeo is independent of the City of Novi as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards*.

We are not aware of any conflicts of interest related to the City of Novi or any of its agencies or component units for the past five (5) years and have quality control procedures in place to address any items or circumstances that may arise.

## License to Practice in Michigan

Yeo & Yeo is licensed by the State of Michigan, Department of Licensing and Regulations, to practice public accounting in the State of Michigan. All key professional staff assigned are properly licensed to practice in the State of Michigan.

## Debarment, Suspension, Ineligibility, and Voluntary Exclusion

The company or any of its employees is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract.

### Other Qualifications

- Yeo & Yeo meets the continuing education and external quality control requirements of *Government Auditing Standards*.
- Yeo & Yeo does not have a record of substandard audit work.
- We follow the American Institute of Certified Public Accountants' *Interpretation 501-3, Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits*.





## Firm Qualifications and Experience

Yeo & Yeo has grown from a family-owned business to being among the Top 200 certified public accounting and consulting firms in the country. Our team of 31 Principals and Presidents and more than 200 professionals provides comprehensive solutions for individuals, businesses, school districts, units of government, and not-for-profit entities.

Yeo & Yeo is a full-service firm, providing accounting, auditing, business consulting, and tax services for businesses and organizations throughout Michigan since 1923. With the support of Yeo & Yeo Technology, Yeo & Yeo Wealth Management, and Yeo & Yeo Medical Billing & Consulting, we have created a strong network of professionals available to consult and proactively propose solutions for our clients.

The firm has nine offices throughout Michigan that are easily accessible to our clients with multiple locations. With locations in Alma, Ann Arbor, Auburn Hills, Flint, Kalamazoo, Lansing, Midland, Saginaw, and Southgate, the firm is positioned to provide local, hands-on service. The firm's audit team consists of 52 auditors. We utilize a team approach to staffing audit engagements based on the required skill sets of the team, rather than where the office is physically located. Because of this, we may draw on governmental professionals who are based in any of our offices.

At Yeo & Yeo, we listen to your vision, we help you fulfill it, and we walk alongside you easing complexities – never adding to them.

Yeo & Yeo's certified public accountants and advisors provide organizations and businesses with forward-thinking, comprehensive solutions in accounting, audit, tax, and business consulting to improve accountability, reduce risk, enhance profitability, and minimize taxes.

Whatever your chosen path, wherever you'd like to go, Yeo & Yeo is here with you. From everyday needs to long-term goals, let's get there. Together.

