



City of Hartford * County of Van Buren * State of Michigan

TO: Mayor Hall and the Hartford Commission

FROM: Nicol S. Pulluian, City Manager 

DATE: June 23, 2025

RE: APPROVAL OF 3-YEAR AUDIT ENGAGEMENT CONTRACT

ITEM BEFORE THE COMMISSION:

The item before the Commission is to approve a three-year contract with Kruggel Lawton CPA to conduct the city's audit, effective June 30, 2025.

DISCUSSION:

The audit plays a crucial role in ensuring the financial health and transparency of our city. Hungerford has been completing the city's year-end audit for several years. The audit consists of financial statements, a single audit of the governmental activities for the major fund, and aggregate information for the remaining funds. The objective of the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and issue an auditor's report that includes their opinions about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles and report on the fairness of the supplementary information.

The city issued a Request for Proposal (RFP) to several auditing firms, and we received three proposals from Kruggel Lawton, Maner Costerisan, and Rehmann. The city manager evaluated each firm, and the scoring and cost details are provided below. The RFP required an all-inclusive maximum fee. Kruggel Lawton did not submit an all-inclusive maximum; therefore, we could be billed for additional items, although Kruggel Lawton would seek pre-approval for those items. I recommend Kruggel Lawton because they submitted the lowest bid; however, Kruggel Lawton may add extra items to the invoice since they did not provide an all-inclusive maximum bid.

Maner Costerisan submitted a better proposal, and if the bid amount had not been beyond our budget, they would have been my recommendation. Additionally, they serve as auditors for some of our neighboring sister communities, including Van Buren County. Staff and I had an extensive conversation regarding this bid because Maner Costerisan's bid addressed all the items within the RFP and appears to be the better company for the city.

AUDIT CO.	BID SCORE	YEAR 1	YEAR 2	YEAR 3
Maner Costerisan (per program)	94	\$44,000	\$46,500	\$49,000

Rehmann (2-programs)	81	\$42,700	\$44,800	\$47,000
Krugger Lawton (per program)	76	\$34,000	\$35,250	\$36,500

RECOMMENDATION:

The Hartford City Commission approves a three-year contract with Krugger Lawton CPA to conduct the city's audit and grants the city manager the authority to execute the contract.