

Mattina, Kent & Gibbons, P.C.

Rochester

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Certified Public Accountants

Lapeer

951 S. Main Street, Suite 3  
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Proposal submitted for:

**PAINT CREEK TRAILWAYS COMMISSION  
ROCHESTER, MICHIGAN**

**AUDIT PROPOSAL  
FOR THE FISCAL YEARS ENDING  
DECEMBER 31, 2017 THROUGH DECEMBER 31, 2019**

**PAINT CREEK TRAILWAYS COMMISSION**

**AUDIT PROPOSAL  
FOR THE FISCAL YEARS DECEMBER 31, 2017 THROUGH  
DECEMBER 31, 2019**

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October 5, 2017

To the Board Members  
Paint Creek Trailways Commission  
4480 Orion Rd 2<sup>nd</sup> Floor  
Rochester, MI 48306

Dear Board Members:

We are pleased to submit this proposal to conduct the annual audits of the financial records of Paint Creek Trailways Commission for the fiscal years ending December 31, 2017 through December 31, 2019 with options through December 31, 2021. It is our firm's belief that building a longer-term commitment on both sides of a client/accountant relationship is beneficial to all concerned. We are looking for the longer-term commitment and do not present proposals for less than 3 years.

**AUDIT SERVICES**

We will audit the financial statements of Paint Creek Trailways Commission for the purpose of expressing an opinion on them. Our audit will be in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit and all required reports will be completed within the time period specified.

Our fee for the above services will be as follows:

**AUDIT SERVICES**

<u>YEARS ENDED</u>		<u>YEARS ENDED</u>	
DEC 31, 2017	\$ 3,900	DEC 31, 2017	\$ 3,900
DEC 31, 2018	\$ 4,100	DEC 31, 2018	\$ 4,100
DEC 31, 2019	\$ 4,300	DEC 31, 2019	\$ 4,300
		DEC 31, 2020	\$ 4,400
		DEC 31, 2021	\$ 4,500

Paint Creek Trailways Commission  
October 2, 2017

It is our objective to provide the best possible services at an acceptable cost. We believe that our firm's auditors have the necessary experience, knowledge, and competence to perform your audits in a professional, efficient, and timely manner.

We wish to thank you for the opportunity to submit this proposal. If you have any questions, please contact Vincent J. Mattina, Jr., CPA or Kyle Pantalone, CPA.

Sincerely,  
MATTINA, KENT, & GIBBONS, P.C.

A handwritten signature in cursive script, appearing to read "Vincent J. Mattina, Jr.", written in black ink.

Vincent J. Mattina, Jr., CPA  
Rochester, MI

## HISTORY OF MATTINA, KENT & GIBBONS, P.C.

Mattina, Kent & Gibbons, P.C. (a Michigan Corporation) is an experienced certified public accounting firm, dedicated to producing accurate and trustworthy financial data for every client, on every project, every time. We provide audit, accounting, tax and management services to growing businesses in a variety of industries. Our firm maintains a high degree of integrity which enhances our long-standing reputation. We feel we have the necessary experience and ability to provide high quality auditing and consulting services to your entity because of the following:

- Mattina, Kent & Gibbons, P.C. is a firm founded on the basic principle of offering "big firm" expertise and knowledge to clients, while maintaining the personal connection and service associated with a local boutique firm.
- Mattina, Kent & Gibbons, P.C. has experience in auditing and consulting with various nonprofit, governmental and for profit entities. Through this experience we have developed audit procedures which are least disruptive to the organization's accounting staff. We should be able to perform the audit with minimal disruption to your staff.
- Our audit staff is well trained and already familiar with unique characteristics of nonprofit and governmental financial records. We are proud of our low employee turnover rate that allows your staff to work with the same auditors each year.
- Our offices are located in the City of Rochester and the City of Lapeer, which allows us to respond quickly to specific needs. In addition, our convenient locations allows us to be more flexible in scheduling field work in order to be least disruptive to your staff.
- At the conclusion of our audit, we will prepare a recommendation letter that details our suggestions for improvement in financial records, internal control, and business office operations.
- Our firm is committed to providing quality service throughout the year. We communicate with our clients on a regular basis and provide information regarding important developments that effect nonprofit entities. We are available throughout the year for consulting regarding nonprofit finance or other matters.

## AUDIT STAFF PROFILES

### Vincent J. Mattina, Jr, C.P.A., Partner:

#### **Professional Experience**

Vince has over 30 years of accounting, audit and tax experience. He has been practicing with business clients including start-up as well as matured business entities for most of his career. His responsibilities include managing and reviewing of accounting, tax and audit projects. Vince has been licensed to practice public accounting in Michigan since 1988 and Nevada since 2000.