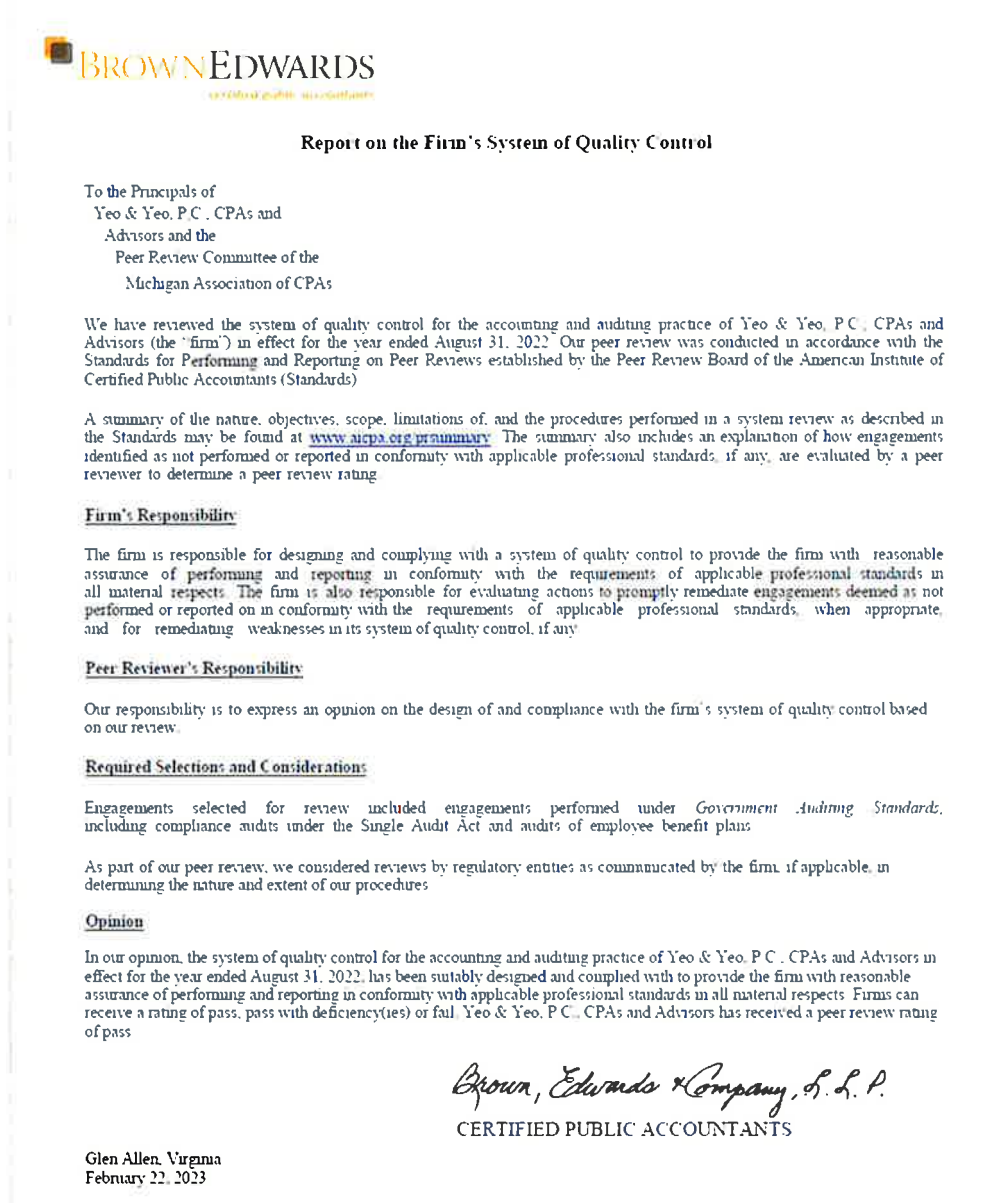






## Peer Review.

Yeo & Yeo's most recent external peer review was for the period ended August 31, 2022. The pass report is the highest possible mark. The peer review letter follows:



Yeo & Yeo has no issues with any federal or state desk reviews or field reviews of its audits during the past three years. Yeo & Yeo has not had any disciplinary action taken or pending during the past three years with state regulatory bodies or professional organizations.





## Partner, Supervisory and Staff Qualifications and Experience

Your project will be staffed with individuals who collectively possess the necessary skills in financial management, accounting and auditing, technology, internal controls, and compliance with laws and regulations, together with knowledge of governmental regulatory requirements. In order to maintain quality of the staff and audit efficiency over the term of the assignment, the Principal-in-charge will take a participative role in the audit. It has always been Yeo & Yeo's philosophy to keep the same staff on our audit engagements from year to year. This practice increases job efficiency and client satisfaction. We typically do not rotate Principals unless mutually agreed upon with our clients. The following individuals will be assigned to your audit team.



**Jamie L. Rivette**  
CPA, CGFM | Principal  
Principal In-Charge



**Michael Rolka**  
CPA, CGFM | Principal  
Concurring Reviewer



**Christina LaVielle**  
Manager



**Daniel Beard**  
CPA | Manager



# Jamie L. Rivette

## CPA, CGFM

### Principal.



#### Education

BBA Bachelor Business Administration – Northwood University

#### Professional Certifications

Certified Public Accountant (CPA)  
Certified Government Financial Manager (CGFM)

#### Professional Memberships

American Institute of Certified Public Accountants (AICPA)  
Michigan Association of Certified Public Accountants (MICPA)  
Michigan Government Finance Officers Association (MGFOA)  
Michigan Association of School Boards (MASB)  
Michigan Municipal Executives (MME)  
Michigan Municipal League (MML)

#### Government

GFOA Certificate of Achievement for Excellence in Financial Reporting Program Special Review Committee  
Michigan Government Finance Officers Association Accounting & Auditing Standards Committee  
Michigan Government Finance Officers Association Past Board Member

#### Specialty Areas

Municipalities  
Audits under *Government Auditing Standards*  
Single Audits under 2 CFR 200

