

MONTHLY COUNCIL MEETING

Council Chambers 7227 Huron Avenue, Lexington, MI 48450

AGENDA

DATE OF MEETING: MONDAY, MARCH 24, 2025
TYPE OF MEETING: COUNCIL MEETING
TIME OF MEETING: 7:00 P.M.

PLEDGE OF ALLEGIANCE

CALL TO ORDER / REGULAR COUNCIL MEETING

ROLL CALL BY CLERK

ATTENDANCE

PUBLIC COMMENT

APPROVAL OF AGENDA

BUSINESS: Pages 1– 241

ADMINISTRATION

- A. **EVANS EHARDT – COUNTY COMMISSIONER**
- B. **LORI FISHER – VILLAGE MANAGER'S REPORT**
- C. **MINUTES** - Motion to approve the minutes of the Regular Council Meeting February 24, 2025 as presented. Motion to approve the minutes of the Special Council Meeting March 14, 2025 as presented.
- D. **INVOICE – FLETCHER FEALKO SHOUDY & FRANCIS, P.C.** – Motion to approve the payment of \$360.00 to Fletcher Fealko Shoudy & Francis, P.C. – \$180.00 from the General Fund, and 180.00 from the Mobile Home Park Fund.
- E. **USDA CHANGE ORDER FOR THE SEWER PROJECT**– Motion to approve Change Order #4 with Boddy Construction for an increase in the contract price in the amount of \$7,456.00 for the Sewer Project. (This Change Order is to extend the contract time and for additional work to the transformer at Huron Pump Station).
- F. **USDA CHANGE ORDER FOR THE SEWER PROJECT**– Motion to approve Change Order #1 with SAK Construction for the Sewer Project. (This Change Order is to extend the contract time and balance the contract quantities, no change in contract price).
- G. **USDA CHANGE ORDER FOR THE SEWER PROJECT**– Motion to approve Change Order #2 with Biotect Agronomics for the Sewer Project. (This Change Order is to extend the contract time, no change in contract price).
- H. **USDA SEWER PROJECT** – Motion to authorize the draw amount of \$310,002.82 from the USDA Rural Development for expenses incurred related to the Sewer Infrastructure Project.
- I. **USDA WATER PROJECT**- Motion to authorize the draw amount of \$337,176.67 from the USDA Rural Development for expenses incurred related to the Water Infrastructure Project.
- J. **REVIEW OF FINANCIAL STATEMENTS POLICY** – Motion to approve the proposed policy for Review of Financial Statement as presented.
- K. **PURCHASING/FISCAL/BIDDING PROCEDURES POLICY 401-03 AMENDMENTS** – Motion to approve the amendments to the Purchasing/Fiscal/Biding Procedures Policy 401-03 as presented.
- L. **BIDDING PROCEDURES POLICY 411-10 AMENDMENTS** – Motion to approve the amendments to the Bidding Procedures Policy 411-10 as presented.
- M. **MANER COSTERISAN PROPOSAL** – Motion to approve the Maner Costerisan proposal as presented not to exceed \$10,000.00 in expenses.
- N. **AUDIT SERVICES RFP's** – Motion to award the bid to AHP for fiscal years 2025-2027 with the option to continue for 2028-2029 as recommended by the Village Manager.

- O. **DTE LIGHT CONTRACT FOR TIERNEY PARK** – Motion to approve the DTE Purchase Agreement Contract in the amount of \$39,018.33. Funds to come from Contracted Services (496-597-802-200) in the Harbor Fund.
- P. **COMMUNITY PROJECT GRANT FUNDING REQUEST** – Motion to approve a project and apply for the 2026 Community Project Grant Funding Program.
- Q. **DNR MEMORANDUM OF UNDERSTANDING (MOU)** – Fisher – Discuss MOU language. Approve language for bids for fuel tank.
- R. **COUNCIL COMMITTEE APPOINTMENTS** – Kaatz
- S. **ARBOR DAY PROCLAMATION** – Motion to approve the 2025 Arbor Day Proclamation as presented.

WATER/SEWER/DPW/STREETS: Pages 242-246

- T. **STREET REPAVING PROJECT RFP's** – Chris Heiden

FINANCIAL REPORTS: Pages 247-286

Motion to approve the check register in the amount of \$76,574.45 check numbers 39146 through 39181, and the financial reports as presented.

Motion to approve the USDA sewer fund check register in the amount of \$216,836.62 check number 6031 through 6032, and the financial reports as presented

Motion to approve the USDA water fund check register in the amount of \$414,077.08 check number 80022 through 80024, and the financial reports as presented.

REPORTS/ MINUTES/MONTHLY SCHEDULE: Pages 287-305

VILLAGE REPORTS

PARKS & REC

DDA

MHP

APRIL MEETING SCHEDULE

CORRESPONDENCE: Thank you letter from Lexington Arts Council

PUBLIC COMMENT

COUNCIL PERSON COMMENTS

ADJOURNMENT

The Village of Lexington Common Council held a Regular Council Meeting Monday, February 24, 2025 in the Council Chambers at 7227 Huron Ave., Lexington, MI 48450

Call to order the Regular Council Meeting at 7:00 p.m. by President Kristen Kaatz

Pledge of Allegiance led by President Kristen Kaatz

Roll call taken by Clerk Vicki Scott

Present: Ehardt, Adams, Muoio, Cole, DeCoster, Kaatz

Absent: – Dost

Others present: L. Fisher, and 4 citizens

ATTENDANCE – Board members unanimously agreed Dost as an excused absence

PUBLIC COMMENT – None

APPROVAL OF AGENDA – Motion by DeCoster, seconded by Adams, to approve the agenda as amended adding Evans Ehardt before Lori Fisher's report.

All ayes

Motion carried

BUSINESS

ADMINISTRATION

EVANS EHARDT – COUNTY COMMISSIONER – Ehardt reported the Governor is releasing (CFP) Community Funds Project in the amount of \$14 - \$16 million for any projects being done in the community. An application will need to be filled out and submitted. I sent an email to Lori Fisher regarding this. Any joint projects with the Township or County that need to be done would qualify. You can submit more than one application.

A. LORI FISHER – VILLAGE MANAGER'S REPORT – Fisher reported the Tierney Park Project is moving along. We are about 90% complete. We are hoping to go out to bid March 25, 2025. Construction would begin in September. We are having weekly / biweekly meetings with the DNR & Edgewater. The DDA is moving along with plans for the Village Green. We had a 4th of July kick off meeting. Volunteers will be heading up the events this year. We wrapped up the employee evaluations and are working on the 25/26 budget. We are looking at another 10% increase this year with Croswell EMS contract. Our DPW has done a great job keeping up with the snow this year. Thank you to Pat Simasko for opening a tab for all the DPW workers last weekend at Lexington Coffee Company. We had a few delays with the USDA projects during the extreme cold. We are approximately 90% complete with the sewer portion and 40% complete with water. We are working on some zoning ordinance amendments with murals, chickens, solar, and Mobile Home Park. We got approval from EGLE on Lot #28 for replacement. EGLE approved 3 new permits and 3 more pending for new mobiles. The RFP for the audit is due back March 14, 2025. I had a meeting with the Township last week regarding the building. They requested having a building committee. Thank you to Larry Adams for volunteering to be on this committee with me. Kaatz asked if this group is looking to resurrect the building authority. Fisher responded no nothing formal just one or two Councilmembers and myself working with the township. Fisher noted for example the current

cleaning contract is very expensive for what we are getting. Fisher stated this would be just an advisory group, no formal decisions being made. Kaatz asked if the Board had any objections to Lori and one or two Councilmembers working on building issues with the Township. No objections.

B. MINUTES – Motion by Adams, seconded by DeCoster, to approve the minutes of the Regular Council meeting of January 27, 2025, as presented.

All ayes

Motion carried

C. USDA CHANGE ORDER FOR THE WATER PROJECT - Motion by Ehardt, seconded by DeCoster, to approve Change Order #6 with Booms Construction for a decrease in the contract price in the amount of \$37,309.00 for the Water Project.

Discussion: Lori Fisher explained this change order is not taking fluoride out of the water. Muoio stated if that were to ever happen notification would need to be sent out along with public hearings.

Roll Call

Ayes – Ehardt, DeCoster, Cole, Adams, Muoio, Kaatz

Nays - None

Motion carried

D. USDA SEWER PROJECT - Motion by Muoio, seconded by Adams, to authorize the draw amount of \$54,731.14 from the USDA Rural Development for expenses incurred related to the Sewer Infrastructure Project.

Roll Call

Ayes – Muoio, Adams, Ehardt, Cole, DeCoster, Kaatz

Nays – None

Motion carried

E. USDA WATER PROJECT - Motion by Muoio, seconded by DeCoster, to authorize the draw amount of \$505,026.63 from the USDA Rural Development for expenses incurred related to the Water Infrastructure Project.

Roll Call

Ayes – Muoio, DeCoster, Cole, Adams, Ehardt, Kaatz

Nays – None

Motion carried

F. INTRODUCTION TO DNR LEASE 2025 – Fisher provided the current lease expiring 2038 and addendum in the agenda packet. Fisher went over the current diagram. The DNR would not own the parking lot. Discussion followed on parking issues and signage.

G. PLANNING COMMISSION ANNUAL REPORT FOR 2024 – Motion by DeCoster, seconded by Adams, to approve the Planning Commission Annual Report for 2024 as presented.

All Ayes

Motion carried

H. VILLAGE MANAGER CONTRACT STATUS – Kaatz included a timeline in the agenda packet

I. ASSISTANT TO THE MANAGER STATUS – Lori Fisher explained asked to put together a job description. Fisher noted this did not go back through the Personnel Committee. This job description did go to DDA. One vision would be to handle the events for the Village Green along with researching zoning ordinances. The DDA asked to change the language to say assist with the events not an events coordinator. Fisher suggested a pay range of \$14,000 - \$26,000 per year depending on pay rate and hours. Fisher stated there is money in zoning for this position and DDA seemed interested in contributing. Kaatz noted the DDA discussed hiring an events coordinator. Discussion continued.

Motion by Adams, seconded by DeCoster, to send this request of a part time employee job description an hourly rate to Personnel Committee.

All Ayes

Motion carried

DDA:

J. RESOLUTION #2025-02 APPROVAL FOR SOCIAL DISTRICT PERMIT (Barlour, LLC.) –

Motion by Adams, seconded by Ehardt, to approve Resolution 2025-02 as presented

Roll Call

Ayes – Adams, Ehardt, Muoio, Cole, DeCoster, Kaatz

Nays – None

Motion carried

K. FAÇADE IMPROVEMENT PROGRAM APPLICATION – Motion by Ehardt, seconded by Muoio, to approve the Façade Improvement Program Application with changes as recommended by DDA.

Roll Call

Ayes – Ehardt, Muoio, Adams, Cole, DeCoster, Kaatz

Nays – None

Motion carried

FINANCIAL REPORTS –

Motion by DeCoster, seconded by Adams, to approve the check register in the amount of \$125,806.01 check numbers 39089 through 39145 and financial reports as presented.

Roll call

Ayes- DeCoster, Adams, Ehardt, Muoio, Cole, Kaatz

Nays- None

Motion carried

Motion by Adams, seconded by DeCoster, to approve the USDA water fund check register in the amount of \$699,809.08 check number 80020 through 80021 and reports as presented.

Roll Call

Ayes- Adams, DeCoster, Cole, Muoio, Ehardt, Kaatz

Nays – None

Motion carried

REPORTS –

CORRESPONDENCE – Letter from Lexington Arts Council

PUBLIC COMMENT – None

COUNCIL PERSON COMMENTS –

- Adams – commented on the workman's compensation numbers.
- Ehardt – commented on the March meeting schedule.
- Kaatz – everyone please be careful on the ice.

ADJOURNMENT

Kaatz adjourned the meeting at 8:15 p.m.

Respectfully Submitted

Vicki A. Scott

Clerk

I, Vicki A. Scott, (Village Clerk), do hereby certify that the foregoing is a true and original copy of the draft minutes of the Village of Lexington Village Council at a regular meeting held on the 24th day of February, 2025.

Clerk: _____

Dated: _____

The Village of Lexington Common Council held a Special Council Meeting Friday, March 14, 2025 in the Village Council Chambers, 7227 Huron Avenue, Lexington, MI 48450

Call to Order Special Council Meeting at: 9:00 a.m. by President Kristen Kaatz

Pledge of Allegiance led by President Kristen Kaatz

Roll call taken by Clerk Vicki Scott

Present: Ehardt, Muoio, Dost, DeCoster, Kaatz

Absent: Adams, Cole

Others present: L. Fisher, S. Fox, D. Dirita

PUBLIC COMMENT – None

BUSINESS

ADMINISTRATION

A. DISCUSS PROVIDING A LETTER OF SUPPORT TO SEEK POTENTIAL, ADDITIONAL GRANT FUNDING FROM THE STATE OF MICHIGAN FOR IMPROVEMENTS TO TIERNEY PARK –

Discussion: Boad members discuss the importance of seeking additional funds for improvements to Tierney Park in coordination with the Master Plan.

Motion by Ehardt, seconded by Muoio, to authorize a letter of support for the community foundation and the Tierney Park Conservancy in support of their efforts to seek funds for the benefit of Tierney Park.

Ayes – Ehardt, Muoio, Dost, DeCoster, Kaatz

Nays – None

Motion carried

PUBLIC COMMENT – None

ADJOURNMENT – Kaatz adjourned the meeting 9:41 a.m.

Respectfully Submitted
Vicki Scott

I, Vicki Scott, (Village Clerk), do hereby certify that the foregoing is a true and original copy of the draft minutes of the Village of Lexington Village Council at a regular meeting held on the 14th day of March, 2025.

Clerk: Vick A. Scott

Dated: 3.14.25

Fletcher Fealko Shoudy & Francis

1411 Third St., Suite F
Port Huron, MI 48060

Phone: 810-987-8444 Fax: 810-987-8149

INVOICE

Date: 02/27/2025

Invoice #: 2852

Matter: General

File #: 3108

Bill To:

Village of Lexington
manager@villageoflexington.com
treasurer@villageoflexington.com

Due Date: 03/29/2025

Payments received after 02/27/2025 are not reflected in this statement.