#### **Education/Certifications**

Graduated with a Bachelor of Accountancy from Walsh College

#### **Professional Associations**

Member of American Institute of Certified Public Accountants  
Michigan Association of Certified Public Accountants  
The Nevada Society of Certified Public Accountants

## **AUDIT STAFF PROFILES (Continued)**

### **Vincent J. Mattina, Jr, C.P.A. (Continued):**

#### **Community Associations**

Vince is an active member of the Rochester Rotary Club, and is on the board of directors as its current treasurer. He is the former President of Paint Creek Center for the Arts and Detroit Chapter National Tooling and Machining Association. Vince also services on the Finance Committees for the Rochester Area Youth Assistance and St John Vianney Catholic Church. In 2007 Vince completed the Leadership Greater Rochester program and in 2009 was awarded the Leadership Greater Rochester Sunrise Pinnacle Award.

### **Lorretta L. Deneweth, C.P.A., Partner:**

#### **Professional Experience**

Lorretta has been in public accounting since 1993 and was admitted as a partner in December 2012 and has served clients in a wide variety of industries. Including QuickBooks training and consulting, not-for-profit organizations, school districts, manufacturing, retail, construction and taxation.

#### **Education/Certifications**

Bachelor of Business Administration (Accounting), Northwood University  
Certified Public Accountant – State of Michigan

#### **Professional /Business Memberships and Organizations**

American Institute of Certified Public Accountants (AICPA)  
Michigan Association of Certified Public Accountants (MACPA)  
Zonta Club of Lapeer, Past President, Treasurer

### **Kyle A. Pantalone, C.P.A.:**

#### **Professional Experience**

Kyle has 5 years of accounting, tax and audit experience. Kyle joined the firm in January 2012 as a staff accountant and is now a Manager with a concentration in audit.

#### **Education/Certifications**

Graduated with a Bachelor of Science in Business Administration from Central Michigan University. Kyle also completed his Masters of Business Administration at Oakland University. In 2015 Kyle completed the Leadership Greater Rochester program.

#### **Professional /Business Memberships and Organizations**

Member of Michigan Association of Certified Public Accountants

## **AUDIT STAFF PROFILES (Continued)**

### **Domenic Recchia:**

#### **Professional Experience**

Domenic is one of the newest members to the staff. Domenic has had 5 years experience as a staff accountant in both public and private companies.

#### **Education/Certifications**

Graduated with a Bachelor of Science in Accounting from Johnson & Wales University in Providence Rhode Island graduating in 2012 Summa Cum Laude. Domenic has passed all parts of the Uniform CPA exam CPA certificate expected September 2018.

#### **Professional /Business / Community Memberships and Organizations**

American Institute of Certified Public Accountants (AICPA)  
Michigan Association of Certified Public Accountants (MICPA)  
Macomb County Sheriff's Department, Marine Safety Officer  
University of Detroit Jesuit High School, Ice Hockey Coach

## **AUDIT SCOPE AND SERVICES TO BE PERFORMED**

Our audits will be conducted in accordance with generally accepted auditing standards. Those standards require that we plan and perform each audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The audits will include the audit of all of the Organization's funds and the recommendation letter that details important matters which we noted during the course of our audit.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The following is a general description of the audit process and procedures, as they will be conducted for the years ending December 31, 2017 through 2019:

1. **ENGAGEMENT PLANNING**

Development of non-technical game plan toward audit engagement (timing, scheduling, etc.).

2. **INTERNAL CONTROL STRUCTURE**

a. **Evaluation and Audit Program**

A preliminary evaluation of the strengths and weaknesses of the internal control structure is performed, and based upon these results an audit program is developed.

b. **Compliance Testing**

Testing of actual transactions during each year to satisfy ourselves that the internal control structure is in place and functioning as expected.

3. **SUBSTANTIVE ANALYSIS**

Procedures designed to satisfy our auditors of the accuracy of account balances in the various funds at December 31, 2017 through 2019.

4. **REPORT PREPARATION**

Preparation of final reports.

5. **MANAGEMENT LETTER**

Based upon audit findings, a letter outlining internal control structure and operational weaknesses is prepared with recommendations for improvements.

6. **ENGAGEMENT REVIEW**

A three-step review process to insure that each audit engagement meets the internal quality control standards of Mattina, Kent, & Gibbons, P.C.

7. **REPORT PRESENTATIONS**

Oral presentation to committees and boards, as requested.

8. **PREPARATION OF RETURNS**

Federal Forms 990

Michigan License to Solicit



## ORGANIZATION INVOLVEMENT

This proposal is also based upon the assumption that your staff will be available to assist with clerical tasks such as typing letters and locating invoices, as well as normal year-end accounting functions. As part of the audit planning process, we will rely on your staff for assistance in the following areas:

1. Prepare trial balances for all funds as of each year-end.
2. Prepare bank reconciliations for each bank account.
3. Prepare a schedule of investments for each year to include beginning balance, purchases, sales and ending balance, and interest earned and accrued interest.
4. Prepare a listing of all accounts receivable and pledges receivable due the Organization at each year-end.
5. Prepare a listing of all accounts payable of the Organization at each year-end.
6. Analyze and furnish supporting documents for various revenue and expense accounts, as deemed necessary.
7. Supply supporting documents for various tests of transactions as specifically requested.
8. Provide copy of final authorized budget for each year.
9. Reconciliation of payroll reports filed to the general ledger accounts.
10. Depreciation/Lapse schedules including listing of current year additions and disposals.