#### Experience

Yeo & Yeo (1999 to present)  
Principal  
Assurance Service Line Leader  
Firm Government Team Leader

#### Community Service

Hemlock School Board of Education, Treasurer  
Junior League Community Advisory Board  
Hemlock Middle School – Volunteer Cross Country Coach

#### Presentation/Presenter

Fraud and Prevention in Local Governments  
MICPA – “Basic Governmental Auditing”  
Michigan Township Association – “GASB Update”  
MICPA – “Is Your Audit Paperwork up to Snuff?”  
MICPA – “Fraud Risks and Why Internal Controls are Important”  
MME & MGFOA – “Preparing for a Headache Free Audit”  
MICPA – “First Pensions, Now OPEB: What You Need to Know About GASB 74 & 75”  
GASB 84 If you Report Fiduciary Funds, Expect Some Changes  
The Case for Internal Controls – Reducing Fraud in Government Entities is Easier Than You May Think  
MGFOA Spring Conference – “How to Prepare for a Headache Free Audit”  
MGFOA Fall Conference – “Enterprise Fund Accounting”  
Are Your Security Systems and Employees Prepared to Fight Off Potential Hackers?  
Overcoming the Challenges of Remote Auditing During the COVID-19 Crisis  
Analytical Procedures Can Help Make Your Audit More Efficient  
What Governments Need to Know About GASB 96 Implementation

#### Training

Michigan Township Auditors Institute  
Michigan Government Finance Officers Association Annual Conference  
Government Audit Quality Control Annual Update  
Governmental Accounting & Auditing Update  
Super Circular – Federal Grants  
GASB 68 Implementation  
GASB 75 OPEB Implementation: Accounting and Auditing Considerations  
State & Local Government Audit Planning Considerations  
Michigan Municipal Executives Annual Conference





# Michael L. Rolka CPA, CGFM Principal.



## Education

Bachelor of Professional Accountancy from Saginaw Valley State University (2012) with a major in Accounting and minor in Finance

## Professional Certifications

Certified Public Accountant (CPA)  
Certified Government Financial Manager (CGFM)

## Professional Memberships

American Institute of Certified Public Accountants (AICPA)  
Michigan Association of Certified Public Accountants (MICPA)  
Michigan Government Finance Officers Association (MGFOA)

## Experience

Yeo & Yeo (2012 to present)  
Principal  
Firm Government Services Team Member  
Firm Audit Team



## Specialty Areas

Audits of Municipalities  
Single Audits under the Uniform Grant Guidance  
Audits under *Government Auditing Standards*  
Audits of local school districts

## Community Service

Clinton River Watershed Council Finance Committee  
MICPA Governmental Accounting and Auditing Expert Panel  
MGFOA Standards Committee  
MGFOA Board of Director  
Special Olympics

## Presentation/Presenter

*Government Fraud Case Studies*  
MICPA – *Model Accounting: Compensated Absences*  
MICPA – *Creating Impactful Presentations Delivering Government Audit Results*  
MICPA – *An Abundance of Relief: Auditing Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)*

## Training

Michigan Government Finance Officers Association Annual Conference  
Governmental Accounting & Auditing updates  
Uniform Guidance  
Michigan Municipal League Conference  
MICPA Government & Auditing Conference  
School Update



# Christina LaVielle Manager.



## Education

Bachelor of Science in Professional Accountancy  
from Central Michigan University (2013)

## Professional Memberships

Michigan Government Finance Officers Association

## Specialty Areas

Audits of municipalities  
Audits of local school districts  
Single audits under Uniform Grant Guidance  
Audits under *Government Auditing Standards*

## Experience

Yeo & Yeo (2014 to present)  
Manager  
Member of Firm Government Service Team  
Member of Firm Audit Team

## Community Service

Auburn Hills Chamber of Commerce Member  
Auburn Hills Chamber of Commerce Golf Committee  
Member

## Presentation/Presenter

Choosing the Right Auditor for your Government  
Entity  
Beware of These 3 Common Types of Unlawful  
Expenditures  
Common Capital Asset Reporting Issues  
Encountered by Municipalities

## Training

Michigan Government Finance Officers Association  
Conference  
School updates  
Single Audit updates  
IDEA Training  
Nonprofit training  
BS&A training



