Professional Auditing Services

Prepared for:
Village of Northport
P.O. Box 336
Northport, MI 49670

Maner Costerisan

Village Of Northport

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Maner Costerisan

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Grand Rapids, MI 49546

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TO

Village of Northport
Attn: Village Clerk
clerk@villageofnorthport.net

FROM

Aaron M. Stevens, CPA, CGFM, Principal
Maner Costerisan
astevens@manercpa.com

January 23, 2026

Dear Ms. Scott,

We are very excited about the opportunity to provide you with a proposal for professional auditing services for the Village of Northport for the fiscal years ending June 30, 2026 and 2028, with the option to extend the engagement. Our services will include a financial audit of the Village's financial statements and other requested services. Our firm will provide timely audit services and a "big picture" report to the Members of the Village Council reviewing operations, audit conclusions, and recommendations.

We understand the audit will be performed in accordance with generally accepted auditing standards (GAAS) as contained in the Statement on Auditing Standards of AICPA and to the extent applicable, *Government Auditing Standards*, and the Uniform Guidance. We will plan our audit assuming the Village's financial statements will be prepared in accordance with U.S. generally accepted accounting principles. We will meet the time frames outlined in the request for proposal, assuming the Village provides the required trial balances and schedules by the necessary dates. This proposal is a firm and irrevocable offer for 60 days.

Executive Summary

We propose performing the audit fieldwork for the Village of Northport using a hybrid approach of remote and onsite fieldwork, with an initial planning meeting in March 2026. We plan to utilize a secure portal, Suralink, to facilitate the exchange of electronic files throughout fieldwork. Regular, periodic meetings with management will be held to discuss the status of the engagement as fieldwork progresses.

Upon completion of the fieldwork, the engagement will be subjected to our firm's internal review process, which involves not only the engagement principal review but also an independent principal review. Draft financial statements will be provided to the Village by October 1, 2026. Final reports will be printed and delivered no later than November 1, 2026, followed by a presentation to the Village Council at a mutually convenient meeting.

Why We Believe We Are the Best Qualified

- The engagement principal assigned to your audit has more than 30 years of experience in governmental auditing and accounting, including extensive experience with GASB 34 financial statements.

- Maner Costerisan's experience includes auditing more than 300 governmental entities including cities, villages, counties, townships, school districts, libraries, transportation authorities, health departments, road commissions, other local authorities and agencies, and various departments of the State of Michigan.

- The engagement principal assigned to your audit previously served on the Michigan Committee on Governmental Accounting and Auditing. This committee provides guidance that local units of government may use in complying with accounting and auditing requirements in the State of Michigan. As a result, a considerable amount of time is spent working with representatives of the State Treasury Department, Municipal Finance Commission, and the Department of Transportation. Maner Costerisan continues to have representation on this Committee.

- Our firm is a member of the Governmental Audit Quality Center (GAQC), established by the American Institute of CPA's (AICPA).

We understand the importance of conducting an engagement in a manner that will cause the least disruption to your office. All of our efforts are directed toward achieving the completion of these projects with the highest degree of quality. We have included our most recent peer review report. We again received a "pass" report.

The accompanying proposal is a firm and irrevocable offer for the financial statement audits of fiscal years ending June 30, 2026 and 2028, with the option to extend the engagement, for the Village. We pride ourselves on completing our audits in a timely fashion and will perform the audit of the Village's financial statements within applicable deadlines. Our proposal is a written expression of our plan of services and qualifications, but it cannot completely convey the enthusiasm with which Maner Costerisan approaches this opportunity.

I look forward to hearing from you.

Sincerely,

Aaron M. Stevens, CPA, CGFM

About Maner Costerisan

Over 115 years in business. That means Maner Costerisan has more than a century of experience in looking toward the future. We've learned a lot over the last 100-plus years, growing from a small, local firm serving mid-Michigan in the early 1900s to one of Accounting Today's Top Regional Firms (2021 - 2025).

Our growth and success are directly connected to strong relationships with our clients. We listen to their problems and help solve them.

We begin every business relationship by immersing ourselves in your goals, obstacles, and opportunities. We understand where you are today and learn where you want to go tomorrow. This insight empowers us to develop creative, flexible, cost-effective solutions to get you there. Not some vague, one-size-fits-all plan, but a comprehensive, step-by-step blueprint for success. Designed to keep you compliant and turn today's potential into tomorrow's achievements.

We may work with numbers and figures, but it's people and relationships that drive us. Our mission is to enable others to reach their potential.

Every day, this is how we prove "client first" is both our promise and our passion:

- Proactively using our industry experience and knowledge to stay on top of your ever-changing requirements and the latest legislative changes impacting your industry.
- We're a trusted advisor and sounding board, delivering strategic solutions and hands-on guidance to help put you ahead of obstacles.
- Ensuring every client works exclusively with senior-level professionals, experienced in your industry - giving you direct access to our partners and managers every step of the way.
- Listening to your needs and challenges. Developing actionable solutions to help you get where you want to be.

Government Expertise

With Great Power Comes Great Scrutiny - Today, more is expected from government entities, so no one is more dedicated to offering smarter, cost-effective solutions than the experts at Maner Costerisan. We're deeply connected with the Michigan government and have hands-on experience working at every level. This experience empowers us to offer proactive solutions, going beyond just compliance maintenance. Our team knows how to help you get the most of tight budgets and manage talent shortages while staying on top of the shifting laws, rules, and regulations. Whether as a long-term partner or short-term resource, we're here to step in and help make any department stronger, so you can give your best to working for the public good.