Professional Services

Date	Details	Hours	Rate	Amount
01/03/2025	TJS Telephone with Ms. Kaatz regarding city manager agreement and proposal.	1.00	\$180.00	\$180.00
01/08/2025	TAF Review and revise LOU re: Huron Modular Homes	0.50	\$180.00	\$90.00
01/10/2025	TAF Work on LOU re: mobile home park	0.50	\$180.00	\$90.00

For professional services rendered	2.00	\$360.00
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Invoice Amount	\$360.00
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Balance Due	\$360.00
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Retainer Balance (as of 02/27/2025)	\$0.00
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Transactions since last invoice

Date	Ref#	Account	Payee	Deposit	Withdrawal
02/04/2025	Ck# 39136	Operating Acct	Village of Lexington	\$405.00	

CHANGE ORDER NO.: 4

Owner: VILLAGE of LEXINGTON	Owner's Project No.:	
Engineer: TOWNLEY ENGINEERING, LLC	Engineer's Project No.:	
Contractor: BODDY CONSTRUCTION COMPANY, INC.	Contractor's Project No.:	
Project: 2023 SANITARY SEWER SYSTEM IMPROVEMENTS		
Contract Name: DIVISION 1, 2, & 3		
Date Issued: 3/5/2025	Effective Date of the Change Order:	

The Contract is modified as follows upon execution of this Change Order:

Description:

1. Incorporating approved Bulletin #4 – Add Huron Pump Station additional site plan work as outlined in the attached bulletin.
2. Incorporating extending the contract time for this project due to construction taking longer than anticipated. See tables below for details on final completion date extensions.

Attachments:

1. Bulletin #4 – dated 1/23/2025, provided and signed by Boddy Construction Company, Inc on 2/11/2025.

Change in Contract Price		Change in Contract Times	
Original Contract Price:		Original Contract Times:	
\$ 3,503,266.68		Substantial Completion:	See table below.
		Ready for final payment:	See table below.
Decrease from previously approved Change Orders No. 1 to No. 3:		Increase from previously approved Change Orders No.1 to No. 3:	
\$ (83,342.85)		Substantial Completion:	See table below.
		Ready for final payment:	See table below.
Contract Price prior to this Change Order:		Contract Times prior to this Change Order:	
\$ 3,419,923.83		Substantial Completion:	See table below.
		Ready for final payment:	See table below.
Increase this Change Order:		Increase this Change Order:	
\$ 7,456.00		Substantial Completion:	See table below.
		Ready for final payment:	See table below.
Contract Price incorporating this Change Order:		Contract Times with all approved Change Orders:	
\$ 3,427,379.83		Substantial Completion:	See table below.
		Ready for final payment:	See table below.

Original Contract Dates:

Contract No.	Description of Contract	Substantial Completion	Substantial Completion Date	Final Completion	Final Completion Date
DIV. 1	Altona Drive & M-25 to Birch Drive Sanitary Sewer	350	9/12/2024	410	11/11/2024
DIV. 2	M-25 Pump Station & FM, Huron Pump Station Rehab, MHP Pump Station Rehab, Boynton FM Replacement	434	12/5/2024	494	2/3/2025
DIV. 3	Lagoon Rehab	380	10/12/2024	440	12/11/2024

Change Order #4 Revised Contract Dates:

Contract No.	Description of Contract	Substantial Completion	Substantial Completion Date	Final Completion	Final Completion Date
DIV. 1	Altona Drive & M-25 to Birch Drive Sanitary Sewer	350	9/12/2024	613	6/2/2025
DIV. 2	M-25 Pump Station & FM, Huron Pump Station Rehab, MHP Pump Station Rehab, Boynton FM Replacement	434	12/5/2024	613	6/2/2025
DIV. 3	Lagoon Rehab	380	10/12/2024	613	6/2/2025

Recommended by Engineer (if required)

By: Aaron Townley

Title: Project Engineer Aaron Townley

Date: 3/5/25

Authorized by Owner

By: _____

Title: _____

Date: _____

Accepted by Contractor

E-SIGNED by Jake Dam
on 2025-03-06 16:38:07 EST

Estimator

3/6/25

Approved by Funding Agency (if applicable)

Bulletin No. 4

Date of Issuance: 1/23/2025

Project: 2023 SANITARY SEWER SYSTEM IMPROVEMENTS; GRAVITY SEWER, FORCE MAIN, PUMP STATION CONSTRUCTION & REHAB, AND LAGOON REHAB	Owner: Village of Lexington	Owner's Contract No.:
Contract: 2023 SANITARY SEWER SYSTEM IMPROVEMENTS; GRAVITY SEWER, FORCE MAIN, PUMP STATION CONSTRUCTION & REHAB, AND LAGOON REHAB		Date of Contract: 9/6/23
Contractor: Boddy Construction Company, Inc.		Engineer's Project No.:

This Bulletin requests a quotation to make the following proposed changes:

Description:

1. Add the necessary site plan work at the Huron Pump Station per the revised site plan sheet PS-5. Work includes asphalt removal, curb and gutter removal, grading and fill, electrical conduit, and ancillary items.

Attachments: (List documents describing scope):

1. Sheet PS-5 – Huron Pump Station Revised Site Plan
2. Unit Price Table – Huron Pump Station Revised Site Plan

Proposed amount of Bulletin **[Increase]** [Decrease]

~~\$ 10,206.00~~

Updated Total: \$7,456.00

Change in contract time [Increase] [Decrease]

TBD Days

PROPOSED:

By: E-SIGNED by Jake Dam
on 2025-02-11 16:16:14 EST

Contractor (Authorized Signature)

Date: 2/11/25

Bulletin Instructions

A. GENERAL INFORMATION

A Bulletin is a request for change in the scope of the project. It may involve a change in cost and/or time. Bulletins do not become part of the contract until incorporated into a Change Order. Bulletins are only requests for pricing that the Owner may or may not approve based on funds available.

Contractor shall not proceed with the work described in a Bulletin until it has been approved by Owner and incorporated into a Change Order.

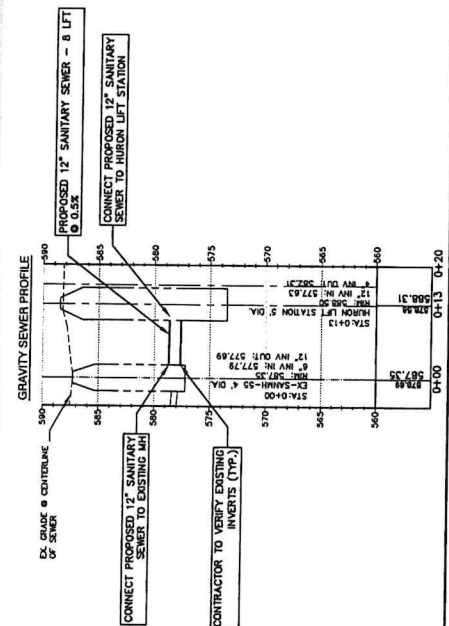
B. COMPLETING THE BULLETIN FORM

Engineer normally initiates the form, including a description of the changes involved and attachments based upon documents and proposals submitted by Contractor, or requests from Owner, or both.

General Contractor will coordinate the distribution of the Bulletin to the appropriate suppliers, sub contractors or other trades to make sure that the entire scope is completed as described and is performed in accordance with the contract documents.

The Bulletin should be completed in a timely manner.

Any clarifications to the scope of the change should be brought to the attention of the Engineer as soon as possible.

[illegible]

1/23/2025

Village of Lexington
Sanitary Sewer Improvements

DIVISION 2: FORCE MAIN & PUMP STATION CONSTRUCTION

HURON PUMP STATION REVISED SITE PLAN – NEW UNIT PRICES

Item No.	Description	Unit	Estimated Quantity	Unit Price	Price
101	Asphalt Removal	SFT	372	\$ 13.00	\$4,836.00
102	Curb and Gutter Removal	FT	55	\$ 15.00	\$825.00
103	Grading and Fill	LSUM	1	\$650.00	\$650.00
104	18" Compacted Sand Base	SFT	34	\$20.00	\$680.00
105	Pavement Markings	LSUM	1	\$2,350.00	\$2,350.00
106	Temporary Construction Barricades	EA	4	\$100.00	\$400.00
107	Electrical Conduit	FT	31	\$ 15.00	\$465.00
TOTAL					\$10,206.00

Updated Total: \$7,456.00

HURON PUMP STATION REVISED SITE PLAN – ITEM DESCRIPTIONS

Item No.	Description	Item typically includes:
101	Asphalt Removal	Removal of entire thickness of HMA pavement and disposal of materials. Grading to adjacent elevations.
102	Curb and Gutter Removal	Removal of curb and gutter concrete and disposal of materials. Grading to adjacent elevations.
103	Grading and Fill	Grading to meet specified elevation by providing fill material and compacting to specified compaction. Removing unfit materials from site as necessary.
104	18" Compacted Sand Base	Grading to meet specified elevation by providing fill material compacted to specified compaction for under transformer.
105	Pavement Markings	Providing and installing pavement markings as necessary to facilitate smooth traffic flow.
106	Temporary Construction Barricades	Providing and installing temporary construction barricades to section off parking lot area that will be used for transformer.
107	Electrical Conduit	Providing and installing electrical conduit to run from transformer to generator.

CHANGE ORDER NO.: 1

Owner:	VILLAGE of LEXINGTON	Owner's Project No.:	
Engineer:	TOWNLEY ENGINEERING	Engineer's Project No.:	
Contractor:	SAK CONSTRUCTION, LLC.	Contractor's Project No.:	23082
Project:	2023 SANITARY SEWER PIPE REHABILITATION		
Contract Name:	LEXINGTON, MI - 2023 SANITARY SEWER PIPE REHABILITATION		
Date Issued:	3/04/2025	Effective Date of Change Order:	

The Contract is modified as follows upon execution of this Change Order:

Description:

1. **Incorporating final balancing Pay Application #9.** This pay application adjusts bid quantities to match as constructed quantities. Total deduction in the amount of (\$211,666.51).

- **Bid Item #1:** Project required 983 fewer feet of Sewer Lining, CIPP, 8" Dia. Sanitary than provided in the original contract. This resulted in a deduction of (\$38,828.50).
- **Bid Item #2:** Project required 650 more feet of Sewer Lining, CIPP, 10" Dia. Sanitary than provided in the original contract. This resulted in an addition of \$28,600.00.
- **Bid Item #3:** Project required 5 fewer Point Repair, CIPP, 8" Dia. Sanitary than provided in the original contract. This resulted in a deduction of (\$19,750.00).
- **Bid Item #4:** Project required 5 fewer Point Repair, CIPP, 10" Dia. Sanitary than provided in the original contract. This resulted in a deduction of (\$22,250.00).
- **Bid Item #6:** Project required 4 fewer Service Lateral Lining, CIPP, Short than provided in the original contract. This resulted in a deduction of (\$21,040.00).
- **Bid Item #7:** Project required 4 fewer Service Lateral Lining, CIPP, Long than provided in the original contract. This resulted in a deduction of (\$31,580.00).
- **Bid Item #8:** Project required 4 more Sanitary Service Lateral Reinstatement than provided in the original contract. This resulted in an addition of \$40.00.
- **Bid Item #9:** Project required 6 fewer Joint Repair for Severe Leaks than provided in the original contract. This resulted in a deduction of (\$25,200.00).
- **Bid Item #10:** Project required 5 fewer Pressure Testing of Mainline Sewer Joints than provided in the original contract. This resulted in a deduction of (\$11,850.00).
- **Bid Item #11:** Project required 5 fewer Injection Grouting of Mainline Sewer Joints than provided in the original contract. This resulted in a deduction of (\$11,850.00).
- **Bid Item #12:** Project required 5 fewer Pressure Testing of Service Connections than provided in the original contract. This resulted in a deduction of (\$2,625.00).
- **Bid Item #13:** Project required 5 fewer Injection Grouting of Service Connections than provided in the original contract. This resulted in a deduction of (\$6,575.00).
- **Bid Item #15:** Project required 4 fewer Spot Repairs by Count than provided in the original contract. This resulted in a deduction of (\$30,320.00).
- **Bid Item #16:** Project required 32.5 fewer Spot Repairs by Linear Foot than provided in the original contract. This resulted in a deduction of (\$17,387.51).

- **Bid Item #17:** Project did not require the lump sum for a Project Sign provided in the original contract. This resulted in a deduction of (\$1,050.50).
2. Incorporating extending the contract time for this project due to final project close-out taking longer than anticipated. Addition of 254 days to the final completion payment date, resulting in a date of June 2, 2025.

Attachments:

1. Final Balancing Pay Application #9 – dated 3/3/2025, signed and returned 3/3/2025, provided by SAK Construction, LLC.
2. Final Balancing Change Order Quantities Table

Change in Contract Price		Change in Contract Times	
Original Contract Price:		Original Contract Times:	
\$ 1,577,160.00		Substantial Completion:	318 days
		Ready for final payment:	378 days
No Change from previously approved Change Orders No. 0 to No. 0:		No Change from previously approved Change Orders No. 0 to No. 0:	
\$ 0		Substantial Completion:	0 days
		Ready for final payment:	0 days
Contract Price prior to this Change Order:		Contract Times prior to this Change Order:	
\$ 1,577,160.00		Substantial Completion:	318 days
		Ready for final payment:	378 days
Decrease this Change Order:		Addition this Change Order:	
\$ (211,666.51)		Substantial Completion:	0 days
		Ready for final payment:	254 days
Contract Price incorporating this Change Order:		Contract Times with all approved Change Orders:	
\$ 1,365,493.49		Substantial Completion:	318 days
		Ready for final payment:	632 days

Recommended by Engineer (if required)

By: Aaron Townley

Title: Project Engineer Aaron Townley

Date: 3/4/2025

Accepted by Contractor

Dawn Young

Project Manager

3/6/2025

Authorized by Owner

By: _____

Title: _____

Date: _____

Approved by Funding Agency (if applicable)

CHANGE ORDER NO.: 2

Owner: VILLAGE of LEXINGTON	Owner's Project No.:	
Engineer: TOWNLEY ENGINEERING, LLC	Engineer's Project No.:	
Contractor: BIOTECH AGRONOMICS, INC.	Contractor's Project No.:	
Project: LEXINGTON LAGOON SLUDGE REMOVAL		
Contract Name: LEXINGTON LAGOON SLUDGE REMOVAL		
Date Issued: 3/5/2025	Effective Date of the Change Order:	

The Contract is modified as follows upon execution of this Change Order:

Description:

1. Incorporating extending the contract time for this project due to final project close-out taking longer than anticipated. Addition of 173 days to the final completion payment date, resulting in a date of June 2, 2025.