# Daniel A. Beard

## CPA

### Manager.



#### Education

Master of Science in Accounting from Eastern Michigan University 2015  
Bachelor of Business Administration from Eastern Michigan University 2010

#### Professional Certifications

Certified Public Accountant (CPA)

#### Professional Memberships

American Institute of Certified Public Accountants (AICPA)  
Michigan Association of Certified Public Accountants (MICPA)  
Michigan Government Finance Officers Association

#### Specialty Areas

Audits of government  
Audits of local school districts  
Audits of not-for-profit organizations  
Audits of for-profit businesses  
Audits of fraud  
Single Audits  
Preparation of not-for-profit tax returns

#### Experience

University of Michigan (2010-2016)  
Financial Specialist, Medical School  
Associate Administrator, Various Depts.  
Yeo & Yeo (2016 to present)  
Manager  
Firm Government Services Team  
Firm Audit Team

#### Community Service

Leadership Ann Arbor  
Ann Arbor Chamber of Commerce

#### Training

Michigan Government Finance Officers Association  
Conferences  
School Updates  
Accounting Update  
Nonprofit training  
MICPA Applying Uniform Guidance in Your Single Audits  
990 training

#### Presenter

MICPA Governmental Accounting & Auditing  
Conference - May 2023 – *Model Accounting; Compensated Absences*



## Similar Engagements with Other Government Entities

Yeo & Yeo brings a depth of experience in your industry. This helps us understand the terminology, the challenges, the processes, the trends, and the potential risks. With this foundation, we create a plan based on the exacting needs of your organization. Knowledge and insight meet personalization and possibilities: a perfect combination.

We have worked with the following organizations and encourage you to reach out to them to help better experience the Yeo & Yeo difference.

### City of Troy (first year engagement)

Rob Maleszyk, CFO

[Robert.maleszyk@troymi.gov](mailto:Robert.maleszyk@troymi.gov)

586.649.8712

500 W. Big Beaver Rd., Troy, MI 48024

Total audit hours: 360

Scope of work: Annual Comprehensive Financial Report & Single Audit

Date: 2023

Engagement Partner: Alan Panter

### City of Farmington Hills

Thomas Skrobola, Finance Director/Treasurer

[tskrobola@fhgov.com](mailto:tskrobola@fhgov.com)

248.871.2430

31555 Eleven Mile Rd., Farmington Hills, MI 48336

Total audit hours: 315

Scope of work: Annual Comprehensive Financial Report & Single Audit

Date: 2019 - Current

Engagement Partner: Jamie Rivette

### City of Bay City

Angela Willsie, Chief Accountant

[awillsie@baycitymi.org](mailto:awillsie@baycitymi.org)

989.894.8115

301 Washington Avenue, Bay City, MI 48708

Total audit hours: 310

Scope of work: Annual Comprehensive Financial Report & Single Audit

Date: 2017 - Current

Engagement Partner: Jamie Rivette



**City of Saginaw**

Tim Morales, City Manager

[citymanager@saginaw-mi.com](mailto:citymanager@saginaw-mi.com)

989.759.1654

1315 S. Washington Avenue, Saginaw, MI 48601

Total audit hours: 300

Scope of work: Annual Comprehensive Financial Report & Single Audit

Date: 2012 - Current

Engagement Partner: Jamie Rivette

**City of St. Clair Shores**

Renae Warnke, Director of Finance

[warnker@scsmi.net](mailto:warnker@scsmi.net)

586.447.3310

27600 Jefferson Circle Drive, St. Clair Shores, MI 48081

Total audit hours: 300

Scope of work: Annual Comprehensive Financial Report & Single Audit

Date: 2016 - Current

Engagement Partner: Ali Barnes





**Current Client List:**

Ann Arbor District Library  
 Arcada Township  
 Argentine Township  
 Auburn Hills Public Library  
 Au Gres, Sims, Whitney Fire & Rescue Authority  
 August Charter Township

Bacon Memorial District Library  
 Bay Arenac Behavioral Health  
 Beecher Metropolitan District  
 Birch Run Township  
 Bloomfield Township Public Library  
 Buena Vista Charter Township  
 Buena Vista Charter Township-DDA