Expertise in Action:

Over 1.2 billion dollars audited in federal expenditures

What Makes Maner Different?

Our professional staff is highly trained to provide services to governmental and nonprofit organizations and related entities in the areas of accounting, taxation, and consulting. Professional training is maintained by staff members through participation in and presentation of educational programs conducted both in-house by our firm and sponsored by national, state, and local professional societies and associations.

We perform these highly complex and regulatory-heavy audits. We are also certified to provide peer reviews of other CPA firms, reviewing their quality control systems to ensure they perform audits at the highest standards.

Other CPA firms seek our experienced professionals to review and grade their performance.

Client service remains at the heart of everything we do at Maner Costerisan. In June 2024, we received our fifth consecutive "Best of Accounting" Client Satisfaction Award from Clearly Rated.

Meet the Team

The team below will be dedicated to supporting the Village of Northport:

Aaron Stevens, CPA, CGFM
Principal, Director
Audit

About Aaron

Aaron brings more than 30 years of experience specializing in government and nonprofit auditing and consulting to Maner Costerisan. A member of the firm's Board of Directors, Aaron helps lead Maner's Government team and is a partner in the Audit department. Since joining Maner through a merger with Stevens, Kirinovic & Tucker P.C. (SKT) in early 2019, he's helped spearhead tremendous growth throughout the government division, always looking for innovative solutions to help municipalities and government entities achieve their goals.

Aaron actively takes charge of keeping the entire government team well-informed about the constantly evolving requirements for government entities of various scales.

"I believe the key factors that drive my success are hard work, determination, and self-accountability. My goal is to be the consultant or advisor that my clients rely on and have confidence in."

Certifications:

- Certified Public Accountant (CPA)
- Certified Government Financial Manager (CGFM)
- AICPA Fundamentals of ESG Certificate
- AICPA Not-for-Profit Certificate I
- AICPA Not-for-Profit Certificate II

Memberships:

- American Institute of Certified Public Accountants (AICPA)
- Michigan Association of Certified Public Accountants (MICPA)
- Michigan Governmental Finance Officers Association (MGFOA)

Meet the Team (cont.)

Jordan Smith, CPA
Principal
Audit

About Jordan

Jordan joined Maner Costerisan in January 2019 as part of the firm's merger with Stevens, Kirinovic & Tucker P.C. (SKT). Jordan was promoted to Principal in January 2023 and has nearly 20 years of government auditing experience. Jordan helps governments discover innovative solutions to budgetary constraints and internal controls while remaining i. compliance with state and federal requirements.

An active member of Maner's government committee, Jordan enjoys working with government clients throughout the state, helping them find innovative solutions to their challenges. His inspiration for entering the accounting industry was his father, also a CPA.

"My parents helped instill a work ethic of working with others to foster success. I enjoy talking with clients and figuring out innovative solutions to every problem. The key to success is being honest, ethical, and hard-working."

Certifications:

- Certified Public Accountant (CPA)
- CIMA Advanced Single Audit

Memberships:

- American Institute of Public Accountants (AICPA)
- Michigan Association of Certified Public Accountants (MICPA)
- Michigan Governmental Finance Officers Association (MGFOA)

Meet the Team (cont.)

Dane Porter, CPA, CGFM
Senior Manager
Audit

About Dane

Dane has more than 20 years of accounting experience and has worked on various governmental and nonprofit audits throughout his career. Dane grew up in the Lansing area where he graduated from Lansing Eastern High School. He holds two degrees from Michigan State University; a Master of Science degree in professional accounting and a Bachelor of Arts degree in accounting. He also holds an Associate of Arts degree in pre-business from Lansing Community College. He is a member of the American Institute for Certified Public Accountants and the Michigan Association of Certified Public Accountants.

"I am successful because I am detail oriented and strive to provide a quality work product."

Certifications:

- Certified Public Accountant (CPA)
- Certified Government Financial Manager (CGFM)

Memberships:

- American Institute of Public Accountants (AICPA)
- Michigan Association of Certified Public Accountants (MICPA)
- Governmental Finance Officers Association (GFOA)
- Association of Government Accountants (AGA)

Meet the Team (cont.)

Gabe Seng, CPA, CGFM
Senior Associate
Audit

About Gabe

Gabe joined Maner Costerisan in 2022 and is a senior associate in the Audit department. He brings approximately three years of experience to the firm and specializes in providing audit services to local governments and municipalities. In his role, Gabe provides audit and assurance services to various governmental clients including cities, townships, villages, transportation authorities, and school districts. Gabe also services as a team lead, managing staff, and training new hires on all areas related to governmental auditing. He is a graduate of Calvin University and is a member of the American Institute of Certified Public Accountants and the Michigan Association of Certified Public Accountants.

Gabe is a Certified Public Accountant (CPA) and has received the Certified Government Financial Manager certification through the AGA.

"Strive to make an impact in whatever way you can."

Certifications:

- Certified Public Accountant (CPA)
- Certified Government Financial Manager (CGFM)

Memberships:

- American Institute of Public Accountants (AICPA)
- Michigan Association of Certified Public Accountants (MICPA)

Overview & Engagement Scope

Based on the RFP, we understand your needs consist of the following components for the 2026 fiscal year and the future:

- Financial statement audit in accordance with generally accepted auditing standards (GAAS) issued by the AICPA;
- Government Auditing Standards issued by the Comptroller General of the United States (Yellow Book); and
- When applicable, the provisions of the federal Single Audit requirements under 2 CFR Part 200, Subpart F, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Single Audit).

