

**\*\*CONTRACTOR ANNOUNCEMENT\*\***

CPA Clarification for Revised Administrative Rules

In order to address the numerous questions the Michigan Department of Transportation (MDOT) has been receiving from Certified Public Accountants regarding the revised Administrative Rules Governing the Prequalification of Construction Contractors (Administrative Rules), MDOT is issuing the following statement:

In accordance with Administrative Rule R247.34(1), which states, in part:

*At a minimum, the audited financial statement shall include all of the following that reflect the accounting theory and practice employed by the bidder:*

- (a) An independent certified public accountant's audit report.*
- (b) A balance sheet.*
- (c) An income statement.*
- (d) A statement of cash flows.*
- (e) Appropriate notes.*

MDOT is requiring a full scope audit be submitted with the bi-annual prequalification application filings for those companies having an overall financial rating of \$10 million or more.

The audit is to be conducted in accordance with Generally Accepted Auditing Standards (GAAS).

1/12/10  
Lansing, MI