Caro Transit Authority  
 Cass County  
 Cass County Medical Care Facility  
 Cassopolis Area Utilities Authority  
 Charter Township of Flushing  
 Charter Township of Genesee  
 Charter Township of Independence  
 Charter Township of Mount Morris  
 Charter Township of Orion  
 Charter Township of Plymouth  
 Charter Township of Union  
 Chelsea District Library  
 City of Alma  
 City of Auburn Hills  
 City of Au Gres  
 City of Bangor  
 City of Bangor DDA  
 City of Bay City  
 City of Clawson  
 City of Dowagiac  
 City of Farmington Hills  
 City of Fenton  
 City of Flat Rock  
 City of Fraser  
 City of Grosse Pointe Park  
 City of Highland Park  
 City of Hillsdale  
 City of Howell  
 City of Mason  
 City of Midland  
 City of Portage  
 City of River Rouge  
 City of Saginaw  
 City of Sandusky  
 City of St. Clair Shores  
 City of Standish

City of Troy  
 City of Utica  
 City of Woodhaven  
 Clio Area Fire Authority  
 Community Mental Health for Central Michigan  
 Crystal Township

Decatur Township  
 Decatur-Hamilton Joint Fire Dept.  
 Decatur-Hamilton Quick Response Unit  
 Douglass Township

Fullon Township

Gogebic Medical Care Facility  
 Gratiot Area Water Authority  
 Gratiot County

Hamilton Township  
 Hayes Township

Isabella County Medical Care Facility

Lenawee County

Meridian Township  
 Mid-Michigan District Health Department

North Star Township

Pleasant View Shiawassee County Medical Care Facility

Saginaw County Community Mental Health Authority  
 Saginaw Midland Municipal Water Supply Corp  
 Saginaw Promise Zone  
 Saginaw Public Library  
 Sims-Whitney Utilities Authority  
 Southeast Macomb Sanitary District  
 Southeast Macomb Disposal Authority

Thetford Township  
 Township of Grosse Ile

Village of Martin  
 Village of New Haven

Wayne Township



## Specific Audit Approach

YeoLean is a reimagined, Lean Six Sigma-based audit process, providing greater efficiency and overall ease in the audit engagement. Our professionals come on-site with a purpose of maximizing our immersion while minimizing your time.

Experience quicker turnaround time, thorough communication, and a structured workflow for maximum efficiency. Our award-winning process is more than applying concepts to improve processes, but rather a cultural change of focusing on audit value and continuous improvement. The audit will be performed in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*.



### Pre-Planning (Staff Level: Partner & Manager - Number of hours: 15)

Pre-planning will assist in determining the information to be gathered during the audit process. Pre-planning includes a meeting with management and the audit committee to determine the logistics of the audit.



### Planning (Staff Level: All Levels - Number of hours: 30)

Proper planning assists us in developing an audit plan that focuses on key areas and issues. The planning phase of the audit will include the following to be used in risk assessment:

- Gathering information about the organization and environment
- Reviewing prior year audit results
- Identifying unusual and unexpected financial trends
- Obtaining an understanding of internal controls at both the entity and activity level
- Walking through significant transaction classes
- Consider management override of controls



### Risk Assessment (Staff Level: Partner & Manager - Number of hours: 30)

This phase of the audit will include assessing the risk of material misstatement of the financial statements:

- Identifying significant audit areas
- Identifying significant and fraud risks using information gathered during the planning process
- Discussions with employees, management, and the Board
- Assessing risk by audit assertion (existence/occurrence, rights, and obligations, completeness, valuation, allocation, and cutoff) for account balances
- Utilization of data extraction software



### Audit Plan (Staff Level: All Levels - Number of hours: 165)

The audit plan will be developed to cover the significant audit areas and the risks identified during the risk assessment process. This is the core of the audit and ensures the audit is tailored to your specific needs. This is not a one-size-fits-all audit.



### Single Audit, if required (Staff Level: All Levels - Number of hours: 20)

Evaluation and testing of internal controls and compliance of federal awards will be performed in accordance with the 2 CFR 200 compliance supplement and Government Auditing Standards issued by the Comptroller General of the United States. We provide specific testing and risk assessment for each major program based on the fourteen compliance areas.



### Reporting (Staff Level: Partner, Manager & Senior - Number of hours: 40)

We will prepare the financial statements and disclosures from the trial balance and the information that you provide to us.