Independence

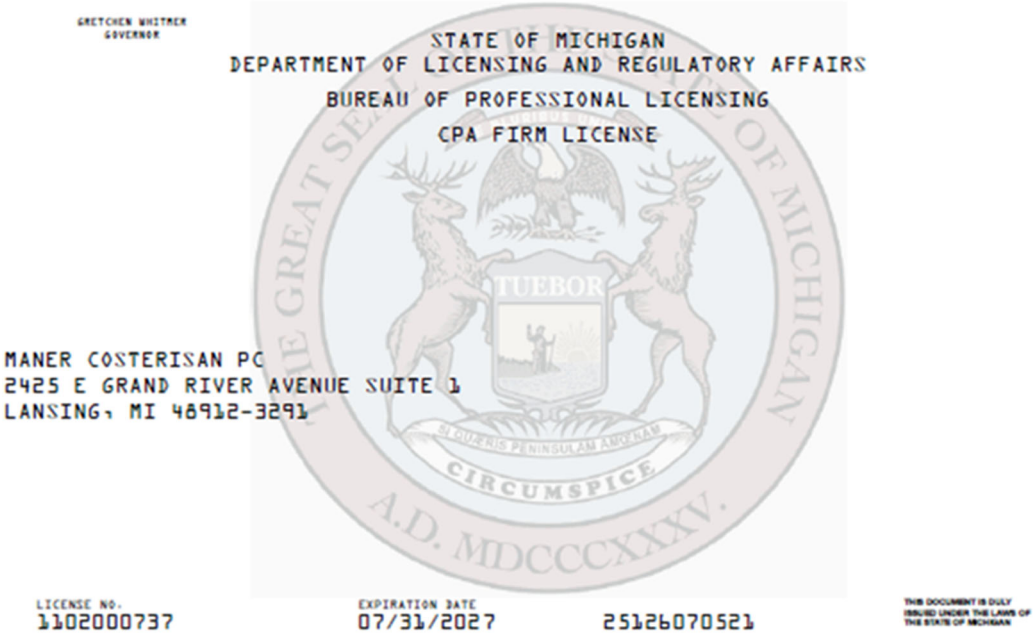
Maner Costerisan is independent with regard to the Village. We meet all the independence requirements of Generally Accepted Auditing Standards and *Government Auditing Standards* in relation to the Village.

We affirm that we will follow the AICPA Interpretations of 501-3.

The firm will give the Village's management written notice of any professional relationships entered into during the period of this agreement which would impact the independence of, or relationship with, the Village.

License to Practice in Michigan

Maner Costerisan and all key staff are properly licensed in the State of Michigan.



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CPA FIRM LICENSE

MANER COSTERISAN PC
2425 E GRAND RIVER AVENUE SUITE 1
LANSING, MI 48912-3291

LICENSE NO.
1102000737

EXPIRATION DATE
07/31/2027

25126070521

THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF MICHIGAN

Overview of Firm

Maner Costerisan was founded in the early 1900s. Since that time, we have grown into the largest local accounting firm in mid-Michigan, and we are recognized as a leader in conducting traditional and non-traditional services in the region. Maner Costerisan's main office is located at 2425 E. Grand River Avenue, Suite 1, Lansing, Michigan 48912. The immediate access to our experts and engagement team results in increased efficiencies and faster completion times for our engagements. In addition, our affiliation with BDO Alliance USA provides us easy access to additional professional and technical resources.

The firm consists of approximately 235 individuals, including 36 shareholders (principals), and more than 50 professionals providing audit services to governmental entities. Most staff join our firm immediately after college through a very selective recruitment program. Our professional staff is highly trained to provide services to governmental and nonprofit organizations and related entities in areas of accounting, taxation, and consulting. Professional training is maintained by staff members through participation in and presentation of educational programs conducted both in-house by our firm and sponsored by national, state, and local professional societies and associations.

The audit of the Village's financial statements will be performed by full time professionals from our Grand Rapids and Lansing offices and will be managed from the Lansing office.

Our firm participates in the AICPA Peer Review Program of the National Peer Review Committee (NPRC). We have received a "pass" peer review during every review since the inception of the program, including the most recent review in July 2023. We have received approval as a registered firm under the Public Company Accounting Oversight Board (PCAOB) and are a charter member of the AICPA Government Audit Quality Center. Please refer to page 29 for our most recent peer review letter. Our most recent peer review included a review of specific governmental engagements.

We have specific governmental experience and have served as the audit firm for local governments for more than 50 years. The importance of the institutional knowledge we have gained over the years cannot be overemphasized. We have a long history of working with organizations like yours and believe we are the best firm to service your needs. Our clients have come to expect diversity of services and personal attention, our strength stems from a highly professional and dynamic staff. In 2025, governmental engagements accounted for more than 20% of the firm's revenue.

Overview of Firm (cont.)

Our clients have shown us that they want the resources of a large accounting organization yet prefer to maintain the close, personal interaction only possible with an independent CPA firm. To expand our services, Maner Costerisan participates in BDO Alliance USA. We are an independent member of the BDO Alliance USA, a nationwide association of independently-owned local and regional accounting, consulting, and service firms with similar client service goals. By supplementing our services, the BDO Alliance USA allows us to:

- Enhance our client services and broaden our capabilities overall
- Expand our domestic and international coverage
- Gain greater technical knowledge in specialty areas
- Utilize professionals with experience in a wide range of industries
- Access the most up-to-date technical information
- Participate in the latest training programs
- Provide our clients with key contacts and sophisticated professionals throughout the U.S.

