

## City of Traverse City and Charter Township of Garfield Recreational Authority

### Request for Proposals

#### Audit Services

The City of Traverse City and Charter Township of Garfield Recreational Authority (the “Recreational Authority” or “Authority”) is accepting proposals from CPA firms to provide audit services and, if necessary, compliance audit of the federal programs in accordance with the United States Single Audit Act of 1984. We invite your firm to submit a proposal to us by **2 p.m. on Monday, August 3, 2015**, for consideration. A description of the services needed, and other pertinent information follows:

#### **Background –**

The City of Traverse City and Garfield Township Recreational Authority was formed in 2003 under the Recreational Authorities Act of 2000 (the “Act”), which permits two or more municipal bodies to form a joint authority for the purposes of acquiring, constructing, operating, maintaining or improving public parks, a public recreation center, a public auditorium, a public conference center, a public museum, or a public historic farm. The Recreational Authority levies a voter approved tax of .0994 mill under the Act in both the City of Traverse City and the Charter Township of Garfield. Additionally, the Recreational Authority has an outstanding bond issue in the original amount of \$6,650,000 for the purchase and improvement of Authority Property through December 31, 2024.

The Authority’s Fiscal year is from July 1 through June 30, with a requirement to file an audited financial statement to the State of Michigan by December 31 of each year. The combined population of the City of Traverse City and the Charter Township of Garfield is approximately 32,000. Property tax revenues for the fiscal year ended June 30, 2015, totaled approximately \$154,000.

The Authority has no employees and contracts for all of its services. The Auditor selected will be working primarily with the Authority’s Executive Director and Financial Services Provider. The Authority’s Executive Director is Matt Cowall through an agreement with the Land Information Access Association (LIAA). The Authority contracts with the Charter Township of Garfield for financial services, including:

- Keeping and maintaining the money, bonds, notes, leases and conveyances of value belonging to the Recreational Authority.
- Preparing internal control system documentation, workpapers, confirmations, and financial statements for the external auditors.
- Working with external auditors during the audit engagement to answer any questions or receive any comments.

- Handling reporting to rating agencies and nationally recognized municipal securities information repositories.
- Receiving all money belonging to and receivable by the Recreational Authority.
- Keeping account of all receipts and expenditures of the Recreational Authority.
- Keeping account of and be charged with all taxes and money appropriated, raised or received by the Recreational Authority and credit all money raised, paid in or appropriated to the Recreational Authority.
- Paying every bill or obligation endorsed by the Recreational Authority.

The Charter Township of Garfield uses QuickBooks software to maintain the Recreational Authority's financial data.

**Services to Be Performed -**

Your proposal is expected to cover the following services and requirements:

1. Preparation and filing of F-65 for fiscal year ending June 30, 2015;
2. The annual audit for fiscal year ending June 30, 2015;
3. Single audits, if necessary;
4. Audited financial statements issued before December 31, 2015;
5. Licensure in Michigan for public practice as a Certified Public Accountant;
6. Adherence to the Audit Manual for Local Units of Government in Michigan issued by the Michigan Department of Treasury;
7. Adherence to independence requirements of generally accepted auditing standards issued by the American Institute of Certified Public Accountants (AICPA);
8. Adherence to independence standards of Government Auditing Standards as issued by the Comptroller General of the United States;
9. The proposer's record of substandard audit work as obtained from references. Please disclose the controls your firm has in place to ensure quality standards have been met. Also, disclose whether your firm is subject to an external quality control review process;
10. Experience with QuickBooks software;
11. Experience with municipal accounting, fund accounting, and governmental audits is required.

**Your Response to This Request for Proposal –**

In responding to this request, we request the following information:

1. Detail your firm's experience in providing auditing services to municipalities, including public authorities.
2. Detail what office/location the audit staff are from, and how much time will be spent at the Charter Township of Garfield's or LIAA's offices as compared to your offices.

3. Discuss the firm's independence with respect to the Recreational Authority, the City of Traverse City, and the Charter Township of Garfield.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Identify the five largest municipal clients your firm (or office) has lost in the past five years and the reasons. Also discuss, in instances when loss of the client was due to an unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).
6. Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid, and provide biographies. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.
7. Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis.
8. Discuss how your firm will conduct the audit fieldwork in terms of what is the responsibility of the Authority or the Charter Township of Garfield and what is the responsibility of the auditors (i.e., who is responsible for going to filing cabinets, pulling invoices, investigating discrepancies, making copies/scans, etc.)
9. Discuss the timeline of the audit. Also discuss the firm's use of technology in the audit. And finally, discuss the communication process used by the firm to discuss issues with the management and the board.
10. Set forth your fee proposal for the 2014-2015 audit, with whatever guarantees can be given regarding increases in future years. We may be looking for a 3-year agreement as opposed to an annual agreement. Your fee proposal should also delineate hours by level of staff.
11. Describe how you will bill for questions on technical matters and advice that may arise throughout the year. These may be audit related or unrelated.
12. Furnish current standard and discounted billing rates for classes of professional personnel.
13. Provide the names and contact information for other similarly sized clients of the partner and manager that will be assigned to our organization for reference purposes.
14. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our external accountants is the best decision we could make.
15. Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

Please deliver a copy of your proposal in a sealed envelope marked with the name of the proposer and entitled "Audit Proposal" by **Monday, August 3, 2015, at 2 p.m.** to Matt Cowall, Executive Director, Recreational Authority, 324 Munson Avenue, Traverse City, Michigan 49686.

## **Evaluation of Proposals**

The Recreational Authority will evaluate proposals on a qualitative basis. This includes our review of the firm's peer review report and related materials, potential interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the firm's completeness and timeliness in its response to us. We expect to have a decision made by or before September 2, 2015.

The Recreational Authority reserves the right to accept or reject any or all proposals, waive irregularities, and to accept the proposals either on an entire or individual basis that is in the best interest of the Recreational Authority.