The following reports will be provided:

- Opinions on the financial statements in accordance with generally accepted auditing standards.
- Internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Compliance with requirements applicable to each major program and on internal control over compliance in accordance with 2 CFR 200, if required.

We will report to those in charge of governance in accordance with professional standards. Management comments will be prepared to provide management with the opportunity to strengthen internal controls and operating efficiency.

The financial statements and communication letter will be reviewed with management before they are finalized to ensure that information has been appropriately interpreted and recommendations are practical.



# Identification of Anticipated Potential Audit Problems

This identifies and describes any anticipated potential audit problems, the firm's approach to resolving these problems/issues and any special assistance that will be requested from the City of Novi.

## Information Not Ready

We will have open communication during the audit to help prevent this but will schedule the audit as planned and we can be flexible with the timing. We will also contact management as soon as any issues arise.

## Additional Charges for Services

Should additional services/assistance be necessary, we will discuss with management and get approval prior to charging for any additional services.

## Uncooperative Employees

We will discuss this issue with the appropriate level of management.

## Report Format

Website for examples/reports of our past financial statements:  
<https://treas-secure.state.mi.us/DocumentSearch>

## Surprises

Management will receive draft reports of any comments, recommendations, or findings to make sure facts are correct and corrective action is appropriate.

## Timeline

If our timeline for the presentation is ever in jeopardy, we will communicate this to the appropriate level of management immediately.

## Staffing/Personality Issues

We ask that if you encounter any issues with our staff, whether it be a new staff member, a manager, or a partner, that you contact the appropriate level of management so that we can make a decision that will benefit the City of Novi.



Accountability. Transparency. Possibility.

## Government Industry Experience

### Governmental Audit Quality Center (GAQC) Member

Yeo & Yeo is a member of the AICPA's Governmental Audit Quality Center (GAQC) committed to adhering to the highest standards in performing quality government audits. As a benefit of GAQC membership, our audit professionals have access to the latest notices and advice regarding audit, accounting and regulatory issues. In turn, Yeo & Yeo will keep you informed of important issues and best practices.

### GFOA Certificate of Achievement for Excellence in Financial Reporting Experience

Yeo & Yeo supports the Certificate of Achievement for Excellence in Financial Reporting Program (Annual Comprehensive Financial Report program) with audit team members currently active in the certification review process, including Yeo & Yeo's Government Services Group Leader, Jamie Rivette, who serves on the Special Review Committee. The following clients have earned their Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

- Cass County
- City of Alma
- City of Bay City
- City of Farmington Hills
- City of Fenton
- City of Midland
- City of Portage
- City of Saginaw
- City of St. Clair Shores
- City of Troy

### Actively Involved

Our audit professionals and members of Yeo & Yeo's Government Services group are actively involved in industry associations that keeps us on the forefront of industry and regulatory issues and also allows us to share our expertise as frequent presenters and trainers.

- Government Finance Officers Association
  - GFOA Certificate of Achievement for Excellence in Financial Reporting Program Special Review Committee member
- Michigan Certified Public Accountants Government Task Force
- Michigan Municipal League
- Michigan Townships Association
- State of Michigan Advisory Committee for Implementation of Uniform Chart of Accounts
- Michigan Government Finance Officers Association
  - Board of Directors
  - Accounting and Auditing Standards Committee
  - Legislative Committee
  - Membership and Mentoring Committee
  - Technology Resource Committee





## A Proud Family of Companies

Through our family of companies, we work with you to achieve your unique goals. It is focused expertise, designed to bring all you need, exactly how you need it.



### YEO & YEO

CPAS & ADVISORS

Comprehensive solutions in accounting, audit, tax, and business consulting. Helping you thrive with confidence.



### YEO & YEO

TECHNOLOGY

Managed IT solutions to help you stay productive, compliant, and secure. Helping you lean forward.



### YEO & YEO

WEALTH MANAGEMENT

Asset management, estate planning, tax implications, and more. Helping you plan for what's next.



### YEO & YEO

MEDICAL BILLING & CONSULTING

Complete billing and management solutions for visionary practices. Helping you focus on what's important.



## 4 Companies

providing right-sized relationships, knowledge, and focus.

## YEO & YEO

CPAS & ADVISORS

## YEO & YEO

MEDICAL BILLING & CONSULTING

## YEO & YEO

TECHNOLOGY

## YEO & YEO

WEALTH MANAGEMENT

## Founded in 1923

for a century+ of perspective and service.