Attachments:

NA

Change in Contract Price		Change in Contract Times	
Original Contract Price:		Original Contract Times:	
\$ 324,770.00		Substantial Completion:	380 days
		Ready for final payment:	440 days
Addition from previously approved Change Orders No. 1 to No. 1:		No Change from previously approved Change Orders No. 1 to No. 1:	
\$ 222,736.00		Substantial Completion:	0 days
		Ready for final payment:	0 days
Contract Price prior to this Change Order:		Contract Times prior to this Change Order:	
\$ 547,506.00		Substantial Completion:	380 days
		Ready for final payment:	440 days
No Change this Change Order:		Addition this Change Order:	
\$		Substantial Completion:	0 days
		Ready for final payment:	173 days
Contract Price incorporating this Change Order:		Contract Times with all approved Change Orders:	
\$ 547,506.00		Substantial Completion:	380 days
		Ready for final payment:	613 days

Recommended by Engineer (if required)

By: Aaron Townley
 Title: Project Engineer Aaron Townley
 Date: 3/5/25

Authorized by Owner

By: _____
 Title: _____
 Date: _____

Accepted by Contractor

Don P...
 General Manager
 3/7/25

Approved by Funding Agency (if applicable)

ESTIMATE OF FUNDS NEEDED
FOR
30-Day Period Commencing
03-01-2025

FORM APPROVED
OMB NO. 0575-0015

Name of Borrower Village of Lexington Sewer

Items	Amount of Funds
Development	\$ 305,067.82
Contract or Job No. <u>24-BIO</u>	
Contract or Job No. <u>23082</u>	
Contract or Job No. <u>23-211</u>	
Land and Rights-of-Way	
Legal Services	
Engineering Fees	4,935.00
Interest	
Equipment	
Contingencies	
Refinancing	
Initial O&M	
Other	
TOTAL	\$ 310,002.82

Prepared by Village of Lexington

By _____ *Name of Borrower*

Date _____

Approved by _____

Date _____

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



Address/Main Office
12720 Scott Road
Freeland, Michigan 486

Phone: (810) 404-2266
chris@townleyengineering.com
www.townleyengineering.com

Sandusky Address:
119 East Sanilac
Suite 2
Sandusky, MI 48471

INVOICE

Invoice #: 25-026

March 18, 2025

Client: Village of Lexington
7227 Huron Avenue
Suite 100
Lexington, MI 48450

Project: Sewer System Improvements

Description of services provided:

Work this period included: progress meetings with Boddy.
Construction inspection M-25 and Huron Pump Stations. Gravity
sewer video review.

Amount of Basic Services:

Engineer: 9.5 hours at \$130.00/hour	\$ 1,235.00
Project Engineer: 30.0 hours at \$115.00/hour	\$ 3,450.00
Project Technician I: 2.5 hours at \$100.00/hour	\$ 250.00
Subtotal	\$ 4,935.00

Total Amount Due this Invoice: \$ 4,935.00

THROUGH FAITH ALL THINGS ARE POSSIBLE

If you have any questions regarding this invoice, please contact Townley Engineering, LLC immediately.

Payment is expected within 30 days in order to avoid finance charges.

Contractor's Application for Payment

Owner:	<u>VILLAGE of LEXINGTON</u>	Owner's Project No.:	<u> </u>
Engineer:	<u>TOWNLEY ENGINEERING</u>	Engineer's Project No.:	<u> </u>
Contractor:	<u>BIOTECH AGRONOMICS, INC.</u>	Contractor's Project No.:	<u>24-BIO</u>
Project:	<u>2022 SANITARY SEWER SYSTEM IMPROVEMENTS</u>		
Contract:	<u>DIVISION 1AND/OR DIVISION 2 AND/OR DIVISION 3</u>		
Application No.:	<u>3</u>	Application Date:	<u>2/26/2025</u>
Application Period:	From <u>10/25/2025</u>	to <u>2/25/2025</u>	

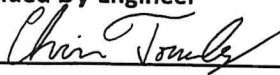
1. Original Contract Price	\$	324,770.00
2. Net change by Change Orders	\$	222,736.00
3. Current Contract Price (Line 1 + Line 2)	\$	547,506.00
4. Total Work completed and materials stored to date (Sum of Column G Lump Sum Total and Column J Unit Price Total)	\$	547,506.00
5. Retainage		
a. <u>10%</u> X \$ <u>547,506.00</u> Work Completed =	\$	54,750.60
b. <u> </u> X \$ <u>-</u> Stored Materials =	\$	-
c. Total Retainage (Line 5.a + Line 5.b)	\$	54,750.60
6. Amount eligible to date (Line 4 - Line 5.c)	\$	492,755.40
7. Less previous payments (Line 6 from prior application)	\$	492,755.40
8. Amount due this application	\$	54,750.60
9. Balance to finish, including retainage (Line 3 - Line 4 + Line 5.c)	\$	-

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:

- (1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
- (2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and
- (3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor: BioTech Agronomics, Inc.**Signature:** Kimberly Ritchie, Finance Manager**Date:** 2/26/2025**Recommended by Engineer**

By: 
Title: Engineer
Date: 03/18/2025

Approved by Owner

By:
Title:
Date:

Approved by Funding Agency

By:
Title:
Date:

By:
Title:
Date:

Progress Estimate - Unit Price Work		Contractor's Application for Payment
Owner:	VILLAGE of LEXINGTON	Owner's Project No.:
Engineer:	TOWNLEY ENGINEERING	Engineer's Project No.:
Contractor:	BIOTECH AGRONOMICS, INC.	Contractor's Project No.:
Project:	2022 SANITARY SEWER SYSTEM IMPROVEMENTS	
Contract:	DIVISION 1 AND/OR DIVISION 2 AND/OR DIVISION 3	24-BIO

[illegible]

Owner:	VILLAGE OF LEXINGTON	Contractor's Application for Payment
Engineer:	TOWNLEY ENGINEERING	
Contractor:	BIOTECH AGRONOMICS, INC.	
Project:	2022 SANITARY SEWER SYSTEM IMPROVEMENTS	
Contract:	DIVISION 1 AND/OR DIVISION 2 AND/OR DIVISION 3	
Owner's Project No.:		
Engineer's Project No.:		
Contractor's Project No.:		24-BIO

[illegible]

MERCHANTS
BONDING COMPANY™

Merchants Bonding Company (Mutual) P.O. BOX 14498, DES MOINES, IOWA 50306-3498
PHONE: (800) 678-8171 FAX: (515) 243-3854

**CONSENT OF SURETY
TO FINAL PAYMENT**

OWNER
ARCHITECT
CONTRACTOR
SURETY
OTHER

Bond No. MIC 62952

TO OWNER:

Village of Lexington, MI
7227 Huron Avenue, Suite 100
Lexington, MI 48450

ARCHITECT'S PROJECT NO.:

CONTRACT FOR:
Lexington Lagoon Sludge Removal

PROJECT:

Lexington Lagoon Sludge Removal

CONTRACT DATED:

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the
(Insert name and address of Surety)

Merchants Bonding Company (Mutual)
P.O. Box 14498
Des Moines, Iowa 50306-3498

on bond of

(Insert name and address of Contractor)

BioTech Agronomics, Inc.
1651 Beulah Hwy
Beulah MI 49617

, SURETY,

hereby approves of the final payment to the Contractor, and agrees that final payment to the Contractor shall not
relieve the Surety of any of its obligations to

(Insert name and address of Owner)

Village of Lexington, MI
7227 Huron Avenue, Suite 100

Lexington, MI 48450

, CONTRACTOR,

as set forth in said Surety's bond.

, OWNER,

IN WITNESS WHEREOF, the Surety has hereunto set its hand on this date: March 10, 2025
(Insert in writing the month followed by the numeric date and year.)

Attest: Diana Mauro
(Seal):

Merchants Bonding Company (Mutual)
(Surety)

Jessie Twork
(Signature of authorized representative)

Jessie Twork

(Printed name and title)

Attorney-In-Fact

Printed in cooperation with American Institute of Architects (AIA). The
language in this document conforms exactly to the language used in
AIA Document G707-1994 Consent Of Surety to Final Payment.

MERCHANTS
BONDING COMPANY™
POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Jessie Twork

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of Merchants Bonding Company (Mutual) on April 23, 2011 and amended August 14, 2015 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 16, 2015.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner-Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 10th day of March, 2025.



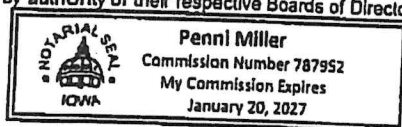
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By

Larry Taylor
President

STATE OF IOWA
COUNTY OF DALLAS ss.

On this 10th day of March, 2025, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.



[Signature]
Notary Public

(Expiration of notary's commission
does not invalidate this instrument)

I, William Warner, Jr., Secretary of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 10th day of March, 2025.



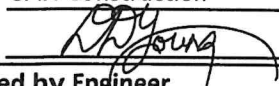
William Warner Jr.
Secretary

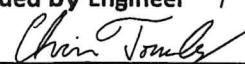
Contractor's Application for Payment

Owner: <u>VILLAGE of LEXINGTON</u>	Owner's Project No.: _____
Engineer: <u>TOWNLEY ENGINEERING</u>	Engineer's Project No.: _____
Contractor: <u>SAK Construction</u>	Contractor's Project No.: <u>23082</u>
Project: <u>2022 SANITARY SEWER SYSTEM IMPROVEMENTS</u>	
Contract: <u>2022 SANITARY SEWER PIPE REHABILITATION</u>	
Application No.: <u>9</u>	Application Date: <u>3/4/2025</u>
Application Period: From <u>11/1/2024</u> to <u>3/1/2025</u>	

1. Original Contract Price	\$ 1,577,160.00
2. Net change by Change Orders	\$ (211,666.51)
3. Current Contract Price (Line 1 + Line 2)	\$ 1,365,493.49
4. Total Work completed and materials stored to date (Sum of Column G Lump Sum Total and Column J Unit Price Total)	\$ 1,365,493.49
5. Retainage	
a. _____ X \$ _____ - Work Completed =	\$ _____
b. _____ X \$ _____ - Stored Materials =	\$ _____
c. Total Retainage (Line 5.a + Line 5.b)	\$ _____
6. Amount eligible to date (Line 4 - Line 5.c)	\$ 1,365,493.49
7. Less previous payments (Line 6 from prior application)	\$ 1,297,218.82
8. Amount due this application	\$ 68,274.67
9. Balance to finish, including retainage (Line 3 - Line 4 + Line 5.c)	\$ _____

Contractor's Certification
The undersigned Contractor certifies, to the best of its knowledge, the following:
(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and
(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor: <u>SAK Construction</u>	
Signature: 	Date: <u>3/4/2025</u>

Recommended by Engineer	Approved by Owner
By: 	By: _____
Title: <u>Engineer</u>	Title: _____
Date: <u>03/19/2025</u>	Date: _____
Approved by Funding Agency	
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____



Pipeline Infrastructure. Solved.™

Progress Billing

From:

SAK Construction, LLC
864 Hoff Road

Invoice #:

25124

OFallon, MO 63366

To:

Remit To: P.O. Box 71129, Chicago, IL 60694-1129
Village of Lexington
7227 Huron Avenue, Suite 100
Lexington, MI 48450

Date:

03/03/25

Application #:

9 - Final

Invoice Due Date:

04/02/25

Contract:

23082. Lexington, MI - 2023 Sanitary Sewer Pipe Rehab

Payment Terms: Net 30 days

Cont Item	Description	Contract Quantity	Unit Price	UIM	Contract Amount	Quantity This Period	Amount This Period	Quantity JTD	Amount JTD	% Compl
1	Lexington, MI - 2023 Sanitary Sewer Pipe Rehab	0.00								
01	Sewer Lining CIPP 8"	26,918.00	\$39.50	LF	\$1,063,261.00	0.00	\$0.00	0.00	\$0.00	0.00%
02	Sewer Lining CIPP 10"	5,415.00	\$44.00	LF	\$238,260.00	0.00	\$0.00	26,918.00	\$1,063,261.00	100.00%
03	Point Repair 8"	0.00	\$3,950.00	EA	\$0.00	0.00	\$0.00	5,415.00	\$238,260.00	100.00%
04	Point Repair 10"	0.00	\$4,450.00	EA	\$0.00	0.00	\$0.00	0.00	\$0.00	100.00%
05	CIPP Test Samples	10.00	\$420.00	EA	\$4,200.00	0.00	\$0.00	0.00	\$0.00	100.00%
06	Service Lateral Lining CIPP Short	0.00	\$5,260.00	EA	\$0.00	0.00	\$0.00	10.00	\$4,200.00	100.00%
07	Service Lateral Lining CIPP Long	0.00	\$7,895.00	EA	\$0.00	0.00	\$0.00	0.00	\$0.00	100.00%
08	Sanitary Sewer Svc Reinstatement	404.00	\$10.00	EA	\$4,040.00	0.00	\$0.00	0.00	\$0.00	100.00%
09	Joint Repair	0.00	\$4,200.00	EA	\$0.00	0.00	\$0.00	404.00	\$4,040.00	100.00%
10	Pressure Testing of Mainline Sewer Joints	0.00	\$2,370.00	EA	\$0.00	0.00	\$0.00	0.00	\$0.00	100.00%
11	Injection Grouting of Mainline Sewer Joints	0.00	\$2,370.00	EA	\$0.00	0.00	\$0.00	0.00	\$0.00	100.00%
12	Pressure Testing of Service Connections	0.00	\$525.00	EA	\$0.00	0.00	\$0.00	0.00	\$0.00	100.00%
13	Injection Grouting of Service Connections	0.00	\$1,315.00	EA	\$0.00	0.00	\$0.00	0.00	\$0.00	100.00%
14	Spot Repairs by Count	4.00	\$7,580.00	EA	\$30,320.00	0.00	\$0.00	0.00	\$0.00	100.00%
15	Spot Repairs by Linear Foot	47.50	\$535.00	LF	\$25,412.49	0.00	\$0.00	4.00	\$30,320.00	100.00%
16	Project Sign	0.00	\$1,050.50	LSU	\$0.00	0.00	\$0.00	47.49	\$25,412.49	100.00%
17								0.00	\$0.00	100.00%

Total Contract Amount: \$1,365,493.50

Totals:

\$0.00

Less Retainage:

\$-68,274.69

Less Previous Applications:

\$1,297,218.80

Total Due This Invoice:

\$68,274.69

**CONSENT OF SURETY
TO FINAL PAYMENT**

AIA DOCUMENT G707

(Instructions on reverse side)

OWNER	_____
ARCHITECT	_____
CONTRACTOR	_____
SURETY	_____
OTHER	_____

Bond No. **107888482**

TO (OWNER)

(Name and address)

ARCHITECT'S PROJECT NO:

**Village of Lexington
7227 Huron Avenue Suite 100
Lexington, MI 48450**

Contract For:

Contract Date:

PROJECT:

(Name and address)

2023 Sanitary Sewer Pipe Rehabilitation

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above,
the

(here insert name and address of Surety)

Travelers Casualty And Surety Company of America

One Tower Square

Hartford, CT 06183

, SURETY,

on bond of

(here insert name and address of Contractor)

SAK Construction, LLC

864 Hoff Road

O'Fallon, MO 63366

, CONTRACTOR,

hereby approves of the final payment to the Contractor, and agrees that final payment to the Contractor
shall not relieve the Surety Company of any of its obligations to

(here insert name and address of Owner)

**Village of Lexington
7227 Huron Avenue, Suite 100
Lexington, MI 48450**

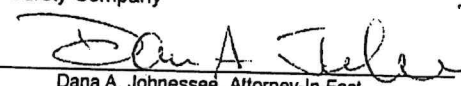
, OWNER,

as set forth in the said Surety Company's bond.