These items must be completed prior to commencement of our fieldwork, which is scheduled to begin in the month of March for the year ending December 31, 2017 through 2019.

## TIMELINE OF AUDIT PROCESS AND PROCEDURES

We can assure you that each audit will be completed in a timely manner. We have assembled enough experienced and qualified auditors to ensure that each audit is completed in time to meet all filing deadlines. Our approach to performing an efficient audit includes advanced planning as an important step. This involves discussions with your staff in order to plan the audit, so that it is least disruptive to your staff and yet all filing deadlines are met. Based upon our tentative discussions and previous experience, we expect our audit work schedule to approximate the following for the year ending December 31, 2017 through 2019.

February	Audit planning meeting and review of systems and procedures.
April	Begin audit field work, meet with administration regarding audit issues and progress. (See Corporation Involvement on page 4.)
April	Year-end tests of balances, report preparation, submit draft copy of audit reports and management letter, conduct exit conference.
May	Deliver audit reports and recommendation letter and attend board meeting.

## **ADDITIONAL CONSULTING SERVICES AND QUALITY ASSURANCE**

### **ADDITIONAL CONSULTING SERVICES**

If at any time during the course of our engagement we find that special extended services not contemplated by this proposal are required or requested, we shall notify you. No extended services will be performed unless authorized by the contractual agreement or an amendment to the agreement. Our fee for any additional services will be based upon the experience and educational level of the staff person assigned. Those rates range from \$95.00 to \$220.00 per hour and historically the average rate per hour would approximate \$150.00.

Our audit bids include the belief that Paint Creek Trailways Commission may request minor additional services and telephone consultation during the year. They will be performed at no additional cost. Our bid is also based upon current volumes of activity. If volume of activity, in particular the Paint Creek Trailways Commission, should increase or grants received would require additional work and compliance documentation, a revised fee will be negotiated.

### **QUALITY ASSURANCE**

Our firm participates in the Peer Review Program sponsored by the American Institute of Certified Public Accountants. It is the objective of this program to improve the quality of services by CPA firms through the establishment of practice requirements and to establish and maintain an effective system of self-regulation of member firms by means of mandatory peer reviews, required maintenance of appropriate quality controls and the imposition of sanctions for failure to meet the requirements. On October 27, 2016, we were given an unqualified opinion on our most recent peer review. We have enclosed a copy for your records.

### **PROFESSIONAL LIABILITY INSURANCE**

Our firm maintains a \$500,000 Accountants Professional Liability Policy.

## FIRM REFERENCES

- **GOVERNMENTAL UNIT AUDIT CLIENTS**

Lapeer Township  
Dawn Walker, Clerk  
Lori Taylor, Treasurer  
(810) 664-3700

Mayfield Township  
Julie Schlaud, Clerk  
Dan Frisch, Treasurer  
(810) 664-0821

Oregon Township  
H Paul Spencer, Clerk  
Cheryl Rhein-O'Neill, Treasurer  
(810) 664-5971

Lapeer County Emergency Medical  
Service Authority  
Keith Rumbold, Executive Director  
(810) 664-2927

Lapeer Development Corporation  
Patricia Lucas, Executive Director  
(810) 667-0080

Lapeer County Land Bank  
Dana Miller, Chairperson  
(810) 664-0237

- **SCHOOL DISTRICT GOVERNMENTAL AUDIT CLIENTS & CONSULTING SERVICES**

The Chatfield School  
Matt Young, Director  
(810) 667-8970

- **OTHER NON-PROFIT AUDIT CLIENTS**

Habitat For Humanity of Lapeer  
County, Inc  
Carolyn Nestor, Executive Director  
(810) 664-7111

Rescue International  
Dominic Russo, Executive Director

Lapeer Team Work, Inc  
Ann Zettle, Ex-Director  
(810) 664-2710

Child Advocacy Center of Lapeer County  
Heather Frayer, Executive Director  
(810) 664-9990

Creative Employment Opportunities  
Jason Kunz, Executive Director  
(586) 722-3510

## System Review Report

October 27, 2016

To the Shareholders of Mattina, Kent & Gibbons, P.C. and the  
Peer Review Committee of the Michigan Association of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Mattina, Kent & Gibbons, P.C. (the firm) in effect for the year ended March 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included an engagement performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Mattina, Kent & Gibbons, P.C. in effect for the year ended March 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mattina, Kent & Gibbons, P.C. has received a peer review rating of *pass*.

*Maner Costerisan PC*