## Offices across Michigan

to help you exactly where you are.

## 31 Principals & Presidents

offering unmatched expertise and proven commitment across the state.

## 200+ Team Members

service and industry specialized professionals dedicated to your needs.

## Reach Beyond Michigan

through our extended network.



## 96%

of our people say they are proud to work for Yeo & Yeo.



## Giving Back

to our communities and those in need through the Yeo & Yeo Foundation.

**239 Organizations**

received a donation

**\$485,343**

total awarded donations

**\$478,472**

contributions from Yeo & Yeo employees, leaders, and firm revenue

## Awards

recognizing our level of commitment and success.







Honoring All Perspectives. Bringing Our Whole Selves.

## Commitment to Diversity, Equity, and Inclusion

Yeo & Yeo is committed to an inclusive, diverse, and equitable workplace where our people can be their authentic selves and our culture supports our clients and communities.

Yeo & Yeo values diversity, and we put emphasis on hiring and supporting a diverse workforce, as well as giving back to the communities in which we live and work with our time, talents, and treasures.

We make a strong effort to annually educate and encourage students early on to go into accounting and professional services, from speaking at high schools with large minority enrollment to having students tour Yeo & Yeo and providing scholarships. We also work closely with colleges throughout Michigan with an emphasis on finding diverse candidates.

Yeo & Yeo is incredibly proud of our family-friendly culture and our ability to attract and retain women. For years, we have provided our professionals with a healthy work-life balance. We support that even more so now, with many of our professionals working remotely and effectively balancing work and home life. Further, our total workforce is more than 54% female, and the number of women in leadership positions exceeds 50%. The average percentage of female partners for CPA firms across the nation is only 15%.

Yeo & Yeo's culture also focuses on supporting our communities by giving back to organizations such as the Boys & Girls Club, food banks, homeless shelters, READ associations, child abuse and neglect organizations, and many others that serve a large proportion of minority groups.





## Document Portal: Suralink

Suralink is a web-based communication platform that adds transparency and efficiency to your audit. The platform provides a secure file transfer portal, dynamic request list, and real-time workflow updates. Suralink keeps all requests in the same place, making it easier to complete your engagement.



### Delegate, Assign, and Filter Requests

- Delegate requests to specific team members and filter requests by status or owner
- The status of each request is indicated by a color and automatically changes with progress



### Central Dashboard with Real-Time Progress Updates

- Easily view the percentage of progress of requests and engagements
- See the real-time status overview of each request in a quick view bar
- Each request holds files, comments, assignments, and an activity log
- Set preferences to receive notifications of activity relating to your engagement



### Improve Efficiency

- Spend your time getting the job done, not reconciling a messy list of outstanding items
- Download all files in a section, edit a group of requests, communicate with your team, or drag and drop multiple files at the same time—all with just a few clicks



### Protect Your Sensitive Information

- Integrate your current two-factor authentication provider or start using Google at no cost
- Protect sensitive information with inactivity time-out and SSL AES 256-bit encryption



Nurturing A Relationship Built on Success.

## Educational Content and Resources

Yeo & Yeo keeps you informed about important issues affecting your organization and provides the training and resources you need to achieve excellence.



### eNewsletters

- Up-to-date information
- Delivered to your inbox
- Custom, timely content



### Audit Resource Center

- Tips & Tools
- Easy access on yeoandyeo.com
- Timely Updates



### Client Training & Webinars

- Key topics
- Client empowerment & education
- Forum for compliance



### eAlerts

- Urgent information
- Changes, deadlines & need-to-know information
- Instant notifications



### Blog

- Deep insight
- Timely perspectives
- Fresh analysis from thought leaders





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A Focus on Government Audits.

## The Yeo & Yeo Difference

At Yeo & Yeo, we understand the complexity of state and federal compliance requirements. We also understand the importance of working with a partner you can trust. Our work in governmental audits goes beyond the technical; we want to maximize efficiency in a very human, very Yeo & Yeo way. The following sets us apart.

### Exceptional People.

Expertise. Empathy. Enthusiasm. All of Yeo & Yeo's experts choose their career path through personal experience and interest making them extraordinarily dedicated to their work. Yeo & Yeo is known for its exceptional service, professional staff, and the enjoyable experience you will have while working with them.