The BDO Alliance USA brings us the necessary tools to help us better serve our clients with greater flexibility, efficiency, and cost-effectiveness.

The BDO Alliance USA is a subsidiary of BDO USA, LLP, a Delaware limited liability partnership. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 65 offices and over 750 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of more than 91,000 people working out of more than 1,600 offices across 167 countries.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Members of BDO Alliance USA must undergo a rigorous screening process and are evaluated on professional standards - including a periodic peer review under the auspices of the American Institute of Certified Public Accountants. Maner Costerisan's participation in the Alliance is further assurance that our firm can provide the level of service and resources required to serve effectively and efficiently. We will help you develop solutions that work.

AN INDEPENDENT MEMBER OF BDO ALLIANCE USA

Overview of Firm (cont.)

Single Audits

The "Single Audit" is required to be performed for governmental units that expend $1,000,000 or more in federal financial assistance in a fiscal year. This type of audit covers compliance with grant regulations and contract provisions, along with financial areas.

We have attained extensive experience with governmental units related to grant funded programs, either by performing Single Audits or providing monitoring and technical assistance services. We have performed Single Audits for numerous governmental units and nonprofit organizations, and currently perform more than 150 Single Audits annually. All team members assigned to the Village's engagement have experience auditing federal programs. This experience would prove beneficial to the Village in assisting in applying for and auditing of grants.

Desk or Field Reviews

Single Audits that have been subjected to desk reviews by Federal and State agencies have always received acceptable results on these reviews. We have also received acceptable results on all Federal or State field reviews on our Single Audits. No disciplinary action has been taken or is pending against our firm during the past three years with state regulatory bodies or professional organizations. Our governmental principals have extensive experience with the Single Audit, which assures that audit coverage and reporting requirements are met.

Summary of Qualifications

Your Audit Team

Choosing the right professionals to serve you is a critical element of success. In selecting your service team, we reviewed carefully our understanding of your needs, as well as your plans, and identified the people whose credentials are ideal for you. The individuals we have selected have a demonstrated track record with governmental clients, strong technical backgrounds, and outstanding leadership and communication skills.

Client service and satisfaction are among our prime considerations. One of the most important services we provide our clients is monitoring their needs on a continual basis. This begins at the staff level and progresses all the way to the shareholder-in-charge of your account. We believe it is important that our clients have several resources to help them rather than just one. We have found this type of teamwork facilitates the identification of issues in advance and enables us to plan for them accordingly.

We currently have approximately 235 full time staff members. The key professionals you will work with are indicated in the chart below.

	Member (*)	Relevant Experience	Position
Aaron M. Stevens, CPA, CGFM	1,2,3	32 years	Engagement Principal
Jordan E. Smith, CPA	1,2,3	20 years	Independent Review Principal
Dane M. Porter, CPA, CGFM	2,3	22 years	Senior Manager
Gabe Seng, CPA, CGFM	2,3	4 years	Manager

(*) 1) Member of Michigan GFOA 2) American Institute of CPAs 3) Michigan Association of CPAs

The audit team assigned to your engagement has significant experience in governmental accounting and auditing and provides services to governmental units year-round. Our firm and all our personnel are committed to providing the highest quality of service. We have not had any complaints leveled against the firm or the individuals listed in this proposal by the AICPA, the State Board of Accountancy, or any other regulatory authority. In addition, upon being selected, an appropriate number of staff would be assigned once detailed schedules of dates have been determined. It is in the best interest of the Village as well as Maner Costerisan to maintain continuity of staff on every engagement from year to year and we make every effort to make that possible.

Summary of Qualifications (cont.)

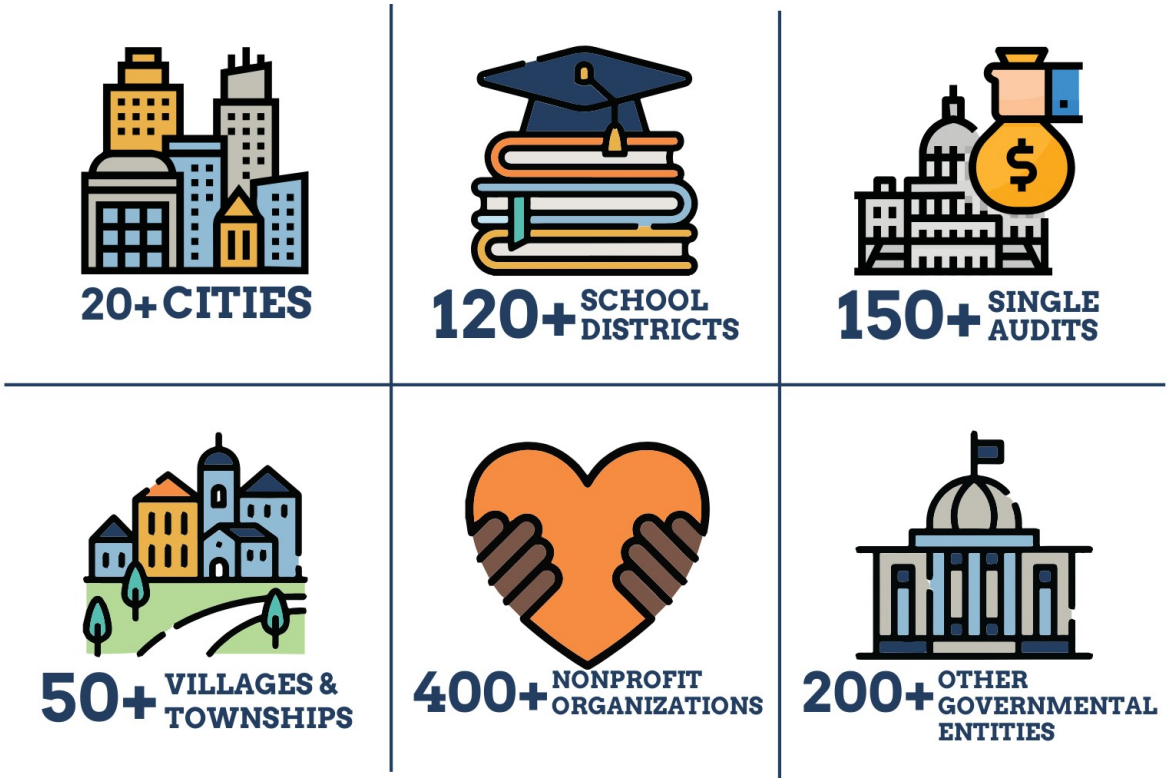
Your Audit Team (continued)