IN WITNESS WHEREOF, the Surety Company has hereunto set its hand this 6th day of March, 2025
(Insert in writing the month following by the numeric date and year)

By: _____
(Seal) Andrea McCarthy, Witness

Travelers Casualty And Surety Company of America
Surety Company


Dana A. Johnessee, Attorney-In-Fact



AIA DOCUMENT G707 CONSENT OF SURETY COMPANY TO FINAL PAYMENT 1994 EDITION AIA®
© THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., NW

One Page

INSTRUCTION SHEET

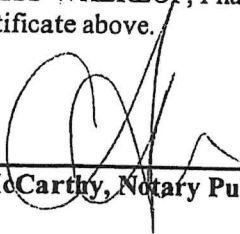
State of Missouri
County of St. Louis

On March 6, 2025, before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Dana A. Johnessee known to me to be Attorney-in-Fact of

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.



Andrea McCarthy, Notary Public

My Commission Expires: _____

ANDREA MCCARTHY
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Jul. 30, 2027
Commission # 15636518

TRAVELERS

Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint Dana A. Johnnessee of CHESTERFIELD, Missouri, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this 21st day of April, 2021.



State of Connecticut

City of Hartford ss.

By:

Robert L. Raney
Robert L. Raney, Senior Vice President

On this the 21st day of April, 2021, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the 30th day of June, 2026



Anna P. Nowik
Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 6th day of March, 2025.



Kevin E. Hughes
Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

HARTFORD, CONNECTICUT 06183

FINANCIAL STATEMENT AS OF DECEMBER 31, 2023

CAPITAL STOCK \$ 6,480,000

ASSETS		LIABILITIES & SURPLUS	
BONDS	\$ 5,104,395,801	LOSSES	\$ 1,495,036,900
STOCKS	119,333,643	LOSS ADJUSTMENT EXPENSES	146,791,770
CASH AND INVESTED CASH	30,541,608	COMMISSIONS	55,734,579
OTHER INVESTED ASSETS	8,355,939	OTHER EXPENSES	55,546,499
SECURITIES LENDING REINVESTED COLLATERAL ASSETS	13,350,613	TAXES, LICENSES AND FEES	15,857,431
INVESTMENT INCOME DUE AND ACCRUED	43,617,243	CURRENT FEDERAL AND FOREIGN INCOME TAXES	5,300,838
PREMIUM BALANCES	325,304,977	UNEARNED PREMIUMS	1,515,112,686
REINSURANCE RECOVERABLE	27,997,684	ADVANCE PREMIUM	4,091,249
NET DEFERRED TAX ASSET	72,421,341	POLICYHOLDER DIVIDENDS	21,380,522
GUARANTY FUNDS RECEIVABLE OR ON DEPOSIT	1,798,901	CEDED REINSURANCE NET PREMIUMS PAYABLE	62,914,516
OTHER ASSETS	818,309	AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	21,072,858
		REMITTANCES AND ITEMS NOT ALLOCATED	7,201,721
		PROVISION FOR REINSURANCE	9,891,783
		PAYABLE FOR SECURITIES LENDING	13,350,613
		OTHER ACCRUED EXPENSES AND LIABILITIES	409,380
		TOTAL LIABILITIES	\$ 3,429,701,342
		CAPITAL STOCK	\$ 6,480,000
		PAID IN SURPLUS	433,803,760
		OTHER SURPLUS	1,877,950,956
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 2,318,234,716
TOTAL ASSETS	\$ 5,747,936,058	TOTAL LIABILITIES & SURPLUS	\$ 5,747,936,058

STATE OF CONNECTICUT)
COUNTY OF HARTFORD) SS.
CITY OF HARTFORD)

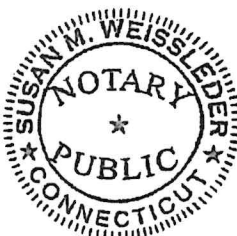
MICHAEL J. DOODY, BEING DULY SWORN, SAYS THAT HE IS VICE PRESIDENT - FINANCE, OF TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, AND THAT TO THE BEST OF HIS KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL CONDITION OF SAID COMPANY AS OF THE 31ST DAY OF DECEMBER, 2023.

Michael J. Doody
VICE PRESIDENT - FINANCE

SUBSCRIBED AND SWORN TO BEFORE ME THIS
15TH DAY OF MARCH, 2024

Susan M. Weissleder
NOTARY PUBLIC

SUSAN M. WEISSLEDER
Notary Public
My Commission Expires November 30, 2027



Progress Estimate - Unit Price Work

For (Contract): 2023 SANITARY SEWER SYSTEM IMPROVEMENTS; GRAVITY SEWER, FORCE MAIN, PUMP STATION CONSTRUCTION & REHAB, AND LAGOON REHAB
 Application Period: 2/9/25 - 3/8/25
 Application Number: 10
 Application Date: 3/10/2025

Contractor's Application

A										Application Date: 3/10/2025	
Item		Contract Information				B	C	D	E	F	
Bid Item No.	Description	Item Quantity	Units	Unit Price	Total Value of Item (\$)	Estimated Quantity Installed	Value of Work Installed to Date	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)	% (F / B)	Balance to Finish (B - F)
Division 1 - Altona Drive & M-25 to Birch Drive Sewer											
1A	Sanitary Sewer, 8"	2293	FT	\$78.44	\$179,862.92	2233	\$175,156.52		\$175,156.52	97.4%	
1B	Sanitary Sewer, 8" (Material Only)	2293	FT	\$14.36	\$32,927.48	2293	\$32,927.48		\$32,927.48	100.0%	\$4,706.40
2A	Sanitary Sewer, 10", Native Backfill	1060	FT	\$107.87	\$114,342.20	270.5	\$29,178.84		\$29,178.84	25.5%	
2B	Sanitary Sewer, 10", Native Backfill (Material Only)	1060	FT	\$22.37	\$23,712.20	1060	\$23,712.20		\$23,712.20	100.0%	\$85,163.37
3AA	Sanitary Sewer, 10", Sand Backfill	220	FT	\$202.98	\$44,655.60	1291	\$262,047.18		\$262,047.18	586.8%	
3AB	Sanitary Sewer, 10", Sand Backfill (Material Only)	220	FT	\$22.37	\$4,921.40	545	\$12,191.65		\$12,191.65	247.7%	-\$217,391.58
3B*	Sanitary Sewer Bore & Jack With 34" 375 Wall Casing Including 1	85	FT	\$321.00	\$27,285.00	100	\$32,100.00		\$32,100.00	117.6%	-\$7,270.25
5	Connection Ion Existing		FT								-\$4,815.00
6	MH Structure, 4' DIA	2	EA	\$1,912.36	\$3,824.72	1	\$1,912.36		\$1,912.36	50.0%	
7A	Sanitary Str. casting and cover, 1040 type B	18	EA	\$5,212.25	\$93,820.50	18	\$93,820.50		\$93,820.50	100.0%	\$1,912.36
7B	Sanitary Str. casting and cover, 1040 type B (Material Only)	18.0	EA	\$305.97	\$5,507.46	18	\$5,507.46		\$5,507.46	100.0%	
8	Sanitary Service Lateral, 4"	18	EA	\$596.78	\$10,742.04	18	\$10,742.04		\$10,742.04	100.0%	
9A	Sanitary Service Lateral, 6"	11	EA	\$2,749.61	\$30,245.71	12	\$32,995.32		\$32,995.32	109.1%	-\$2,749.61
9B	Sanitary Service Lateral, 6" (Material Only)	20	EA	\$4,185.24	\$83,704.80	24	\$100,445.76		\$100,445.76	120.0%	-\$16,740.96
10	Sanitary Service Lateral, 8"	20	EA	\$249.58	\$4,991.60	24	\$5,989.92		\$5,989.92	120.0%	-\$998.32
11	Hydrant Relocation		EA								
12	Gravel Driveway Repair	2	EA	\$2,415.00	\$4,830.00						\$4,830.00
13	Asphalt Driveway Repair	19026	SFT	\$1.63	\$31,012.38	7178	\$11,700.14		\$11,700.14	37.7%	\$19,312.24
14	Concrete Driveway Repair	20	SFT	\$95.94	\$1,918.80	42	\$4,029.48		\$4,029.48	210.0%	-\$2,110.68
15	Gravel Road Repair	140	SFT	\$10.50	\$1,470.00	140	\$1,470.00		\$1,470.00	100.0%	
16A	Driveway Culvert	11385	SFT	\$2.45	\$27,893.25	28427	\$69,646.15		\$69,646.15	249.7%	-\$41,752.90
16B	Driveway Culvert (Material Only)	216	FT	\$47.10	\$10,173.60	362	\$17,050.20		\$17,050.20	167.6%	-\$6,876.60
17	Tree Removal	216	FT	\$13.20	\$2,851.20	362	\$4,778.40		\$4,778.40	167.6%	-\$1,927.20
18	Sewer CCTV	3	EA	\$1,610.00	\$4,830.00						\$4,830.00
19	MDOT Directional Bore Permit	3658	FT	\$4.60	\$16,826.80	3875.9	\$17,829.14		\$17,829.14	106.0%	-\$1,002.34
20	SESC Permit		LS								
21	Soil Erosion and Sedimentation Control	1	LS	\$1,150.00	\$1,150.00	1	\$1,150.00		\$1,150.00	100.0%	
22	Traffic Control	1	LS	\$12,640.83	\$12,640.83	1	\$12,640.83		\$12,640.83	100.0%	
23	Restoration	1	LS	\$5,175.00	\$5,175.00	1	\$5,175.00		\$5,175.00	100.0%	
24	Project Sign	3309	SFT	\$0.74	\$2,448.66	33497	\$24,787.78		\$24,787.78	1012.3%	-\$22,339.12
Division 2 - Lift Station and Force Main Work											
25A	M-25 Pump Station, Equipment & Install Complete	1	LS	\$101,347.68	\$101,347.68	0.95	\$96,280.30		\$96,280.30	95.0%	\$5,067.38
25B	M-25 Pump Station, Equipment & Install Complete (Material Only)	1	LS	\$146,386.00	\$146,386.00	1	\$146,386.00		\$146,386.00	100.0%	
26A	Huron Pump Station, Equipment & Install Complete	1	LS	\$83,919.05	\$83,919.05	0.15	\$12,587.86		\$12,587.86	15.0%	\$71,331.19

Contractor's Application

EJCDC® C-620 Contractor's Application for Payment
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Page 3 of 5

Progress Estimate - Unit Price Work

For (Contract): 2023 SANITARY SEWER SYSTEM IMPROVEMENTS; GRAVITY SEWER, FORCE MAIN, PUMP STATION CONSTRUCTION & REHAB, AND LAGOON REHAB
 Application Period: 2/9/25 - 3/8/25