### Deep Experience.

Our statewide firm has 52 dedicated governmental auditors that provide services to organizations throughout Michigan. We have the knowledge and insight to recognize opportunities and identify specific areas of your organization that can be strengthened.

### Timely Communication.

Our start to finish scheduling process ensures accurate pre-planning for a smooth transition. Our clients know what to expect when we arrive on site. We make it a priority to provide frequent updates and communication throughout the entire engagement.

### Partner Involvement.

We maintain the same partners on engagements year after year, creating ongoing continuity and deep situational knowledge. Your dedicated partner-in-charge will be onsite and available to you during the audit. A concurring partner will provide a high-level overview for quality control.

### A Passion for Community.

It's our passion to invest time, talent, and resources in the communities where we live, work, and play.



## Proposed Schedule

### Upon Notification of the Award

Contact with Management  
Planning Meeting

### Early to Mid September

Field Work (Audit Plan)

### Late October

Exit Conference with Management  
Financial Statements  
Single Audit Report, if required  
Management Letter

### November/December

Presentation



## Client Responsibilities

To be respectful of your time and ours, we schedule our client work well in advance. When engagements have to be rescheduled it causes a domino effect, as we likely have other clients scheduled in the new requested time slot, and our staff are likely scheduled on another client. As a result, we may have to put your engagement at the end of the line, and/or change staff. When our staff members finishing the work are not the same as those who started it, the audit is less efficient and more disruptive to your and our staff. Our quote is contingent on the following:

- All items on the assistance list being completed by the due dates indicated
- The audit being performed during the dates scheduled
- All accounts being adequately reconciled by the beginning of scheduled fieldwork
- Accurate information provided to us that does not require subsequent rework
- Suralink is used to provide the assistance list items to us
- Agreement with due dates for items on Client Assistance List
- Work papers should be in Excel, Word, or PDF format
- Trial balance and budget for each fund as of year-end
- Schedules, reconciliations and supporting documentation for each balance sheet account as of year-end
- Schedules and supporting documents for revenue and expense accounts as determined
- Completion of an "internal control audit organizer"
- Written policies and procedures
- Supporting documents for various walk-throughs, tests of transactions and compliance as specifically requested
- Confirmations as requested
- Copies of notes, leases, and agreements in effect during the year and at year-end
- Required certifications
- Minutes for each board meeting held during the period under the audit and all subsequent minutes to meetings prior to the report date
- Organization chart
- List of all board members, management, and any other known related parties
- Prepare Management Discussion & Analysis
- Schedule of Federal Awards (SEFA), or oversight in preparing of the SEFA (if required)
- Oversight in the preparation of the financial statements, Government-wide conversion entries, and data collection form (if required)
- Additional information for single audit major program testing (if required)

If the above items are not met and the engagement needs to be rescheduled or if additional days need to be scheduled, then an additional price of 20% may apply. Beyond this, the time required for rework and posting client requested entries after we have been given the trial balance will be billed at our standard hourly rates.



# Thank You for Considering Yeo & Yeo

We appreciate the opportunity to present this proposal and are committed to helping you achieve your goals. This is more than just a project for us; it's an opportunity to create an important relationship built on success.

Yeo & Yeo's Government Services was created for this exact purpose, and we look forward to the selection process. Beyond your engagement team, you will have access to our full Government audit team of experts. We would love for you to get to know them. Use the link below or scan the QR code to watch a video introducing our team.



Video link: [yeoandyeo.com/government-services-engagement-team](https://yeoandyeo.com/government-services-engagement-team)

If you have any questions or concerns or need clarifications, do not hesitate to contact me.

**Let's thrive.**

Jamie L. Rivette, CPA, CGFM  
Principal, Yeo & Yeo  
[Jamie.rivette@yeoandyeo.com](mailto:Jamie.rivette@yeoandyeo.com)





# YEO & YEO

CPAS & ADVISORS

P.O. BOX 3275  
SAGINAW, MI 48605

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City of Novi  
Attn: Finance Department  
45175 Ten Mile Rd.  
Novi, MI 48375

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**First Class Mail**

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**RFP: Professional Auditing Services**

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02/24/24

11:40 am

*Kramer*