All audit team members obtain continuing professional education through the AICPA and MICPA as required, including the area of governmental accounting and auditing. In addition, we demonstrate our commitment to the governmental industry by participating in the following associations and organizations:

- American Institute of Certified Public Accountants
- Government Finance Officers Association
- Michigan Association of Certified Public Accountants
- Michigan Government Finance Officers Association
- Michigan Municipal Executives
- Michigan Municipal Treasurers Association
- Michigan Townships Association
- Michigan Committee on Governmental Accounting and Auditing
- Michigan Association of Counties
- Michigan School Business Officials
- Michigan Public Transit Association
- Michigan Association of Transportation Systems
- County Road Association of Michigan

Summary of Qualifications (cont.)

Similar Engagements with Other Public Sector Entities



A list of governmental clients, including tax increment type entities we are currently serving, have served, or have recently been appointed to serve can be provided upon request.

Summary of Qualifications (cont.)

Similar Engagements with Other Governmental Entities

The following lists some of the governmental clients we are currently serving, have served, or have recently been appointed to serve:

Villages

Village of Brooklyn
Village of Perrinton
Village of Ortonville
Village of Blissfield
Village of Fowlerville
Village of Vicksburg
Village of Paw Paw

Cities

City of Albion
City of Corunna
City of DeWitt
City of Center Line
City of Ferndale
City of Hart
City of St. Johns
City of Lansing
City of Kalamazoo
City of Grand Ledge
City of Marshall
City of Ovid
City of Harbor Beach
City of Niles
City of Pleasant Ridge
City of Portland
City of Springfield
City of St. Clair
City of Lathrup Village
Village of Grosse Pointe Shores, a Michigan City
City of Watervliet
City of Huntington Woods
City of Mount Clemens
City of Charlotte

Townships

Bath Charter Township
Rives Township
Oneida Charter Township
Delhi Charter Township
DeWitt Charter Township
Holly Township
Handy Township
Locke Township
Ovid Township
Sodus Township
Williamstown Township
Woodhull Township
Emmett Charter Township
Iron River Township
St. Clair Township
Bruce Township
Chester Township
Delta Charter Township
Duplain Township
East Bay Charter Township
Lansing Charter Township
Leoni Township
Pipestone Township
Conway Township
Williams Charter Township
Watertown Charter Township
Alaiedon Township
Kalamo Township

Summary of Qualifications (cont.)

Similar Engagements with Other Governmental Entities (continued)

Townships (continued)

Lebanon Township
Genoa Charter Township
Bridgeton Township
Somerset Township
Middlebury Township
Mundy Charter Township
Green Oak Charter Township

Counties

Branch County
Ionia County
Lake County
Charlevoix County
Huron County
Antrim County
Tuscola County
Clinton County
Isabella County
Shiawassee County
Van Buren County
Benzie County
Lapeer County

Road Commissions

Clinton County Road Commission
Lenawee County Road Commission
Shiawassee County Road Commission
Mackinac County Road Commission
Lake County Road Commission
Eaton County Road Commission
Oceana County Road Commission
Sanilac County Road Commission
Huron County Road Commission

Libraries

Adrian District Library
Dexter District Library
Cromaine District Library
DeWitt District Library
Grand Ledge Area District Library
Flat River Community Library
Lenawee District Library
Romeo District Library
Milan Public Library
Clarkston Independence District Library
Garden City Public Library
Fowlerville District Library
Brighton District Library
Charlotte Community Library
Delta Township District Library
Detroit Public Library
Ferndale Area District Library
Kent District Library
Ovid Public Library
Tecumseh District Library
Bath Township Public Library
Grosse Pointe Public Library
Mount Clemens Public Library

Summary of Qualifications (cont.)

Similar Engagements with Other Governmental Entities (continued)

Transportation Authorities and Agencies

Bay Metropolitan Transportation Authority
Shiawassee Area Transportation Agency
Saginaw Transit Authority Regional Services
Isabella County Transportation Commission
Western Oakland Transportation Authority
Greater Lapeer Transportation Authority
Central Co. Transportation Auth.
City of Niles Dial-A-Ride
Jackson Area Transportation Auth.
Kalamazoo Co. Transportation Auth.
Eaton County Transit Authority
Regional Transportation Authority of Southeast Michigan

References

Three references for engagements similar to the Village of Northport are listed below. Additional references will be provided upon request.