Contractor's Application

Application Number: 10
 Application Date: 3/10/2025

A			B			C	D	E	F		
Item			Contract Information			Estimated Quantity Installed	Value of Work Installed to Date	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)	% (F / B)	Balance to Finish (B - F)
Bid Item No.	Description	Item Quantity	Units	Unit Price	Total Value of Item (\$)						
50	Existing Sewer Connection to New Pump Station	1	EA	\$3,450.00	\$3,450.00	1	\$3,450.00		\$3,450.00	100.0%	
51	Connection to Existing, Lagoons, 10"	1	EA	\$9,511.65	\$9,511.65	1	\$9,511.65		\$9,511.65	100.0%	
52	Connection to Existing, Pump Station, 8"	1	EA	\$8,361.65	\$8,361.65						
53	Connection to Existing, Pump Station, 10"	1	EA	\$9,511.65	\$9,511.65	1	\$9,511.65		\$9,511.65	100.0%	
54	Connection to Existing, 4"	1	EA	\$7,786.56	\$7,786.56						\$8,361.65
55	Connection to Existing, 6"	1	EA	\$8,706.65	\$8,706.65						
56	Connection to Existing, 8"	1	EA	\$8,706.65	\$8,706.65						\$7,786.56
57	Connection to Existing, 10"	1	EA	\$8,706.65	\$8,706.65						\$8,706.65
58	Flush and Abandon Ex. Foremain	1	EA	\$8,706.65	\$8,706.65	1	\$8,706.65		\$8,706.65	100.0%	
59	Clearing and Removal	5	EA	\$2,875.00	\$14,375.00	0.5	\$18,474.75		\$18,474.75	50.0%	\$18,474.75
60	Asphalt Road, Remove and Replace	42	TON	\$394.83	\$16,582.86	67	\$26,453.61		\$26,453.61	159.5%	\$8,625.00
61	Gravel Removal and Replace, 6" MIN	6739	SFT	\$1.52	\$10,243.28	4403	\$6,692.56		\$6,692.56	65.3%	\$9,870.75
62	Gurb and Gutter, Remove & Replace	12	FT	\$195.50	\$2,346.00						\$3,550.72
63	Concrete Maintenance Pad for Generator	72	SFT	\$87.09	\$6,280.48	60	\$5,225.40		\$5,225.40	83.3%	\$2,346.00
64	Fiberglass Panel, Entrance Gate	1	LS	\$4,025.00	\$4,025.00						\$1,045.08
65	Generator and ATS - M-25 Pump Station	1	LS	\$80,500.00	\$80,500.00	0.9	\$72,450.00		\$72,450.00	90.0%	\$4,025.00
66	Generator and ATS - Mobile Home Park Pump Station	1	LS	\$68,997.70	\$68,997.70						\$8,050.00
67	Electrical Conduit - Generator - M-25 Pump Station	1	LS	\$68,996.55	\$68,996.55						\$68,997.70
68	Electrical Conduit - Generator - Huron Pump Station	1	LS	\$9,200.00	\$9,200.00	1	\$9,200.00		\$9,200.00	100.0%	
69	Electrical Conduit - Generator - Huron Pump Station	1	LS	\$9,200.00	\$9,200.00						\$68,996.55
70	Electrical Conduit - Generator - Mobile Home Park Pump Station	1	LS	\$11,500.00	\$11,500.00						\$9,200.00
71	Natural Gas Service - SEMCO Allowance	3	LOWAN	\$15,000.00	\$45,000.00	0.3531	\$5,296.50		\$5,296.50	11.8%	\$9,200.00
72	Electrical Utility Allowance	2	LOWAN	\$15,000.00	\$30,000.00	2.5192	\$37,788.00		\$37,788.00	126.0%	\$11,500.00
73											\$39,703.50
74											-\$7,788.00
75	MDOT Directional Bore Permit	1	LS	\$7,468.50	\$7,468.50	1	\$7,468.50		\$7,468.50	100.0%	
76	SEISC Permit	1	LS	\$7,468.50	\$7,468.50	1	\$7,468.50		\$7,468.50	100.0%	
77	Soil Erosion and Sedimentation Control	1	LS	\$14,973.81	\$14,973.81	0.75	\$11,230.36		\$11,230.36	75.0%	\$3,743.45
78	Traffic Control	1	LS	\$10,350.00	\$10,350.00	0.75	\$7,762.50		\$7,762.50	75.0%	\$2,587.50
79	Restoration	1	LS	\$93,400.80	\$93,400.80	0.25	\$23,350.20		\$23,350.20	25.0%	\$70,050.60
80	Project Sign	1	EA	\$1,495.00	\$1,495.00	1	\$1,495.00		\$1,495.00	100.0%	
81	Division 3 - Lagoon Rehab Work										
82	Re-grading banks - Cell #1	1	LS	\$17,071.74	\$17,071.74	1	\$17,071.74		\$17,071.74	100.0%	
83	Rip Rap - Cell #1	1	LS	\$125,099.30	\$125,099.30	1	\$125,099.30		\$125,099.30	100.0%	
84	Re-grading banks - Cell #2	1	LS	\$17,071.74	\$17,071.74	1	\$17,071.74		\$17,071.74	100.0%	
	Rip Rap - Cell #2	1	LS	\$125,092.40	\$125,092.40	1	\$125,092.40		\$125,092.40	100.0%	

Progress Estimate - Unit Price Work

For (Contract): 2023 SANITARY SEWER SYSTEM IMPROVEMENTS; GRAVITY SEWER, FORCE MAIN, PUMP STATION CONSTRUCTION & REHAB, AND LAGOON REHAB
 Application Period: 2/9/25 - 3/8/25
 Application Number: 10
 Contractor's Application
 Application Date: 3/10/2025

A										F		
Item												
Bid Item No.	Description	Contract Information			B		C	D	E			
		Item Quantity	Units	Unit Price	Total Value of Item (\$)	Total Value of Item (\$)				Total Completed and Stored to Date (D + E)	% (F / B)	Balance to Finish (B - F)
85	Re-grading banks - Aerated Cell #1	1	LS	\$6,767.76	\$6,767.76	\$6,767.76	1	\$6,767.76		\$6,767.76	100.0%	
86	Rip Rap - Aerated Cell #1	1	LS	\$42,070.45	\$42,070.45	\$42,070.45	1	\$42,070.45		\$42,070.45	100.0%	
87	Re-grading banks - Aerated Cell #2	1	LS	\$6,767.76	\$6,767.76	\$6,767.76	1	\$6,767.76		\$6,767.76	100.0%	
88	Rip Rap - Aerated Cell #2	1	LS	\$42,070.45	\$42,070.45	\$42,070.45	1	\$42,070.45		\$42,070.45	100.0%	
89	Re-grading banks - Aerated Cell #3	1	LS	\$6,767.76	\$6,767.76	\$6,767.76	1	\$6,767.76		\$6,767.76	100.0%	
90	Rip Rap - Aerated Cell #3	1	LS	\$42,070.45	\$42,070.45	\$42,070.45	1	\$42,070.45		\$42,070.45	100.0%	
91	8" Overflow Pipe - Cell #1 to #2	1	LS	\$42,070.45	\$42,070.45	\$42,070.45	1	\$42,070.45		\$42,070.45	100.0%	
92	8" Outfall Pipe - Cell #2	1	LS	\$10,280.34	\$10,280.34	\$10,280.34	1	\$10,280.34		\$10,280.34	100.0%	
93	Remove Outfall MH and Piping - Cell #2	1	EA	\$14,169.63	\$14,169.63	\$14,169.63	1	\$14,169.63		\$14,169.63	100.0%	
94	10" Overflow Pipes - Aerated Cells	2	EA	\$4,838.94	\$4,838.94	\$4,838.94	1	\$4,838.94		\$4,838.94	100.0%	
95	Valve Structure Rehab	2	EA	\$7,331.96	\$15,463.92	\$15,463.92	2	\$15,463.92		\$15,463.92	100.0%	
96	Repair Air Leak Piping	3	LOWAN	\$5,000.00	\$15,000.00	\$15,000.00	6	\$30,000.00		\$30,000.00	200.0%	
97	10" x 8" TEE	1	LS	\$8,625.00	\$8,625.00	\$8,625.00	1	\$8,625.00		\$8,625.00	100.0%	
98	8" 90 Bend	1	EA	\$1,116.80	\$1,116.80	\$1,116.80	1	\$1,116.80		\$1,116.80	100.0%	
99	8" Sleeve	1	EA	\$903.10	\$903.10	\$903.10	1	\$903.10		\$903.10	100.0%	
100	8" CAP	1	EA	\$802.62	\$802.62	\$802.62	1	\$802.62		\$802.62	100.0%	
101	Asphalt Removal	1	EA	\$878.94	\$878.94	\$878.94	1	\$878.94		\$878.94	100.0%	
102	Curb and Gutter Removal	372	SFT	\$13.00	\$4,836.00	\$4,836.00	1	\$4,836.00		\$4,836.00	100.0%	
103	Grading and Filling	55	FT	\$15.00	\$825.00	\$825.00	1	\$825.00		\$825.00	100.0%	
104	18" Compacted Sand Base	1	LSUM	\$650.00	\$650.00	\$650.00	1	\$650.00		\$650.00	100.0%	
107	Electrical Conduit	34	SFT	\$20.00	\$680.00	\$680.00	1	\$680.00		\$680.00	100.0%	
Extra	Allona Drive Extras	31	FT	\$15.00	\$465.00	\$465.00	1	\$465.00		\$465.00	100.0%	
Extra	Step Up Transformer	1	LS	\$11,160.07	\$11,160.07	\$11,160.07	1	\$11,160.07		\$11,160.07	100.0%	
Totals				\$18,975.00	\$18,975.00	\$18,975.00		\$3,218,426.15		\$3,218,426.15	93.9%	\$18,975.00
					\$3,427,379.83	\$3,427,379.83						\$208,953.68

ESTIMATE OF FUNDS NEEDED
FOR
30-Day Period Commencing
03-01-2025

FORM APPROVED
OMB NO. 0575-0015

Name of Borrower Village of Lexington Water

Items	Amount of Funds
Development	\$ 303,651.67
Contract or Job No. <u>24-006</u>	
Contract or Job No. <u>24-140</u>	
Contract or Job No. _____	
Land and Rights-of-Way	
Legal Services	
Engineering Fees	33,525.00
Interest	
Equipment	
Contingencies	
Refinancing	
Initial O&M	
Other	
TOTAL	\$ 337,176.67

Prepared by Village of Lexington

By _____ Name of Borrower

Date _____

Approved by _____

Date _____

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



Townley Engineering, LLC

Address/Main Office
12720 Scott Road
Freeland, Michigan 486

Phone: (810) 404-2266
chris@townleyengineering.com
www.townleyengineering.com

Sandusky Address:
119 East Sanilac
Suite 2
Sandusky, MI 48471

INVOICE

Invoice #: 25-027

March 18, 2025

Client: Village of Lexington
7227 Huron Avenue
Suite 100
Lexington, MI 48450

Project: Water Improvements

Description of services provided:

Work this period included: reviewing shop drawings, preparing Bulletins, reviewing pay applications and progress meetings with Booms and subcontractors. Inspection of water plant mechanical and architectural work by Booms Construction and watermain by Boddy Construction.

Amount of Basic Services:

Engineer: 19.0 hours at \$130.00/hour	\$	2,470.00
Project Engineer: 36.0 hours at \$90.00/hour	\$	3,240.00
Project Technician I: 22.0 hours at \$100.00/hour	\$	2,200.00
Project Technician II: 162.0 hours at \$80.00/hour	\$	12,960.00
Project Technician III 104.0 hours at \$70.00/hour	\$	7,280.00
Subtotal	\$	28,150.00

Subconsultant services:

Century AE (Architectural, Elect, Struct) #41497	\$	831.00
Century AE (Architectural, Elect, Struct) #44331	\$	4,544.00
Subtotal	\$	5,375.00

Total Amount Due this Invoice: \$ 33,525.00

THROUGH FAITH ALL THINGS ARE POSSIBLE

If you have any questions regarding this invoice, please contact Townley Engineering, LLC immediately.

Payment is expected within 30 days in order to avoid finance charges.

Contractor's Application for Payment

Owner:	<u>VILLAGE of LEXINGTON</u>	Owner's Project No.:	<u> </u>
Engineer:	<u>TOWNLEY ENGINEERING</u>	Engineer's Project No.:	<u> </u>
Contractor:	<u>Booms Construction, Inc.</u>	Contractor's Project No.:	<u>24-006</u>
Project:	<u>2023 WATER TREATMENT PLANT & RAW WATER INTAKE IMPROVEMENTS, GROUND STORAGE TANK</u>		
Contract:	<u>2023 WATER TREATMENT PLANT & RAW WATER INTAKE IMPROVEMENTS, GROUND STORAGE TANK</u>		

Application No.:	<u>10</u>	Application Date:	<u>2/28/2025</u>
Application Period:	<u>From</u>	<u>2/1/2025</u>	<u>to</u> <u>2/28/2025</u>

1. Original Contract Price	\$	6,404,000.00
2. Net change by Change Orders	\$	288,930.28
3. Current Contract Price (Line 1 + Line 2)	\$	6,692,930.28
4. Total Work completed and materials stored to date (Sum of Column G Lump Sum Total and Column J Unit Price Total)	\$	2,459,920.00
5. Retainage		
a. 5% X \$ 2,459,920.00 Work Completed =	\$	122,996.00
b. 5% X \$ - Stored Materials =	\$	-
c. Total Retainage (Line 5.a + Line 5.b)	\$	122,996.00
6. Amount eligible to date (Line 4 - Line 5.c)	\$	2,336,924.00
7. Less previous payments (Line 6 from prior application)	\$	2,245,737.30
8. Amount due this application	\$	91,186.70
9. Balance to finish, including retainage (Line 3 - Line 4 + Line 5.c)	\$	4,356,006.28

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:

- (1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
- (2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and
- (3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor:	<u>Booms Construction, Inc.</u>
Signature:	<u>Burak M Booms</u> Date: <u>2/28/2025</u>

Recommended by Engineer

By:	<u>Chris Townley</u>
Title:	<u>Engineer</u>
Date:	<u>03/18/2025</u>

Approved by Owner

By:	<u> </u>
Title:	<u> </u>
Date:	<u> </u>

Approved by Funding Agency

By:	<u> </u>
Title:	<u> </u>
Date:	<u> </u>

By:	<u> </u>
Title:	<u> </u>
Date:	<u> </u>

Prime Contract Invoice – Fixed Lump Sum

Project Information

Project # 24-006
 Title Lexington WTP Improvements
 Address 7226 Lester St.
 City, State, Zip Lexington, MI 48450
 Country USA

Prime Contract Invoice

Contract # 24-006-001
 Invoice # 24-006-010
 Invoice Date 28-Feb-2025
 Payment Due 30-Mar-2025

From (Prime Contractor)

Contact Derek M. Booms
 Company Booms Construction, Inc.
 Address 1170 N Van Dyke Rd
 City, State, Zip Bad Axe, MI 48413-8076
 Country United States
 Phone

To (Owner | Client)

Contact Kristen Kaatz
 Company Village of Lexington
 Address 7227 Huron Ave. Suite 100
 City, State, Zip Lexington, MI 48450
 Country USA
 Phone

Contract, Invoice, Retainage and Balance Summary

Description	Amount
Contract Summary	
Original Contract Sum	\$6,404,000.00
Approved Change Orders (CO)	\$288,930.28
Revised Contract to Date	\$6,692,930.28
Previous and Current Invoice Summary	
Gross Invoiced (Completed + Stored to Date)	\$2,459,920.00
Retainage	\$122,996.00
Gross Invoiced – Retainage	\$2,336,924.00
Previous Invoices	\$2,245,737.30
Current Invoice	\$91,186.70
Balance to Finish, Including Retainage	\$4,356,006.28
Current Invoice Subtotal, Tax and Total	
Subtotal (same as Current Invoice above)	\$91,186.70
Tax	\$0.00
Total	\$91,186.70

COs Summary by Period

Approved COs in Prior Periods	\$183,751.00
Approved COs in Current Period	\$105,179.28
Approved COs (same as above)	\$288,930.28

Signatures

From (Prime Contractor)

Booms Construction, Inc.

