

Elk Rapids Township
PO Box 365, 315 Bridge Street
Elk Rapids, MI 49629

Antrim County, State of Michigan

Request for Proposal For Auditing Services

For Fiscal Years Ending
March 31, 2021
March 31 2022
March 31 2023

INTRODUCTION

General Information

Elk Rapids Township is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statements for the fiscal years ending March 31, 2020, March 31, 2021 and March 31, 2022. There will be an option to extend this contract for auditing the Township's financial statements for each of the subsequent two fiscal years. The continuation of the contract after each year is solely at the discretion of the Township Board.

There is no expressed or implied obligation for the Township to reimburse responding firms for any expense incurred in preparing proposals in response to this request.

During the evaluation process, the Township reserves the right to retain all proposals submitted and to use any ideas in the proposals regardless of whether the proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted by the firm selected.

Term of Engagement

A three-year contract with an option for two additional years is contemplated, subject to annual review by the Township Supervisor and based on satisfactory performance and the concurrence of the Township Board. The Township shall provide a ninety (90) day written notice to the audit firm of its desire to terminate the services of the firm conducting the audit of the Township records.

This retainer agreement shall not be assigned or transferred without the written approval of Elk Rapids Township.

DESCRIPTION OF THE GOVERNMENT

The auditor's principal contact with the Township will be:

Mike Szymanski, Township Treasurer, 231-264-9333; mszymanski@elkrapids.com

Elk Rapids Township sits on the east shore of the Grand Traverse Bay about 15 miles north of Traverse City and just over 30 miles south of Charlevoix. It is bounded on the east almost entirely by Elk Lake and, in total, is only a little over seven square miles of territory.

The five member Township Board consists of the Supervisor Dorance Amos, the Treasurer Michael Szymanski, the Clerk Shelley Boisvert, Trustee Richard Hults and Trustee Aaron Isenhardt. The Board meets the second (2nd) Tuesday of every month.

The Treasurer's Report dated January 12, 2021 is attached and details fund balances, Township Investments and Township Loan amounts.

SCOPE OF WORK TO BE PERFORMED

General

To meet the requirements of this request for proposal, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in the U.S. Government Accountability Office's Government Auditing Standards, and any other applicable standards. Elk Rapids Township desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles.

These audits will need to address the requirements of, and be in compliance with all of the following:

- Applicable State of Michigan Requirements
- Applicable Federal Requirements
- Applicable Requirements Under GAAP
- Applicable Requirements Under GASB34 and GASB45
- Any Other Applicable Requirements

The auditors shall also be responsible for preparing the supplementary information required by the Government Accounting Standards Board as mandated by generally accepted auditing standards. Additionally, the auditor will be responsible for preparing other supplementary schedules as required of requested by the Township Supervisor or the Township Treasurer.

The auditors shall provide to the Township all audit adjustments including appropriate backup documents and will meet with staff, if requested, to discuss these final adjustments.

The auditor will be available to answer reasonable questions that may arise on financial matters without additional cost to the Township during the course of the year.

Irregularities and Illegal Acts

Auditors shall be required to make an immediate, written report of all irregularities and if illegal acts or indications of illegal acts of which they become aware to the Township Supervisor.

Reports to be issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue a report on the fair presentation of the general-purpose financial statements in conformity with generally accepted accounting principles.

The auditor shall prepare the following report at the completion of the audit:

1. Annual Financial Report on the examination of financial statements of the Township including all funds and account groups. The auditor will prepare all financial statements and notes to the financial statements.

2. A report on the financial statements, internal control and compliance in accordance with the audit guide and standards for compliance with the Single Audit Act, as may be required.
3. Any supplemental reports, schedules or other required by the State of Michigan, Federal Government, GASB or GAAP, including but not limited to, those reports required under Act 51, State of Michigan Form F-65 and single audits as necessary. *For FYE 3/31/20, it is not anticipated that a Single Audit will be required.*
4. A management report containing comments and recommendations regarding a municipality's system of internal controls that is, its methods of safeguarding its assets, ensuring the accuracy of its financial information, promoting efficiency and adhering to municipal policies. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be reviewed by the Township Supervisor before finalizing.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of 5 calendar years after completion of the audit, unless the firm is notified in writing by the Township of the need to extend the retention period. The auditor will be required to make any and all working papers available, upon request, to Elk Rapids Township.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

AUDIT SCHEDULE AND REPORT REQUIREMENTS

Audit Calendar

The auditors must be able to substantially adhere to the following timeline for the audit:

- Mid-May: Pre-Audit Meeting with the Township
- June 30: Preliminary and field work completed
- July 31: Draft reports completed
- August 15: Meeting with the Township to Review Draft Reports
- September 30: Final printed and bound reports
- 2nd Tuesday in October: Presentation of Audit

If the proposing firms sees any problem with meeting this schedule, it should be noted in the proposal with an alternate schedule.