Governmental Entity:	**Village of Fowlerville**
Scope:	Financial and Single Audit (if required), enterprise funds, pension reporting
Years of Engagement:	22 years
Most Recently Completed:	June 30, 2025
Engagement Partner:	Aaron M. Stevens, CPA, CGFM
Total Hours:	190
Principal Contact:	Michelle Lamb, Treasurer
Email Address:	mlamb@fowlerville.org
Phone Number:	(517) 223-3771, Ext. 15

Governmental Entity:	**Village of Vicksburg**
Scope:	Financial and Single Audit (if required), enterprise funds, pension reporting
Years of Engagement:	8 years
Most Recently Completed:	June 30, 2025
Engagement Partner:	Aaron M. Stevens, CPA, CGFM
Total Hours:	130
Principal Contact:	Jim Mallery, Village Manager
Email Address:	jmallery@vicksburgmi.org
Phone Number:	(269) 649-1919

Governmental Entity:	**Village of Paw Paw**
Scope:	Financial and Single Audit (if required), enterprise funds, pension reporting
Years of Engagement:	5 years
Most Recently Completed:	February 28, 2025
Engagement Partner:	Aaron M. Stevens, CPA, CGFM
Total Hours:	150
Principal Contact:	Bryan Myrkle, Village Manager
Email Address:	b.myrkle@pawpaw.net
Phone Number:	(269) 657-3148

Our Audit Approach

We pride ourselves on understanding our clients and their unique needs. Based on this firm-wide standard, we dive into the audit process by assessing your organization's needs and risks. After digging into the details and getting a better sense of your firm's goals, challenges, and situation, we'll design a tailored audit approach that best fits your circumstances.

Less Stress. More Impact.

While standardizing efficiency can be a profitable strategy, rigid uniformity for its own sake reduces efficiency and creativity. That's why we've adopted a forward-thinking approach that encourages flexibility based on your needs. We're realistic and want to make this process - which can be challenging and overwhelming - as simple as possible for you. Our team constantly brings forward new ideas to make the process easier for our clients while staying true to our professional standards and ethical commitments.

An audit can sometimes feel like one more thing to manage on your already full plate. We schedule our work to minimize the impact on your staff while maximizing the effectiveness of our engagement team and process. Timing can be everything - so we collaborate with you to ensure we're partnering in a way that works for your key stakeholders - on the way to making the audit process less of a headache.

What to Expect

Effective communication, technology, and creative analytical tools are fundamental to our audit process. In addition, we lean into the following key components to ensure our audit process produces an accurate, efficient, and effective audit that follows professional standards. It also provides helpful insight to ensure your plan is doing its best for its participants.

Audit Programs

We utilize PPC for our Governmental audit planning and audit programs as well as take a tailored approach on a client-by-client basis.

Our Audit Approach (cont.)

Sample Sizes and Extent of Statistical Sampling

Our utilization of sampling in auditing generally centers on compliance and controls testing, rather than substantive testing of account balances. We use quality control materials from PPC in all our audit engagements. These forms guide our staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing the following areas:

- Controls over expenditures
- Michigan legal compliance
- Federal compliance under the uniform guidance, as applicable

Sample sizes obtained via the PPC guidance system fall into categories of 25, 40, or 60, depending on circumstances. The most common scenario would be a selection of 40 transactions in the first year of our engagement, followed by a sample size of 25 in subsequent years, assuming no significant problems are discovered in the first year. We are usually able to cover a substantial portion of the two categories of testing with one sample, resulting in a very efficient transaction testing phase.

Analytical Review

In accordance with accounting standards generally accepted in the United States of America, analytical review will be utilized in the planning process and during the final review stage of the audit. Our analytical procedures consist of five components: expectation development, explanation generation, information search and explanation evaluation, decision making and documentation. Specific procedures would include comparison of actual results to prior years and to adopted documentation. Specific procedures would also include comparison of actual results to prior years and to adopted budget (as amended), comparison of expected revenue to actual revenue recognized, and a reasonableness test for return on investments. Other substantive procedures may be supplemented by analytical procedures, depending on our audit risk assessments process.

Understanding of Internal Control

Statements on auditing standards require us to gain an understanding of the control environment and to assess control risk in planning our audit. In order to accomplish this, we will utilize PPC's "government organization planning forms," and by discussion with appropriate Village staff, we will document significant internal control points in the cash and investments, revenue expenditures and expenses, general ledger, payroll, accounts payable, and purchasing systems.

Our Audit Approach (cont.)

Internal Quality Control

Governmental audits conducted are subject to an independent review in accordance with our Quality Management Procedures.

Key Components of the Audit Process

PLANNING

- While investing in this step takes time, it leads to a more effective and efficient audit.
- In this stage we develop an understanding of your plan and how it operates.

SCHEDULING

- We'll introduce our team ASAP and begin staffing and scheduling your audit, keeping in mind consistency of staff and increased efficiency in long-term engagements.

FIELD WORK & WRAP UP

- We schedule our fieldwork well in advance with predetermined objectives and requested items.

PROGRESS MEETINGS

- We'll set up regular meetings with stakeholders to discuss our status and any open items or challenges we face in completing the audit - so nothing is a surprise.