Derek M. Booms

Derek M Booms
 Signature

2-28-25
 Date

To (Owner | Client)

Village of Lexington

Kristen Kaatz

Signature

Date

Original Contract Items, COs, and Retainage Summarized by Owner Code

Code and Description	Original Budget	Approved Change Orders	Revised Budget	Previous Completed & Stored	Current Invoice		Total Completed & Stored	% Complete	Balance to Finish	Current Billed Retainage	Net Retainage
					Work Completed	Stored Material					
01: General Conditions	148,328.00	5,215.00	153,543.00	93,581.00	1,340.00	0.00	94,921.00	61.82	58,622.00	0.00	4,746.05
02A: Selective demo	24,329.00	0.00	24,329.00	20,680.00	0.00	0.00	20,680.00	85.00	3,649.00	0.00	1,034.00
02B: Media Removal and Install	73,602.00	0.00	73,602.00	0.00	0.00	0.00	0.00	.00	73,602.00	0.00	0.00
03: Concrete fndsl/flatwork	283,714.00	0.00	283,714.00	276,714.00	0.00	0.00	276,714.00	97.53	7,000.00	0.00	13,835.70
05: Structural Steel and FRP Grailing	91,470.00	0.00	91,470.00	4,600.00	0.00	0.00	4,600.00	5.03	86,870.00	0.00	230.00
06A: Rough carpentry	17,253.00	0.00	17,253.00	15,528.00	0.00	0.00	15,528.00	90.00	1,725.00	0.00	776.40
06B: Cabinets/tops	12,339.00	0.00	12,339.00	0.00	0.00	0.00	0.00	.00	12,339.00	0.00	0.00
07A: Insulation	12,339.00	0.00	12,339.00	5,178.00	0.00	0.00	5,178.00	41.96	7,161.00	0.00	258.90
07B: Shingles	29,025.00	0.00	29,025.00	29,025.00	0.00	0.00	29,025.00	100.00	0.00	0.00	1,451.25
07C: Siding/Soffit/Fascia	20,520.00	0.00	20,520.00	17,442.00	0.00	0.00	17,442.00	85.00	3,078.00	0.00	872.10
08A: Doors, frames, hardware	10,022.00	11,811.00	21,833.00	18,800.00	0.00	0.00	18,800.00	86.11	3,033.00	0.00	940.00
08B: Glass, Glazing, Aluminum Framing	11,535.00	0.00	11,535.00	0.00	0.00	0.00	0.00	.00	11,535.00	0.00	0.00
09A: Drywall	17,808.00	0.00	17,808.00	0.00	6,000.00	0.00	6,000.00	33.69	11,808.00	0.00	300.00
09B: Painting	154,436.00	0.00	154,436.00	0.00	0.00	0.00	0.00	.00	154,436.00	0.00	0.00
09C: Light Gauge Metal Framing	13,285.00	0.00	13,285.00	11,605.00	0.00	0.00	11,605.00	87.35	1,680.00	0.00	580.25
13: Water Storage Tank	631,866.00	0.00	631,866.00	611,866.00	0.00	0.00	611,866.00	96.83	20,000.00	0.00	30,593.30
23: Plumbing/HVAC	3,753,260.00	-214,772.72	3,538,487.28	462,850.00	22,208.00	0.00	485,058.00	13.71	3,053,429.28	0.00	24,252.90
26: Electrical	632,441.00	96,518.00	728,959.00	113,978.00	66,438.00	0.00	180,416.00	24.75	548,543.00	0.00	9,020.80
31: Silework	203,078.00	0.00	203,078.00	201,928.00	0.00	0.00	201,928.00	99.43	1,150.00	0.00	10,096.40
32: Asphalt	102,350.00	0.00	102,350.00	0.00	0.00	0.00	0.00	.00	102,350.00	0.00	0.00
99: Allowances	161,000.00	390,159.00	551,159.00	480,159.00	0.00	0.00	480,159.00	87.12	71,000.00	0.00	24,007.95
Subtotal =	6,404,000.00	288,930.28	6,692,930.28	2,363,934.00	95,986.00	0.00	2,459,920.00	36.75	4,233,010.28	0.00	122,996.00

Progress Estimate - Lump Sum Work									
Owner: Village of Lexington					Contractor's Application for Payment				
Engineer: Townley Engineering					Owner's Project No.				
Contractor: Booms Construction, Inc.					Engineers Project No.				
Project: 2023 Water Treatent Plant & Raw Water Intake Improvements, Ground Storage Tank					Contractor's Project No.				
Contract: 2023 Water Treatent Plant & Raw Water Intake Improvements, Ground Storage Tank					24-006				
Application No.: 10									
Application Period: From: 2/1/2025 To: 2/28/2025 Application Date: 2/28/2025									
A	B	C	D	E	F	G	H	I	
Item No	Description	Scheduled Value (\$)	Work Completed		Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D+E+F) (\$)	% of scheudled Value (G/C) (%)	Balance to Finish (C-G) (\$)	
			(D+E) From Previous Application (\$)	This Period (\$)					
General Conditions - Water Treatment Plant and Raw Water Intake									
1	Permits	\$8,303.00	\$8,303.00			\$8,303.00	100%	\$0.00	
2	Bonds		\$72,000.00			\$72,000.00	100%	\$0.00	
3	Equipment/ Mobilization	\$72,000.00					0%	\$23,900.00	
4	Dumpster	\$23,900.00				\$0.00	0%	\$23,900.00	
5	Clean Up	\$3,500.00	\$1,000.00			\$1,000.00	29%	\$2,500.00	
6	Project Management	\$4,400.00				\$0.00	0%	\$4,400.00	
7	Testing/ Disinfection	\$13,200.00	\$4,400.00	\$1,100.00		\$5,500.00	42%	\$7,700.00	
8	USDA Sign	\$17,125.00				\$0.00	0%	\$17,125.00	
9	Temporary Facilities	\$3,000.00	\$3,000.00			\$3,000.00	100%	\$0.00	
10		\$2,900.00	\$960.00	\$240.00		\$1,200.00	41%	\$1,700.00	
11								\$0.00	
Original Contract Totals			\$148,328.00	\$89,663.00	\$1,340.00	\$0.00	\$91,003.00	61%	\$57,325.00

Progress Estimate - Lump Sum Work

Owner: Village of Lexington
Engineer: Townley Engineering
Contractor: Booms Construction, Inc.
Project: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank
Contract: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank

Owner's Project No.
Engineers Project No.
Contractor's Project No. 24-006

Contractor's Application for Payment

Application No.: 10			Application Period: From: 2/1/2025			To: 2/28/2025		Application Date: 2/28/2025		
A	B	C	D	E	F	G	H	I		
Item No	Description	Scheduled Value (\$)	Work Completed		Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D+E+F) (\$)	% of scheudled Value (G/C) (%)	Balance to Finish (C-G) (\$)		
			(D+E) From Previous Application	This Period (\$)						
Concrete - Water Treatment Plant and Storage Tank										
1	Storage Tank Footing/ wall	\$142,288.00	\$142,288.00			\$142,288.00	100%	\$0.00		
2	Storage Tank Slab	\$44,905.00	\$44,905.00			\$44,905.00	100%	\$0.00		
3	Additon Footing and Wall	\$34,522.00	\$34,522.00			\$34,522.00	100%	\$0.00		
4	Addition Slab and Curb	\$13,952.00	\$13,952.00			\$13,952.00	100%	\$0.00		
5	Filter Bases	\$41,047.00	\$41,047.00			\$41,047.00	100%	\$0.00		
6	Concrete in Filters	\$4,000.00				\$0.00	0%	\$4,000.00		
7	Equipment Pads/ Saddles	\$3,000.00				\$0.00	0%	\$3,000.00		
8								\$0.00		
9								\$0.00		
10								\$0.00		
11								\$0.00		
Original Contract Totals		\$283,714.00	\$276,714.00	\$0.00	\$0.00	\$276,714.00	98%	\$7,000.00		

Progress Estimate - Lump Sum Work

Owner: Village of Lexington
Engineer: Townley Engineering
Contractor: Booms Construction, Inc.
Project: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank
Contract: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank

Owner's Project No.
Engineers Project No.
Contractor's Project No. 24-006

Contractor's Application for Payment

Application No.: 10			Application Period: From: 2/1/2025			To: 2/28/2025			Application Date: 2/28/2025		
A	B	C	D	E	F	G	H	I			
Item No	Description	Scheduled Value (\$)	Work Completed		Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D+E+F) (\$)	% of scheduled Value (G/C) (%)	Balance to Finish (C-G) (\$)			
			(D+E) From Previous Application (\$)	This Period (\$)							
Structural Steel and FRP Grating - Water Treatment Plant											
1	Shop Drawings	\$4,600.00	\$4,600.00			\$4,600.00	100%	\$0.00			
2	Structural Steel	\$46,320.00				\$0.00	0%	\$46,320.00			
3	Grating	\$26,450.00				\$0.00	0%	\$26,450.00			
4	Erection	\$14,100.00				\$0.00	0%	\$14,100.00			
5											
6											
7											
8											
9											
10											
11											
Original Contract Totals		\$91,470.00	\$4,600.00	\$0.00	\$0.00	\$4,600.00	5%	\$86,870.00			

Progress Estimate - Lump Sum Work											
Owner: Village of Lexington											
Engineer: Townley Engineering											
Contractor: Booms Construction, Inc.											
Project: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank											
Contract: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank											
Application No.: 10											
Owner's Project No.											
Engineers Project No.											
Contractor's Project No.											
24-006											
Contractor's Application for Payment											
Application Period: From: 2/1/2025 To: 2/28/2025 Application Date: 2/28/2025											
Item No	Description	C Scheduled Value (\$)	D		E		F Materials Currently Stored (not in D or E) (\$)	G Work Completed and Materials Stored to Date (D+E+F) (\$)	H % of scheudled Value (G/C) (%)	I Balance to Finish (C-G) (\$)	
			(D+E) From Previous Application (\$)	Work Completed This Period (\$)							
Plumbing Breakdown - Water Treatment Plant and Raw Water Intake 1 of 2											
1	Shop Drawings	\$3,113.00						\$3,113.00	100.00%	\$0.00	
2	Permits	\$1,493.00						\$1,493.00	100.00%	\$0.00	
3	Rigging	\$29,867.00						\$8,685.00	29.08%	\$21,182.00	
4	Project Management	\$103,297.00						\$34,812.00	33.70%	\$68,485.00	
5	Material - Water Treatment Plant Filters and Panel	\$1,784,051.00						\$287,969.00	16.14%	\$1,496,082.00	
6	Labor - Water Treatment Filters and Panels	\$70,691.00						\$4,225.00	5.98%	\$66,466.00	
7	Material - Valves and Actuators, New Filters	\$142,863.00						\$8,538.00	5.98%	\$134,325.00	
8	Labor - Valves and Actuators, New Filters	\$61,610.00						\$3,682.00	5.98%	\$57,928.00	
9	Material - Air Compressor WTP	\$18,126.00						\$17,834.00	98.39%	\$292.00	
10	Labor - Air Compressor WTP	\$2,990.00						\$2,939.00	98.29%	\$51.00	
11	Material - Existing Filter Rehab Work	\$225,993.00						\$13,506.00	5.98%	\$212,487.00	
12	Labor - Existing Filter Rehab Work	\$57,000.00						\$6,041.00	10.60%	\$50,959.00	
13	Material - Valves and Actuators, Existing Filters	\$97,814.00						\$5,846.00	5.98%	\$91,968.00	
14	Labor - Valves and Actuators, Existing Filters	\$36,092.00						\$2,157.00	5.98%	\$33,935.00	
15	Material - Air Scour Blower	\$24,889.00						\$1,488.00	5.98%	\$23,401.00	
16	Labor - Air Scour Blower	\$5,229.00						\$313.00	5.99%	\$4,916.00	
17	Material - Chemical Feed and Piping Equipment	\$165,684.00						\$9,902.00	5.98%	\$155,782.00	
18	Labor - Chemical Feed and Piping Equipment	\$48,536.00						\$2,901.00	5.98%	\$45,635.00	
19	Material - Sample Piping	\$42,066.00						\$2,514.00	5.98%	\$39,552.00	
20	Labor - Sample Piping	\$64,711.00						\$3,868.00	5.98%	\$60,843.00	
21	Material - Transfer Pump Area Piping	\$31,983.00						\$27,034.00	84.53%	\$4,949.00	
22	Labor - Transfer Pump Area Piping	\$31,226.00						\$11,969.00	38.33%	\$19,257.00	

Progress Estimate - Lump Sum Work		Contractor's Application for Payment	
Owner:	Village of Lexington	Owner's Project No.	
Engineer:	Townley Engineering	Engineers Project No.	
Contractor:	Booms Construction, Inc.	Contractor's Project No.	24-006
Project:	2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank		
Contract:	2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank		

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Progress Estimate - Lump Sum Work

Owner:	Village of Lexington	Owner's Project No.	
Engineer:	Townley Engineering	Engineers Project No.	
Contractor:	Booms Construction, Inc.	Contractor's Project No.	24-006
Project:	2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank		
Contract:	2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank		

Contractor's Application for Payment

Application No.: 10									
Application Period: From 2/1/2025 To 2/28/2025									
Application Date 2/28/2025									
A	B	C	D	E	F	G	H	I	
Item No	Description	Scheduled Value (\$)	Work Completed		Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D+E+F) (\$)	% of scheudled Value (G/C) (%)	Balance to Finish (C-G) (\$)	
			(D+E) From Previous Application (\$)	This Period (\$)					
Electrical Breakdown - Water Treatment Plant and Raw Water Intake									
1	Permits	\$1,326.00							
2	WTP Labor	\$160,377.00	\$9,775.00	\$4,025.00		\$0.00	0.00%	\$1,326.00	
3	WTP Materials	\$180,555.00	\$1,725.00	\$2,070.00		\$13,800.00	8.60%	\$146,577.00	
4	WTP Labor - OTI	\$74,053.00	\$42,562.00	\$3,839.00		\$3,795.00	2.10%	\$176,760.00	
5	WTP Materials - OTI	\$52,878.00	\$15,318.00	\$35,741.00		\$46,401.00	62.66%	\$27,652.00	
6	Storage Tank Labor	\$3,288.00				\$51,059.00	96.56%	\$1,819.00	
7	Storage Tank Materials	\$6,926.00				\$0.00	0.00%	\$3,288.00	
8	Raw Water Labor	\$11,576.00	\$575.00	\$575.00		\$0.00	0.00%	\$6,926.00	
9	Raw Water Materials	\$47,707.00				\$1,150.00	9.93%	\$10,426.00	
10	Raw Water Labor - OTI	\$69,250.00	\$36,922.00	\$3,624.00		\$0.00	0.00%	\$47,707.00	
11	Raw Water Materials - OTI	\$24,505.00	\$7,101.00	\$16,564.00		\$40,546.00	58.55%	\$28,704.00	
	Original Contract Totals	\$632,441.00	\$113,978.00	\$66,438.00	\$0.00	\$23,665.00	96.57%	\$840.00	
						\$180,416.00	28.53%	\$452,025.00	

Progress Estimate - Lump Sum Work										Contractor's Application for Payment			
Owner: Village of Lexington										Owner's Project No.			
Engineer: Townley Engineering										Engineers Project No.			
Contractor: Booms Construction, Inc.										Contractor's Project No.			
Project: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank										24-006			
Contract: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank													
Application No.: 10										Application Date 2/28/2025			
Application Period: From 2/1/2025 To 2/28/2025													
A	B	C	D	E	F	G	H	I					
Item No	Description	Scheduled Value (\$)	Work Completed		Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D+E+F) (\$)	% of scheduled Value (G/C) (%)	Balance to Finish (C-G) (\$)					
			(D+E) From Previous Application (\$)	This Period (\$)									
Water Storage Tank													
1	25% upon shop drawings	\$157,967.00	\$157,967.00			\$157,967.00	100%	\$0.00					
2	50% on material delivery	\$315,932.00	\$315,932.00			\$315,932.00	100%	\$0.00					
3	25% for installation	\$157,967.00	\$137,967.00			\$137,967.00	87%	\$20,000.00					
4								\$0.00					
Original Contract Totals		\$631,866.00	\$611,866.00	\$0.00	\$0.00	\$611,866.00	97%	\$20,000.00					

Progress Estimate - Lump Sum Work

Owner: Village of Lexington
Engineer: Townley Engineering
Contractor: Booms Construction, Inc.
Project: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank
Contract: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank

Contractor's Application for Payment
 Owner's Project No.
 Engineers Project No.
 Contractor's Project No.

