



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

TO: Mayor Hall and the Hartford Commission

FROM: Nicol Brown, City Manager *NB*

DATE: April 30, 2025

RE: **APPROVAL OF HUNGERFORD PROPOSAL**

ITEM BEFORE THE COMMISSION:

The item before the Commission is to approve the Hungerford proposal for accounting and consultant support in the treasury department.

DISCUSSION:

The city staff met with Hungerford after the audit was completed. Hungerford said they would like to assist the city treasurer with accounting support to prepare the city for future audits. Hungerford would rather support the city in audit preparation rather than perform the audit. The city received a Finding for two years on material weakness in Internal Controls over Financial Reporting. The account reconciliations were not performed or were otherwise ineffective in correcting necessary misstatements in the financial records of the City during the fiscal year, and as part of the year-end closing. This led to a significant number of auditor-proposed adjustments during the audit.

The proposal will consist of the following:

- Monthly financial analysis, including oversight of balance sheet reconciliations and accrual-based adjustments.
- Training of personnel on accounting processes
- Accounting support at the fiscal year end to prepare for the financial statement audit.

RECOMMENDATION:

The city commission approves the Hungerford proposal for accounting and consultant support not exceeding \$25,000 for a year and authorizes the city manager to execute the agreement.