TECHNOLOGY

- We utilize technology to optimize the audit process.
- By leveraging paperless documentation, client portals, and software, we work to streamline and create efficiencies throughout the process.

STAKEHOLDER EXPECTATIONS

- We aim to be the ultimate professionals, respecting your team's time and busy workload.
- We'll work together to help document your systems, prep confirmations, and gather source documents as efficiently as possible.

DEADLINES

- Meeting deadlines is a top priority.
- Absent events beyond our control, be assured we'll meet all deadlines we've collectively established in the Planning stage.

QUALITY CONTROL

- We have an extensive review process to ensure the highest standards are met. A firm principal reviews all services before they're considered "complete."
- It's our policy to lock audit work papers within 45 days of the report date, allowing time to resolve any issues and still meet professional standards.

Timeline

Below is a suggested timeline for the project based on our experience with similar clients. As always, we'll work with you to create a timeline that works best for your team.

Audit for Fiscal Year Ending June 30, 2026	
Planning • Initial planning meeting. • Create users and log in on secure portal (Suralink). • Begin documenting internal controls. • Discuss current year audit with management. Assess risk, perform SAS 99 procedures, perform preliminary analytical procedures.	March through June
Fieldwork • Consider changes needed due to recent technical pronouncements and management's desire. • Perform audit test work, including analytical procedures, testing, and other substantive procedures. • Meet with management to discuss adjustments and management letter comments.	August/September
Issue Deliverables (draft for finalization) • Audit report • Management advisor letters • Audit committee correspondence	Drafts by October 1 Finals by November 1
Presentation to Village Council	Mutually convenient Council meeting

Audit Hours

See separate Fee Proposal for breakdown of hours and fees.

The following summarizes our estimate of the audit hours required to complete the engagement for the fiscal year ending June 30, 2026, detailed by team member level and section of the engagement:

	Hours		
	Fieldwork	Review & Reporting	Total
Aaron M. Stevens, CPA, CGFM Engagement Principal	8	8	16
Jordan E. Smith, CPA Independent Review Principal	-	2	2
Dane M. Porter, CPA, CGFM Senior Manager	16	6	22
Gabe Seng, CPA, CGFM Manager	28	10	38
To be determined Associates	56	16	72
Administrative personnel	-	4	4
	108	46	154

Additional Service Capabilities

Maner Costerisan's dedicated Government team delivers an unprecedented level of support where you need it most. You'll get guidance from partner-level staff, along with hands-on help proven to lower costs and elevate performance. When every dollar matters, trust Maner to get the job done.

Outsourced Accounting Solutions

From day-to-day accounting support to filling a CFO role, we can supplement your dedicated accounting staff with a team of experts. It's the proven way to lower costs and minimize disruptions to daily operations - all while staying compliant and implementing data-driven financial strategies that can secure a bright future for your municipality.

Technology

When every recourse is precious, the right technology makes all the difference. Our experts can help you customize, implement, and maintain technology that streamlines your accounting, improves communication across departments, and delivers actionable financial analytics for better decision-making - all while upholding the highest level of security.

Defined Benefit & Contribution Plans

Managing and growing a large asset pool like a government entity's retirement plan is a huge responsibility. Which is why we bring decades of skill and experience to the job - considering countless factors from investment volatility to your fiduciary obligations. Working with our team helps reduce your liability and potentially lowers costs and fees, while giving your employees more choices and control.

Audit & Assurance

When you work for the public, financial transparency and accuracy are essential. We'll complete an independent review of financial statements and provide a detailed report that confirms the reliability of your data - protecting you and the trust of the people you serve.

Wealth Management

While you're working long hours to support your clients and community, we help make sure your money is working for you. Our wealth management experts customize investments around where you are today and where you want to be tomorrow. With our sound, proven investment strategy, you can be confident your money is building toward your personal goals and the retirement of your dreams.

Peer Review Report

RPB CPAs
A century of new ideas

Report on the Firm's System of Quality Control

July 31, 2023

To the Principals of Maner Costerisan PC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Maner Costerisan PC (the firm) in effect for the year ended March 31, 2023. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maner Costerisan PC in effect for the year ended March 31, 2023, 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*. Maner Costerisan PC has received a peer review rating of *pass*.

Reilly, Penner & Benton LLP

Reilly, Penner & Benton LLP

Reilly, Penner & Benton LLP
1233 N. Mayfair Road Suite #302 • Milwaukee, WI 53226-3255 • 414-271-7800
www.rpb.biz

Certificate of Liability Insurance

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/18/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	Certs@pciaonline.com	
Professional Concepts Insurance Agency, Inc. 109 East North St. Brighton MI 48116	PHONE (A/C, No, Ext): (800) 969-4041	FAX (A/C, No): (800) 969-4081	
	E-MAIL ADDRESS:	Certs@pciaonline.com	
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A :	Travelers	35386
	INSURER B :	Travelers Property & Casualty Co of America	25674
	INSURER C :	The Standard Fire Insurance Co	19070
	INSURER D :	Hanover	
	INSURER E :	Markel American Insurance Co	
	INSURER F :	Lloyds of London	

INSURED
Maner, Costerisan & Ellis, P.C 2425 E Grand River Ave Ste 1 Lansing MI 48912-3291