24-006

Application No.: 10
 Application Period: From: 2/1/2025 To: 2/28/2025 Application Date: 2/28/2025

A		B		C		D		E		F		G		H		I	
Item No	Description	Scheduled Value (\$)	Work Completed		Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D+E+F) (\$)	% of scheudled Value (G/C) (%)	Balance to Finish (C-G) (\$)									
			(D+E) From Previous Application (\$)	This Period (\$)													
Sifework - Water Treatment Plant and Storage Tank																	
1	Earthwork	\$100,426.00	\$100,426.00			\$100,426.00	100%	\$0.00									
2	12" ductile main	\$56,620.00	\$56,620.00			\$56,620.00	100%	\$0.00									
3	6" PVC drain	\$46,032.00	\$44,882.00			\$44,882.00	98%	\$1,150.00									
4								\$0.00									
5								\$0.00									
6								\$0.00									
7								\$0.00									
8								\$0.00									
9								\$0.00									
10								\$0.00									
11								\$0.00									
Original Contract Totals		\$203,078.00	\$201,928.00	\$0.00	\$0.00	\$201,928.00	99%	\$1,150.00									

Progress Estimate - Lump Sum Work

Owner:	Village of Lexington	Owner's Project No.	
Engineer:	Townley Engineering	Engineers Project No.	
Contractor:	Booms Construction, Inc.	Contractor's Project No.	24-006
Project:	2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank		
Contract:	2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank		

Contractor's Application for Payment

Application No.: 10										Application Period: From: 2/1/2025			To: 2/28/2025			Application Date: 2/28/2025		
A		B		C		D		E		F		G		H		I		
Item No	Description	Scheduled Value (\$)	Work Completed (D+E) From Previous Application (\$)		This Period (\$)	Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D+E+F) (\$)		% of scheduled Value (G/C) (%)	Balance to Finish (C-G) (\$)								
Allowances																		
1	Utility Allowance	\$5,000.00																
2	Dive Team Allowance	\$50,000.00	\$50,000.00															
3	Barge Allowance	\$40,000.00	\$40,000.00															
4	Pump Repair Allowance	\$36,000.00																
5	Filter Coating Allowance	\$30,000.00																
6																		
7																		
8																		
9																		
10																		
11																		
Original Contract Totals		\$161,000.00	\$90,000.00		\$0.00													

Progress Estimate - Lump Sum Work

Owner: Village of Lexington
Engineer: Townley Engineering
Contractor: Booms Construction, Inc.
Project: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank
Contract: 2023 Water Treatment Plant & Raw Water Intake Improvements, Ground Storage Tank

Owner's Project No.
Engineers Project No.
Contractor's Project No. 24-006

Application No.: 10 Application Period From 2/1/2025 To 2/28/2025 Application Date 2/28/2025									
A	B	C	D	E	F	G	H	I	
Item No	Description	Scheduled Value (\$)	Work Completed (D+E) From Previous Application (\$)	Work Completed This Period (\$)	Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D+E+F) (\$)	% of scheduled Value (G/C) (%)	Balance to Finish (C-G) (\$)	
Change Orders									
1	Change Order #1	-\$211,914.00	-\$214,302.00			-\$214,302.00	101.13%	\$2,388.00	
2	Change Order #2	-\$21,934.00				\$0.00	0.00%	-\$21,934.00	
3	Change Order #3	\$395,573.00	\$395,573.00			\$395,573.00	100.00%	\$0.00	
4	Change Order #4	\$22,026.00						\$22,026.00	
5	Change Order #5	\$105,179.28						\$105,179.28	
6								\$0.00	
7								\$0.00	
8								\$0.00	
9								\$0.00	
10								\$0.00	
11								\$0.00	
12								\$0.00	
13								\$0.00	
14								\$0.00	
15								\$0.00	
16								\$0.00	
Original Contract Totals		\$288,930.28	\$181,271.00	\$0.00	\$0.00	\$181,271.00	62.74%	\$107,659.28	

SWORN STATEMENT

State of Michigan
County of Huron

Rick D. Booms, Project Manager, being duly sworn, desposes and says that
(Name/Title)

Booms Construction, Inc. 1170 N. Van Dyke, Bad Axe, MI 48413 (989) 269-8562 has a contract with
(Firm Name, Address, Phone Number)

Village of Lexington, 7227 Huron Ave. Lexington MI 48450 (810) 359-8631
(Owner Name, Address, Phone Number)

Lexington Water Treatment Plant, Raw Water Intake Improvements, and Ground Storage Tank
(Project Description)

That, for the purpose of said contract, the following persons have been contracted with, and have furnished, or are furnishing and preparing materials for, and have done or are doing labor on said improvements. That there is due and to become due them, respectively, the amounts set opposite their names for materials or labor as stated.
That this statement is full, true, and complete statement of all such persons, the amounts paid, and the amounts due or to become due to each.

Contractor/Supplier Name	Scope of Work	Total Contract Amount Inc Change Orders	Retention Withheld to Date	Net Previously Paid	Net Aml. This Payment	Balance to Complete									
Booms Construction, Inc.	General Contractor	\$1,450,228.50	\$59,425.00	\$476,045.14	\$17,963.46	\$956,219.90									
Sanilac Steel	Structural Steel and FRP Grating	\$77,800.00	\$200.00	\$3,800.00	\$0.00	\$74,000.00									
D&M Cabinet Shop	Cabinets and Countertops	\$9,860.00	\$0.00	\$0.00	\$0.00	\$9,860.00									
Dave's Glass	Glass, Glazing, Aluminum Framing	\$5,950.00	\$0.00	\$0.00	\$0.00	\$5,950.00									
Murray Painting	Painting and Coaling	\$128,607.00	\$0.00	\$0.00	\$0.00	\$128,607.00									
Platinum Mechanical	Plumbing and Mechanical	\$2,990,148.28	\$21,284.80	\$386,068.41	\$18,342.79	\$2,585,737.08									
Blank Electric	Electrical and Instrumentation	\$620,422.00	\$7,843.80	\$94,151.65	\$54,880.45	\$471,389.90									
K&J Excavation	Sitework	\$136,400.00	\$6,770.00	\$128,630.00	\$0.00	\$7,770.00									
Astec Asphalt	Asphalt	\$89,000.00	\$0.00	\$0.00	\$0.00	\$89,000.00									
Mid Atlantic Storage Systems	Water Storage Tank	\$549,448.00	\$27,472.40	\$521,975.60	\$0.00	\$27,472.40									
Pumford Construction	Concrete	\$176,561.34	\$0.00	\$176,561.34	\$0.00	\$0.00									
HB Security	Diving Services	\$21,388.10	\$0.00	\$21,388.10	\$0.00	\$0.00									
Geo Gradel	Tug and Barge	\$248,587.50	\$0.00	\$248,587.50	\$0.00	\$0.00									
Commercial Diving and Marine Services	Diving Services	\$188,529.56	\$0.00	\$188,529.56	\$0.00	\$0.00									
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00									
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00									
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00									
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00									
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00									
TOTAL		\$6,692,930.28	\$122,996.00	\$2,245,737.30	\$91,186.70	\$4,356,006.28									
<table><tr><th colspan="2">CONTRACT AMOUNT</th></tr><tr><td>AMOUNT OF ORIGINAL CONTRACT</td><td>\$6,404,000.00</td></tr><tr><td>CHANGES TO CONTRACT</td><td>\$288,930.28</td></tr><tr><td>ADJUSTED TOTAL CONTRACT</td><td>\$6,692,930.28</td></tr></table>			CONTRACT AMOUNT		AMOUNT OF ORIGINAL CONTRACT	\$6,404,000.00	CHANGES TO CONTRACT	\$288,930.28	ADJUSTED TOTAL CONTRACT	\$6,692,930.28	WORK COMPLETED TO DATE				\$2,459,920.00
			CONTRACT AMOUNT												
			AMOUNT OF ORIGINAL CONTRACT	\$6,404,000.00											
			CHANGES TO CONTRACT	\$288,930.28											
			ADJUSTED TOTAL CONTRACT	\$6,692,930.28											
			LESS RETAINAGE				\$122,996.00								
			NET AMOUNT EARNED				\$2,336,924.00								
NET PREVIOUSLY PAID				\$2,245,737.30											
NET AMOUNT OF THIS PAYMENT				\$91,186.70											
BALANCE TO BECOME DUE (Inc. Retention)				\$4,356,006.28											

Signed: Rick D. Booms
(Deponent)

Subscribed and sworn to before me this 10th day of March 2025

Katelyn Black Notary Public
Katelyn Black

Katelyn Black
Notary Public - State of Michigan
County of Huron
My Commission Expires August 10, 2027
Acting in the County of Huron



Application Date: 3/10/2025

Vin (Engineer):

Engineer's Project No.: 21-007

1. ORIGINAL CONTRACT PRICE	\$	\$1,515,236.98
2. Net change by Change Orders	\$	
3. Current Contract Price (Line 1 + 2)	\$	\$1,515,236.98
4. TOTAL COMPLETED AND STORED TO DATE (Column F total on Progress Estimate)	\$	\$956,963.73
5. RETAINAGE:		
a. 10% X	\$	\$95,696.37
b. X		
c. Total Retainage (Line 5.a + Line 5.b)	\$	\$95,696.37
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c)	\$	\$861,267.36
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application)	\$	\$668,802.39
8. AMOUNT DUE THIS APPLICATION	\$	\$212,464.97
9. BALANCE TO FINISH, PLUS RETAINAGE		

[illegible]

Approved by

Date: 3/10/

Funding or Financing Entity (if applicable)	(Date)

Funding or Financing Entity (if applicable)	(Date)
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EJCDC® C-620 Contractor's Application for Payment
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Progress Estimate - Unit Price Work

Contractor's Application

Contractor's Application											
For (Contract): Village of Lexington - 2023 Water Main Improvements					Application Number: 3		Application Date: 3/10/2025				
Application Period: 2/9/25 - 3/8/25											
A											
Bid Item No.	Item Description	Contract Information			B	C	D	E	F		
		Item Quantity	Units	Unit Price					Total Value of Item (\$)	Estimated Quantity Installed	Value of Work Installed to Date
1	8" Tapping Valve & Sleeve	1	EACH	\$5,026.85	\$5,026.85	1	\$5,026.85		\$5,026.85	100.0%	
2	8" Tapping Valve & Sleeve (Stored Material)	1	EACH	\$1,703.15	\$1,703.15	1	\$1,703.15		\$1,703.15	100.0%	
3	8" 90 Horizontal Bend	8	EACH	\$705.00	\$5,640.00	7	\$4,935.00		\$4,935.00	87.5%	\$705.00
4	8" 45 Horizontal Bend	17	EACH	\$620.00	\$10,540.00	22	\$13,640.00		\$13,640.00	129.4%	-\$3,100.00
5	12" 22 Horizontal Bend	4	EACH	\$1,155.00	\$4,620.00						\$4,620.00
6	6" x 6" x 6" Tee	1	EACH	\$735.00	\$735.00						\$735.00
7	8" x 8" x 8" Tee	7	EACH	\$960.00	\$6,720.00	9	\$8,640.00		\$8,640.00	128.6%	-\$1,920.00
8	8" x 6" Reducer	6	EACH	\$555.00	\$3,330.00	3	\$1,665.00		\$1,665.00	50.0%	\$1,665.00
9	8" x 10" Increaser	1	EACH	\$802.50	\$802.50						\$802.50
10	8" x 12" Increaser	1	EACH	\$963.00	\$963.00	1	\$963.00		\$963.00	100.0%	
11	6" Coupler	1	EACH	\$890.00	\$890.00	2	\$1,780.00		\$1,780.00	200.0%	-\$890.00
12	8" 22.5 Bend	2	EACH	\$1,004.00	\$2,008.00	5	\$5,020.00		\$5,020.00	250.0%	-\$3,012.00
13	8" Valve & Box	19	EACH	\$630.00	\$12,600.00	4	\$2,520.00		\$2,520.00	200.0%	-\$1,260.00
14	8" Valve & Box (Stored Material)	19	EACH	\$1,122.90	\$21,335.10	17	\$19,089.30		\$19,089.30	89.5%	\$2,245.80
15	12" Valve & Box	1	EACH	\$1,475.10	\$1,475.10	1	\$1,475.10		\$1,475.10	100.0%	
16	6" Hydrant (Complete Assembly)	1	EACH	\$2,581.90	\$2,581.90	8	\$19,738.00		\$19,738.00	66.7%	\$9,869.00
17	6" Hydrant (Complete Assembly) (Stored Material)	12	EACH	\$4,453.75	\$53,445.00	12	\$53,445.00		\$53,445.00	100.0%	
18	6" Hydrant W/ Snow Barrel, Complete Assembly	2	EACH	\$8,679.00	\$17,358.00	3030	\$108,989.10		\$108,989.10	134.1%	-\$27,696.90
19	8" Watermain - Sand Backfill (Stored Material)	2260	LF	\$22.63	\$51,143.80	2260	\$51,143.80		\$51,143.80	100.0%	
20	8" Watermain - Sand Backfill Trench (Stored Material)	4635	LF	\$22.63	\$104,890.05	4635	\$104,890.05		\$104,890.05	100.0%	
21	8" Watermain - Sand Backfill Trench	240	LF	\$105.00	\$25,200.00	12	\$50,460.00		\$50,460.00	50.0%	\$50,460.00
22	8" Watermain - Sand Backfill Trench	16	EACH	\$625.00	\$10,000.00	15	\$9,375.00		\$9,375.00	93.8%	\$625.00
23	8" Watermain - Sand Backfill Trench	37	EACH	\$790.50	\$29,248.50	43	\$33,991.50		\$33,991.50	116.2%	-\$4,743.00
24	12" Storm Sewer HDPE	692	LF	\$30.50	\$34,960.00	938	\$47,369.00		\$47,369.00	135.5%	-\$12,423.00
25	12" Storm Sewer TEE UP Riser	11	EACH	\$1,390.00	\$15,290.00	14	\$19,460.00		\$19,460.00	127.3%	-\$4,170.00
26	Remove and Replace 5' Sidewalk	2480	SO. Fee	\$14.50	\$35,560.00						\$35,560.00
27	Remove and Replace Asphalt Drives	1200	SO. Fee	\$17.45	\$20,940.00						\$20,940.00
28	Remove and Replace Asphalt Drives	4884	SO. Fee	\$10.95	\$53,479.80						\$53,479.80
29	Remove and Replace Gravel Drives	5433	SO. Fee	\$6.75	\$36,672.75	3951	\$26,665.25		\$26,665.25	72.7%	\$10,007.50
30	Remove and Replace Asphalt Roadway	14388	SO. Fee	\$9.10	\$130,930.80						\$130,930.80