Report and Other Requirements

The independent auditor shall type, reproduce, and assemble the following reports and submit as noted:

1. Eight (8) copies of the GASB 45 Audit
2. Submission of GASB 45 Audit with the State of Michigan as required
3. Eight (8) copies of the Single Audit Report (included with GASB 45 Audit)
4. Management Letter (included in audit)
5. Other required reports
6. Adobe PDF file of the GASB 45 Audit

ASSISTANCE TO BE PROVIDED TO THE AUDITOR

Administrative Department and Clerical Assistance

The Township Treasurer and Township Clerk will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the Auditor.

PROPOSAL REQUIREMENTS

Deadlines to Submit Proposal

Completed proposals must be received by 2:00 pm on Friday, February 26, 2021. Proposals received after this date will not be considered. Township Board action to award bids is expected on Tuesday March 9, 2021. Proposals must remain valid for at least 60 days past the deadline for submittal.

Submittal Requirements

The proposal shall be labeled clearly with RFP Audit and addressed to:

Elk Rapids Township
Attn: Shelley Boisvert
PO Box 365, 315 Bridge Street
Elk Rapids, MI 49629

No faxed or emailed proposals will be accepted.

Independence

The firm should provide an affirmative statement that it is independent of Elk Rapids Township as defined by generally accepted auditing standards.

Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time and part-time basis.

The firm should identify the principal supervisory and management staff including engagement partners, managers, other supervisors and staff, who would be assigned to the audit, to the extent possible. The firm should also provide information on the government auditing experience of each person.

Similar Engagements with Other Government Entities

For the firm's office and personnel that will be assigned responsibility for the audit, list the most significant engagements performed in the past three years that are similar to the engagement described in this request for proposal. Indicate the scope of work and the name and telephone number of the principal client contact.

Identification of Anticipated Potential Audit Problems

The proposal should identify and describe anticipated audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Township.

Total All-Inclusive Maximum Price

Attachment A must be completed and signed. Attachment A's price should specify all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price is to include all direct and indirect costs including all out-of-pocket expenses.

Manner of Payment

Two payments will be made to the audit firm. The first will be made on the basis of hours of work completed during the course of the engagement and will approximate the half-way point of the engagement. The second will be made after the engagement is completed and all reports have been issued. A breakdown of the fee to the various funds based on actual audit time will be provided with each billing. It is the firm's responsibility to bill for these payments.

Other

Please include any other information that you think would be helpful in allowing the Township to make an informed decision in the selection process. Focus on the evaluation criteria.

EVALUATION CRITERIA

Mandatory Elements

1. The audit firm is independent and licensed to practice in the State of Michigan.
2. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
3. The firm has no conflicts of interest with regard to any other work performed by the firm for Elk Rapids Township.
4. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
5. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
6. The firm has an understanding of the specific needs of the Township as it relates to the audit engagement.

Technical Qualifications

1. The firm exhibits expertise based on past experience and performance on comparable government engagements.
2. The quality of the firm's professional personnel to be assigned to the engagement.

Price Consideration

Cost will be an important, but not primary, factor in the selection of an audit firm.

Final Selection

The Township of Elk Rapids will select a firm based upon its review of the proposals submitted. The Township may request clarification of any items in the proposal.

Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Elk Rapids Township and the firm selected.

The Township reserves the right without prejudice to accept or reject any or all proposals, and to select the proposal considered most advantageous to the Township.

ELK RAPIDS TOWNSHIP

PO Box 365, 315 Bridge Street
Elk Rapids, MI 49629

ATTACHMENT A

Request for Proposal
Auditing Services

Name and Address of the Company Submitting Proposal:

Contact Person: _____ Phone: _____

Proposed Fee: Fiscal Year 2020/2021 _____
Fiscal Year 2021/2022 _____
Fiscal Year 2022/2023 _____

If extended additional two years:

Fiscal Year 2023/2024 _____
Fiscal Year 2024/2025 _____

Signature of Authorized Representative

Date

Title

ELK RAPIDS TOWNSHIP
TREASURER'S REPORT
January 12, 2021
BALANCES AS OF DECEMBER 31, 2020

GENERAL	339,522.55
FIRE & AMBULANCE	186,721.80
FIRE MEMORIAL	100.19
BASS LAKE WEED	12,955.77
TOWNSHIP SEWER O & M	222,655.66
TOWNSHIP ROAD	46,371.95
CEMETERY	60,094.85
MAPLE HARBOR SEWER DEBT	75,087.66

Michael A. Szymanski, Treasurer