

**Muskegon Community College
Independent Audit Services RFP
Addendum #4**

1. Has the incumbent firm been invited to bid? How many years has the incumbent firm serviced the College and Foundation?

Response: The incumbent firm was sent an email notification regarding the RFP. The RFP was also published on the College's website for any qualified firm to respond to. The incumbent firm has been the audit firm for the College for approximately 20 years.

2. Please provide the names and locations of all firms invited to bid.

Response: The RFP was published on the College's website for any qualified firm to respond to. Emails were sent to the following firms that there has been prior experience working with notifying them of the RFP.

Plante Moran – Grand Rapids, MI
Rehmann Robson – Muskegon/Grand Rapids, MI
Brickley DeLong – Muskegon, MI

3. What is the size and structure of your Financial Services department?

Response: The College's Financial Services office consists of a Chief Financial Officer, Director of Finance, Purchasing and Financial Services Manager, Fiscal Analyst, Accounts Payable Specialist, Cashier, Accounts Receivable Specialist.

4. Please provide copies of the letters to those charged with governance for the College's and Foundation's fiscal 2024 audits.

Response: Included below

5. Any audit adjustments for the fiscal 2024 audits?

Response: See Addendum #3

6. What is the College's and Foundation's preference for conducting planning fieldwork and final fieldwork, including the single audit (in person, remote, or hybrid)?

Response: We prefer in person to start but some remote is acceptable.

7. How many team members and how many weeks has been traditionally required for both planning fieldwork and final fieldwork, including the single audit?

Response: See Addendum #3

8. Does management prepare the initial drafts of the College's and Foundation's external financial statement documents?

Response: Historically management has prepared the Management Discussion and Analysis and the auditors have prepared the financial statements and supplemental information schedules.

9. Have all audit requests (T/B, G/L, audit schedules, etc.) traditionally been provided electronically through a secure portal?

Response: Yes

10. Are there any areas whereby the incumbent firm has traditionally assisted management in closing the books and/or in GASB reporting entries necessary for GAAP financial statements?

Response: See Addendum #3

11. How are lease and SBITA right to use assets and obligations calculated and maintained (subledgers)?

Response: They are calculated and maintained on spreadsheets.

12. Who serves as the College's outsourced Information Technology operations provider? How has this worked in prior audits related to cooperation with/assistance provided to the incumbent audit firm in planning and risk assessment?

Response: Ellucian is our contractual IT provider. Their staff have an office on site so there has been no issue with their cooperation as it relates to the audit.

13. In Addendum #1 for RFP, question #2, it was indicated that the College has been awarded several new federal grants. Could you please provide the names of each of these grants and the related total amounts awarded, as well as the expected expenditures for fiscal 2025?

Response: The FY25 estimated expenses are conservative and may not reach this level.

New Federal Grants		
Grant Name	Grant Amount	Estimated Grant Expenses in FY25
ADN to BSN Grant	2,000,000	750,000
Barrier Removal Grant	77,792	28,000
College Success Grant	582,500	150,000
Innovation Investment Grant	634,400	200,000
Quickstart Grant	69,300	56,364

14. In Addendum #1 for RFP, question #2, it was indicated that both the College and Foundation have engaged the incumbent external CPA for “extra services” on a regular basis. Could you please provide what these recurring extra services have been for, as well as whether it’s expected these will be required in fiscal 2025 and/or in future years?

Response: For the regular audit the “extra services” were for things such as testing for new federal programs for the single audit and consulting on journal entry preparation for non-recurring transactions. For the Foundation these “extra services” were for assistance with journal entry preparation. It is possible additional services may be requested in the future.

BRICKLEY DeLONG

CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Muskegon Community College
Muskegon, Michigan

We have audited the financial statements of Muskegon Community College and its discretely presented component unit for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you during our conference on August 13, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Muskegon Community College are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting Muskegon Community College's financial statements were:

Management's estimate of depreciation/amortization is based on the estimated useful lives of capital assets.

Management's estimates of the right-to-use assets and related long-term obligations are based on (1) discount rate, (2) lease/SBITA term, and (3) lease/SBITA payments.

Management's estimate of the compensated absences liability is based on unused compensated absences at year end, union contracts, and past experience.

The estimates used to calculate the net pension liability and net other postemployment benefits and related deferred inflows/outflows of resources which were provided by the Office of Retirement Services.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Board of Trustees
Muskegon Community College
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Significant Audit Matters—Continued

Qualitative Aspects of Accounting Practices—Continued

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements was:

The disclosure of significant pension and other postemployment obligations in Note G to the financial statements and their impact on the College's net position.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 11, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Board of Trustees
Muskegon Community College
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Significant Audit Matters—Continued

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express any opinion or provide any assurance on the RSI.

We were engaged to report on the consolidating statements, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of Muskegon Community College and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Brickley DeLong, P.C." The signature is written in a cursive style.

Muskegon, Michigan
November 11, 2024

BRICKLEY DeLONG

CERTIFIED PUBLIC ACCOUNTANTS

Foundation Board of Directors
Foundation for Muskegon Community College
Muskegon, Michigan

We have audited the financial statements of the Foundation for Muskegon Community College for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you during our conference on May 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation for Muskegon Community College are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Foundation for Muskegon Community College's financial statements was:

Management's estimate of the allocation of certain expenses between management and general fundraising.

We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Foundation Board of Directors
Foundation for Muskegon Community College
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Significant Audit Matters—Continued

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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We have requested certain representations from management that are included in the management representation letter dated November 11, 2024.

Management Consultations with Other Independent Accountants

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Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of activities, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Foundation Board of Directors and management of the Foundation for Muskegon Community College and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Muskegon, Michigan
November 11, 2024