

**MINUTES**  
**City of Royal Oak**  
**Audit Review Committee**  
**November 26, 2024 at 6:00 p.m.**

**Roll Call:**

**Present**

**Absent**

Mayor Mike Fournier (excused)

Commissioner Melanie Macey  
Ioana Florescu  
Eric Lofquist  
John Maten  
Arvind Sapra

**Also Present:**

Nate Baldermann, Principal, Rehmann Robson  
Kymberly Coy, Finance Director  
Tony DeCamp, Assistant Finance Director

**1. Call to Order**

Chairperson Maten called the meeting to order at 6:07 p.m.

**2. Public Comment**

No public addressed the committee.

**3. Selection of Chairperson**

Moved by Commissioner Melanie Macey  
Supported by Eric Lofquist

BE IT MOVED to elect John Maten as chairperson of the Audit Review Committee.

MOTION ADOPTED UNANIMOUSLY (5-0)

**4. Approval of Agenda**

Moved by Commissioner Melanie Macey  
Supported by Arvind Sapra

BE IT MOVED to approve the agenda of the November 26, 2024 meeting.

MOTION ADOPTED UNANIMOUSLY (5-0)

**5. Approval of November 20, 2023 Meeting Minutes**

Moved by Eric Lofquist  
Supported by Arvind Sapra

BE IT MOVED to approve the minutes of the November 20, 2023 meeting.

MOTION ADOPTED UNANIMOUSLY (5-0)

## **6. Audit Results and ACFR Presentation – Rehmann Robson**

The presentation of the audit was given by Nate Baldermann of Rehmann Robson, which included the review of the Annual Comprehensive Financial Report, Schedule of Expenditures of Federal Awards Report, and Independent Auditors' Communication with Those Charged with Governance (also referred to as the Management Letter).

Mr. Baldermann explained that the city has received an unmodified audit opinion, also referred to as a "clean opinion", which is the highest level of assurance auditors can report. The Single Audit report was reviewed, focusing on the Summary of Auditors' Results (page 10) which shows no material weaknesses, significant deficiencies, noncompliance, nor other findings.

The Management Letter was reviewed, also noting no significant findings or misstatements. The Letter includes one comment and recommendation (Attachment A) which continues to note the relatively high fund balance in the State Construction Code Fund. The Audit Review Committee discussed this comment extensively and ultimately recommends that the City Commission address the substantial fund balance in the State Construction Code Fund by establishing a plan for long-term funding utilization and establishing quantifiable parameters to trigger remediation activities to deplete or replenish the fund as necessary. Furthermore, the Committee would like updates on the matter at future meetings.

The Annual Comprehensive Financial Report (ACFR) was also reviewed, noting that the financial statements themselves are the responsibility of the City, with the Independent Auditors' Report being the only part of the ACFR strictly provided by the auditors. The Independent Auditors' Report is also known as the audit opinion letter. Mr. Baldermann concluded the presentation after reviewing the balance of the report.

Moved by Eric Lofquist  
Supported by Arvind Sapra

BE IT MOVED to accept the Annual Comprehensive Financial Report, Schedule of Expenditures of Federal Awards Report and Management Letter for the year ended June 30, 2024, as submitted, and recommend that the City Commission accept them as well.

MOTION ADOPTED UNANIMOUSLY (5-0)

## **7. Other Business**

No other business was discussed.

## **8. Adjournment**

Moved by Arvind Sapra  
Supported by Eric Lofquist

BE IT MOVED to adjourn the Audit Review Committee meeting at 8:20 p.m.

MOTION ADOPTED UNANIMOUSLY (5-0)