



CITY OF GROSSE POINTE WOODS

Office of the Treasurer/Comptroller

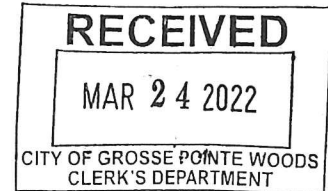
Memorandum

DATE: March 24, 2022

TO: Mayor Bryant and City Council

FROM: Shawn Murphy, Treasurer/Comptroller

SUBJECT: Plante Moran, PLLC-Auditing Contract



Please find attached a letter dated March 3, 2022 from William Brickey and Joshua Yde regarding Plante Moran's proposed three-year extension, with an option for two additional years for the audit of the City's Annual Comprehensive Report for fiscal years ending June 30, 2022 through June 30, 2026.

The proposed audit fees schedule is as follows:

	2022	2023	2024	2025	2026
City Audit	\$62,500 <i>5% increase</i>	\$65,000 <i>4% increase</i>	\$67,000 <i>3% increase</i>	\$69,000 <i>3% increase</i>	\$71,000 <i>3% increase</i>
Municipal Court	\$5,600 <i>4% increase</i>	\$5,800 <i>4% increase</i>	\$6,000 <i>3% increase</i>	\$6,200 <i>3% increase</i>	\$6,400 <i>3% increase</i>
Audit of Federal Awards (if necessary) *	\$10,000 <i>117% increase</i>	\$10,400 <i>4% increase</i>	\$10,700 <i>3% increase</i>	\$11,000 <i>3% increase</i>	\$11,300 <i>3% increase</i>

*The Audit of Federal Awards is only necessary when annual federal grant expenditures exceed \$750,000. The American Rescue Plan Act Grant funds expended will require an Audit of Federal Awards if the expense incurred exceeds \$750,000 in a fiscal year.

It is our recommendation that City Council authorize the City Administrator to execute the agreement between the City of Grosse Pointe Woods and Plante Moran, PLLC to enter into a three (3) year engagement for audit services, with the option for two (2) additional years.

Respectfully submitted,

Shawn Murphy
Treasurer/Comptroller

Frank Schulte
City Administrator



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plantemoran.com

March 3, 2022

Mayor and Members of the City Council
c/o Mr. Arthur W. Bryant, Mayor
City of Grosse Pointe Woods
20025 Mack Plaza
Grosse Pointe Woods, MI 48236

Dear Mayor and Members of the City Council:

As the City's Auditor, Plante Moran respectfully submits the following proposed fee schedule for a three-year extension, with an option for two additional years, for the audit of the City's Annual Comprehensive Financial Report and related Federal Awards Programs for the fiscal years ended June 30, 2022 through June 30, 2026. The City is an important and valued client of our firm. We are proud of the long-term relationship we have developed with the City and look forward to working with you in the future.

We have enjoyed being of service to the City of Grosse Pointe Woods and believe that we have brought value to City management through our audit, accounting, and business advisory services. While certain audit team members rotate on the engagement, we have maintained key engagement staff which lessens the distractions for the comptroller's office and allows you to avoid spending needless time training auditors. In addition, our years of experience with the City's financial matters and knowledge of your internal control structure helped with the transition of the new comptroller in 2021. We look forward to continuing to work together with the City's financial staff to both provide technical guidance to ensure the City continues to receive the National Award for Excellence in Financial Reporting on an annual basis and opine on an audit that heightens the level of financial transparency for the City.

Our history with the City helps to ensure that the City's leaders are fulfilling their fiduciary responsibility of having a high-quality comprehensive audit performed. The American Institute of CPAs has issued research that indicates that most audit failures (e.g., incorrect financial statements, misappropriation of assets) occur during the first two years with an auditor, due to their inexperience with the entity and inability to properly identify risk areas.

In continuation with Plante Moran's position as the City's Auditor, we are proposing the attached fees for the annual audits of the Annual Comprehensive Financial Report along with the Federal Awards Audit (if required).

Our experience with governments is unmatched; we work closely with hundreds of municipal clients in the State of Michigan alone, and so we understand the many financial

challenges that communities are facing. Over the years, the City of Grosse Pointe Woods and Plante Moran have developed an independent partnership that has both improved audit quality and properly addressed the ever-changing audit standards. Furthermore, access to our governmental industry specialists provides quick and meaningful insight into challenging decisions faced by Council and City Management.

We believe that we have served the City well during our time as auditors. We have performed timely audits; assisted with the implementation of numerous new accounting standards and various accounting issues; consulted regarding a 5-year plan, budget matters, and VOIP implementation; recommended value-added suggestions for improvements in operations and internal controls; and worked well with City staff and Council.

Once again, thank you for the opportunity to serve the City of Grosse Pointe Woods. The City of Grosse Pointe Woods is an important client to us personally and to our firm as a whole. We are appreciative of the opportunity to continue to serve the City and will work very diligently with your Comptroller and City management to ensure that the audit remains effective and efficient with high value added.