COVERAGES CERTIFICATE NUMBER: 26-27 All REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC OTHER:			BIP5X2140392642	01/01/2026	01/01/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$ 1,000,000 $ 300,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
A	AUTOMOBILE LIABILITY ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			BIP5X2140392642	01/01/2026	01/01/2027	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$ 1,000,000 $ $ $ $
B	[X] UMBRELLA LIAB [X] OCCUR EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [X] RETENTION $ 5,000			CUP5X2162662642	01/01/2026	01/01/2027	EACH OCCURRENCE AGGREGATE 	$ 10,000,000 $ 10,000,000 $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		UB5X2166232642G	01/01/2026	01/01/2027	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 500,000 $ 500,000 $ 500,000
D	Professional Liability			LHN J929682 01	01/01/2026	01/01/2027	Per Claim Ann Aggregate	$ 5,000,000 $ 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Insurer E; Markel American Insurance Co; Professional Liability Policy #MPAX100043-02; Effective Date: 01/01/2026; Expiry Date: 01/01/2027; Per Claim: $5,000,000; Ann Aggregate: $5,000,000.

Insurer F; Lloyds of London; Cyber Policy #APT1216026; Effective Date: 01/01/2026; Expiry Date: 01/01/2027; Per Claim: $5,000,000; Ann Aggregate: $5,000,000.

CERTIFICATE HOLDER

For Informational Purposes Only

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael Cosgrove

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Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

2851 Charlevoix Dr SE #210,
Grand Rapids, MI 49546

☎ 517.323.7500

Cost Proposal to Provide Audit Services for:

Village of Northport, Michigan

Fiscal Years Ending June 30, 2026 and 2028 (with the option to extend)

Submitted by:

Maner Costerisan

Lansing Location:
2425 E. Grand River Avenue, Suite 1
Lansing, MI 48912

Aaron M. Stevens, CPA, CGFM, Principal, is authorized to represent the firm, empowered to submit the bid, and authorized to sign a contract with the Village of Northport, Michigan.

Aaron M. Stevens, CPA, CGFM
Principal

Submitted: January 23, 2026
Proposal Effective for 60 Days

Detailed Costs

Engagement Segmentation

The cost is based on the amount of time it takes to perform the following services for the Village. We propose the following segmentation of the engagement for the year ending June 30, 2026:

	Hours		
	Fieldwork	Review & Reporting	Total
Aaron M. Stevens, CPA, CGFM Engagement Principal	8	8	16
Jordan E. Smith, CPA Independent Review Principal	-	2	2
Dane M. Porter, CPA, CGFM Senior Manager	16	6	22
Gabe Seng, CPA, CGFM Manager	28	10	38
To be determined Associates	56	16	72
Administrative personnel	-	4	4
	108	46	154

Our charges for audit or management services are based on the level of team member necessary to perform the services. The fees quoted below are not-to-exceed fees to provide the services described in the "Overview & Engagement Scope" section of the technical proposal, based on anticipated levels of client assistance and expertise, and have been discounted from our standard hourly rates. Should any of these levels of assistance or expertise change significantly during the period of our engagement, we will need to discuss this situation with the Village Manager and potentially Village Council to determine a plan of action for the remainder of the agreement. If circumstances are encountered (i.e., unrecorded accruals, unbalanced records, significant audit journal entries, inadequate staff assistance, etc.), that cause us to spend additional time that was not planned we will discuss the situation with you prior to performing any additional services.

Detailed Costs (cont.)

Compensation

We propose the following segmentation of the engagement for the year ending June 30, 2026:

	2026		
	Hours	Hourly Rate	Total
Audit Principals (2)	18	$ 445	$ 8,010
Senior Manager	22	298	6,556
Manager	38	260	9,880
Associates (2)	72	185	13,320
Administrative	4	144	576
Hours/Fee	154		$ 38,342
Out of Pocket Expenses - no charge			N/A
Less: Discount			$ (7,842)
Total Financial Audit			$ 30,500

Because we believe that multi-year engagements prove to be mutually beneficial, we propose the following cost schedule for the next three audit periods:

Year Ending June 30,	Financial Audit	Single Audit* (if required)	Form Preparation**	Total
2026	$ 30,500	$ 5,200	$ 4,000	$ 39,700
2028	33,600	5,700	4,500	43,800
2030 (optional)	37,100	6,200	5,000	48,300

*The fees quoted above assume that the Village will be required to have a single audit, with one major federal program. If additional major federal programs are required to be audited under the Single Audit Act in any given year, there will be an additional charge of $5,000 per additional major federal program audited.

**Form preparation includes the F-65, Act 51 report, and Qualifying Statement.

Maner Costerisan does not charge for out of-pocket expenses.

Detailed Costs (cont.)

Compensation (cont.)

Our charges for audit or management services are based on the level of team member necessary to perform the services. The hourly governmental audit billing rates are currently as follows:

Principal	$ 355 - 450
Senior Manager	295 - 345
Manager	260 - 295
Senior Associate	235 - 260
Associate	170 - 235
Technology	230 - 310
Administrative	117 - 150

These billing rates would also apply to any additional management services assistance or other services the Village's management may request that are not covered by the scope of the services detailed in the "Overview & Engagement Scope" section of the technical proposal.

Our proposal is to provide the Village with auditing services (attest services), rather than accounting services (non-attest services). The cost schedule detailed above assumes that extensive journal entries to adjust the accounting records (i.e., bookkeeping) and the creation of required schedules will not be required as part of the audit process. If adjusting journal entries are required, we propose a per adjusting journal entry fee of $200.

If additional procedures are necessary to assist with the implementation of new accounting standards, such assistance is considered outside the scope of the audit, and our fees will be based on the services rendered at our standard hourly rates.