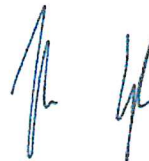
If you have any questions, please contact Bill at 313-496-7231 or Josh at 734-302-6921.

Yours truly,

PLANTE & MORAN, PLLC



William E. Brickey, CPA
Partner



Joshua L. Yde, CPA
Senior Manager

Proposed Audit Fees for the Years ending June 30:

	2022	2023	2024	2025	2026
City Audit	\$62,500	\$65,000	\$67,000	\$69,000	\$71,000
Municipal Court	\$5,600	\$5,800	\$6,000	\$6,200	\$6,400
Audit of Federal Awards (If Necessary) ⁽¹⁾	\$10,000	\$10,400	\$10,700	\$11,000	\$11,300

- (1) *The Audit of Federal Awards is only necessary when annual federal grant expenditures exceed \$750,000. Our quoted fee includes the audit of one major federal program.*

Governmental audit clients

Our client roster includes more than 500 governmental entities, 200 K-12 education and public school district clients, 75 colleges and universities, and 1,000 not-for-profit entities across the country. Below is a sample of the governmental clients we serve. Entities that have received a Certificate of Achievement for Excellence in Financial Reporting from the GFOA are marked with an asterisk (*).

MUNICIPALITIES

- City of Akron, OH
- City of Allen Park
- City of Auburn Hills
- Township of Benton
- City of Berkley
- Village of Berrien Springs
- Village of Beverly Hills
- City of Birmingham*
- City of Bloomfield Hills
- City of Brighton*
- Township of Brownstown
- City of Buchanan
- City of Burton
- Township of Canton*
- City of Charlotte*
- City of Chelsea
- Chesterfield Township
- Township of Clinton
- City of Clio*
- City of Coloma
- City of Columbus, OH*
- Township of Commerce
- City of Davison
- Davison Township
- City of Dearborn*
- City of Dearborn Heights
- City of Detroit*
- City of East Lansing*
- City of Eastpointe
- City of Farmington
- Fenton Township
- Flint Township
- Village of Franklin Park, IL*
- City of Garden City
- City of Gibraltar
- Township of Grand Blanc*
- City of Grand Rapids*
- City of Grosse Pointe
- City of Grosse Pointe Farms
- City of Grosse Pointe Woods*
- Township of Hamburg
- City of Harbor Beach
- City of Harper Woods
- Township of Highland
- Village of Holly
- Township of Huron
- Independence Township*
- Township of Keeler
- City of Lathrup Village
- Township of Lincoln
- City of Lincoln Park
- City of Livonia
- City of Longmont, CO
- City of Loveland
- Township of Macomb
- City of Madison Heights
- Township of Marshall
- City of Melvindale
- Township of Milford
- Village of Milford
- City of Monroe*
- City of Mt. Clemens
- City of Mt. Morris
- Township of Mt. Morris
- Orion Township
- City of Port Huron*
- City of Northville
- Township of Northville*
- Oakland Township
- Township of Plymouth
- Township of Redford
- City of Richmond
- City of Riverview
- City of Rockwood
- City of Romulus
- City of Roseville
- City of Saline
- Township of Scio
- Township of Shelby
- City of South Lyon
- City of Southfield*
- City of Southgate
- City of St. Joseph
- City of Sterling Heights*
- City of Swartz Creek
- City of Taylor
- City of Trenton
- Township of Van Buren
- Vienna Township
- City of Warren*
- Township of Washington
- Township of Waterford*
- Township of West Bloomfield
- City of Westland
- White Lake Township
- City of Wixom
- City of Woodhaven
- City of Wyandotte

*Awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA.

COUNTIES AND OTHER GOVERNMENTAL UNITS

COUNTIES

- Genesee County*
- Ingham County*
- Livingston County
- Macomb County*
- Oakland County*
- Wayne County*

COUNTY ROAD COMMISSIONS AND OTHER RELATED ENTITIES

- County Road Association Self-Insurance Fund (CRASIF)
- Genesee County Road Commission
- Kalamazoo County Road Commission
- Kent County Road Commission
- Michigan County Road Commission Self-Insurance Pool*
- Road Commission for Oakland County
- Washtenaw County Road Commission

DISTRICT COURTS

- 16th District Court
- 17th District Court
- 18th District Court
- 19th District Court*
- 20th District Court
- 21st District Court
- 23rd District Court
- 25th District Court
- 27th District Court
- 28th District Court
- 32A District Court
- 33rd District Court
- 35th District Court
- 37th District Court
- 39th District Court
- 41A District Court
- 41B District Court
- 47th District Court
- 51st District Court

LIBRARIES

- Auburn Hills Library
- Canton Public Library
- Flint Public Library
- Northville District Library
- Redford District Library
- Salem-South Lyon Library
- Saline District Library
- West Bloomfield Library
- Willard Library
- Wixom Public Library

STATE OF MICHIGAN

- Mackinac Bridge Authority
- Michigan Bureau of State Lottery*
- Michigan Education Trust
- Michigan Finance Authority
- Michigan Legislature
- Michigan Municipal League
- Michigan State Housing Development Authority

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