Contractor's Application

Village of Lexington - 2023 Water Main Improvements

Application Number: 3

✓

-53-



To: Village of Lexington Council

From: Lori Fisher, Village Manager

Date: March 18, 2025

Re: Policy for Review of Financial Statements

Background:

We received a letter from Rural Development pertaining to our audit finding 2024-001: Preparation of financial statements in accordance with generally accepted accounting principles. A corrective action was submitted to the state showing that Management continues to reply of external auditors for preparation of its financial statements.

Additional action is requested for a written policy of certain key management officials or the Council to review the prepared financial statements by the external auditors. While we do perform this review in practice, we do not have a policy for it.

Recommendation:

It is recommended that Council move to approve the Proposed Policy: Review of Financial Statements.



Policy: XXXXX Review of Financial Statements

Approved:

Purpose:

The purpose of this policy is to establish a standardized procedure for reviewing the Village's prepared financial statements to ensure compliance with Governmental Accounting Standards Board (GASB) Statement No. 34. The policy will guide key management officials and the Village Council in evaluating the accuracy and transparency of financial reporting in accordance with generally accepted accounting principles (GAAP).

Scope:

This policy applies to the preparation, review, and approval of the Village of Lexington's financial statements for all fiscal periods, including the Government-Wide Financial Statements, Fund Financial Statements, and other disclosures required by GASB Statement No. 34.

Policy Guidelines:

1. Preparation of Financial Statements:

- As with many small municipalities, the Village of Lexington does not have sufficient staffing required to prepare our financial statements and contract with an external auditor or firm to assist. The Treasurer will work with the contracted firm to prepare the Village's financial statements in accordance with GASB Statement No. 34, ensuring both government-wide and fund financial statements are accurate and complete.
- The financial statements will include the following components:
 - Management's Discussion and Analysis (MD&A)
 - Government-Wide Financial Statements:
 - Statement of Net Position
 - Statement of Activities
 - Fund Financial Statements:

- Balance Sheet for Governmental Funds
- Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds
- Proprietary Fund Statements (e.g., Sewer, Water, Mobile Home Park)
- Notes to Financial Statements, including disclosures required by GASB standards.

2. Review Process:

- The Village Manager and Treasurer will conduct an internal review of the prepared financial statements, including the MD&A, to ensure accuracy and completeness.
- The Village Manager, Treasurer, and at least two Councilmembers will meet with the audit firm to review prepared material.
- The external auditor will conduct an independent audit and provide an audit report, including any findings or recommendations.
- The external auditor will present the audited financial statements to the Village Council for final review and approval.
- Key management officials will review the auditor's report and any identified weaknesses or areas for improvement.

3. Approval Process:

- The Village Council will meet in a public session to review and approve the final financial statements.
- The Council will ensure that the financial statements align with GASB Statement No. 34, the Village's budgetary processes, and any other applicable laws or regulations.
- Following approval, the financial statements will be posted on the Village website and made available for public inspection.

4. Monitoring and Compliance:

- The Treasurer will track any recommendations from the audit and implement corrective actions as necessary.
- The Village Manager will ensure ongoing training for key management staff on GASB Statement No. 34 and other relevant accounting standards.

Review and Reporting:

- Any significant deviations or issues found during the financial statement preparation and review process will be reported to the Village Council immediately.

Conclusion:

This policy ensures the Village of Lexington's financial statements comply with GASB Statement No. 34, enhancing transparency and accountability in public financial reporting. It defines the roles and responsibilities of key management officials and the Village Council to ensure that the financial statements accurately reflect the Village's financial health.



To: Village of Lexington Council

From: Lori Fisher, Village Manager

Date: March 17, 2025

Re: Amendment to Fiscal Policies and Bid Procedures

Background:

As part of our review of our federal purchasing policies, our Fiscal Policy 401-03 was reviewed. In addition to adding language for federally funded contracts, the document was brought up to date on changes to typical procedure. It is recommended that the ceiling on purchasing increase to accommodate current costs and typical expenses that have occurred. Any purchases must still be within approved budget levels. The current document requires publication in a local paper of bids and that is no longer useful or advantageous.

Policy 411-10, Bid Procedures, is a document that mirrors the Purchasing Policy. The document was updated to concur with the Fiscal Policy. The term "Online bidding sites" refers to our current program through BidNet Direct. We have had good response from this method.

Recommendation:

It is recommended that Council move to approve amendments to the Fiscal Policies #401-03 as presented.

It is also recommended that Council move to approve updates to Policy #411-10 Bidding Procedures.

FISCAL POLICIES # 401-03

February 26, 2003

Purchasing/Fiscal/Bidding Procedures

I. Purpose/Objective

The purchasing and fiscal policies guidelines are to assure that the Village of Lexington maintains lawful, prudent, and ethical methods to procure or dispose of supplies, materials, equipment, contract services, and construction projects for the Village.

II. Purchasing

- A. All purchases require that the appropriate funds are budgeted and sufficient funds are available at the time of purchase.
- B. No employee or any person shall make purchases or commit Village funds without proper authorization.
- C. All purchases that require a check drawn on Village funds shall have an accompanying purchase order presented prior to the processing of the check.
- ~~D. All employees/designated persons making purchases or presenting claims less than \$20.00 are encouraged to seek reimbursement from the appropriate petty cash fund.~~
- E. Employees/designated persons are authorized to make purchases of goods and services up to \$200.00 with their Department Head or the Village Manager verbal approval.
- F. Department Heads are authorized to make purchases of goods and services up to \$500.00 provided the funds are budgeted and available.
- G. Utilities Manager authorized to make purchases of goods and services up to ~~\$1500~~ \$3,000.00 provided the funds are budgeted and available.
- H. The Village Manager is authorized to make purchases of goods and services up to ~~\$3,000.00~~ \$5,000.00, provided the funds are budgeted and available.
- I. The Village Manager is authorized to make emergency purchases of goods and services up to ~~\$5,000.00~~ \$8,000.00.
- J. The Village Manager is authorized in the course of his duties to make expenditures within the bounds established by the line items of the Village budget.

- K. Expenditures greater than those listed above in an emergency situation within a specific cost center of a fund budget requires the Village Manager to seek the verbal approval of the Village President and the Finance Committee Chairperson and notify Council.
- L. ~~Expenditures greater than those listed above that require transfers among cost centers of a fund budget must be approved by the Finance Committee in advance of any purchase or commitment of funds.~~
- M. Expenditures greater than what the Village has budgeted within its various fund budgets requires the Village Council approval in advance of any purchase or commitment of funds.
- N. Progressive or repeated purchasing from the same vendor is reviewed for processing at the anticipated annual amount purchased.
- O. The Village Manager shall report to Council the details of all purchases of goods and services or commitment of funds in excess of \$2,000.00 that exceed the scope of the line items of the approved budget.
- P. The Village Manager may impose a spending freeze on all discretionary purchasing if instructed by Council or determines it is in the best interest of the Village.
- Q. Purchasing for Federally Funded Contracts must also comply with Village Federal Grant Policy and Procedure document and Procurement Standard for Federally Funded Contracts.

III. Fiscal Policies

- A. All purchases must have an accompanying receipt or invoice prior to issuing a check.
- B. ~~All purchases above \$500.00 must have an accompanying detailed receipt or invoice prior to issuing a check.~~
- C. All planned expenditures above \$2,000.00 must have three accompanying quotes prior to selecting a vendor. The quotation selected is the one that provides the highest acceptable quality at the lowest price.
- D. All planned expenditures above \$5,000.00 must have three detailed written quotes prior to selecting a vendor. The quotation selected is the one that provides the highest acceptable quality at the lowest price.
- E. The requirement of having three quotes in section C. and D. above may be waived if in the opinion of the Village Manager efforts to obtain three quotes were exhausted or are impractical to obtain.

- F. All expenditures above \$5,000.00 must have an accompanying contract prior to any payments for purchases or services unless waived by the Village Manager when deemed impractical or otherwise inappropriate. All contracts above \$5,000.00 require Village Council approval unless stipulated otherwise herein.
- G. All checks issued by the Village shall have two authorized signatures recorded on its front surface before the check is valid.
- H. Petty Cash Funds in the amounts of \$100.00 are established within the Administrative Services office for general fund purchases, \$200 within the Water Department office for DPW type and water department fund purchases. Minor purchases up to \$50.00 may be reimbursed from the petty cash fund upon presentation of the paid receipt to the respective department. Petty cash funds must be reconciled at least monthly by the appropriate department staff and submitted to the Staff Accountant for reimbursement.
- I. All purchases in excess of \$10,000.00 requires the development of a Request for Quotation, Request for Proposal, or Request for Bid except when deemed impractical or otherwise inappropriate by the Village Manager or in the case of an emergent need. In the event that the contract amount is greater than \$20,000.00, the Village will comply and follow the requirements of Public Acts 167 and 168 of 1993. (See attached resolution).

IV. Bid Procedure

- A. The Competitive bidding process for services is useful for several reasons:
 - o Allows the Village of Lexington to make an informed and objective choice among potential contractors.
 - o Encourages competition among contractors.
 - o Gives the Village of Lexington a list of qualified contractors for future bids.

A notice inviting bids for all jobs estimated as greater than \$3,000.00 shall be ~~published in local publications and/or~~ advertised on the Village of Lexington Web Site at least ten days preceding the date set for receipt of the bid. ~~Sealed bids are required for all purchases of supplies, equipment and contractual services greater than \$2000.~~ Bid invitations may be mailed or emailed directly to vendors, published in local publications, or advertised through on-line websites.

- B. Bids shall be ~~sealed and~~ identified as a bid on the envelope and submitted to the Village Clerk. Bids received via email or online shall be printed and date stamped.
- C. Utilize bidding form for all bids.
- D. All contractors/vendors shall receive identical copies of the Request for Bid (RFB).

- E. All contractors/vendors must be notified in writing if bid specifications change. Every consideration should be given to allow sufficient time for all bidders to accommodate the requested changes, bid extensions are allowed if requested and appropriate. If the deadline is extended for one contractor, it must be extended for all.
- F. Specify a deadline for submitting all bids. The deadline should be reasonable to provide time for quality responses.
- G. Late bids, at the Village's discretion, may be returned unopened to the bidder.
- H. When the bids are received, the Village of Lexington should sign, date and indicate the time that each is received. All competitive bids are confidential.
- I. Bids responses requested via email shall be submitted by email to the Village Manager and/or the Clerk only.
- J. When evaluating the bids, the following selection criteria should be considered:
 - Price
 - Bidder's previous record of performance, service and references.
 - Ability of bidder to render value-added services (maintenance, etc.)
 - Delivery schedule
 - Warranty
 - Terms and conditions
- K. If the lowest bid is found unacceptable because of one or more factors above, the Department Head or Manager shall document a concise and factual justification for the decision in written form.
- L. Tips on evaluating bids:
 - Narrow the field by determining which contractors/vendors are "responsive". A responsive bid provides all the information asked for and addresses all of the issues in the RFB.
 - Look carefully at proposed bid price. Be wary of a contractor/vendors who substantially underbids his competitors. They may be "low-balling" to win the bid, but the work product may be of inferior quality, not meet the specifications or the contractor may not be able to meet the requirements.
 - Consider the contractors'/vendor's past performances by checking references.

- M. In any case where competitive bidding is not practical or it is to the Village's advantage to contract without competitive bidding, the Village, upon recommendation of the Village Manager, may authorize the execution of a purchase without competitive bidding.
- N. All bid openings are conducted by the Village Clerk with a representative of the department making the purchase present. Bid openings are at 11:00 a.m. of the date advertised unless otherwise specified in the public announcement.

V. Award of Contract and Rejection of Bid

- A. The Village shall have the authority to reject any and all bids when the best interest of the public is served.
- C. The Village shall not accept the bid of a contractor/vendor who is in default on the payment of taxes, licenses, or other monies due the Village.
- C. After a bid is awarded, a contract will be executed with the successful bidder. A performance bond, certificate of liability insurance or worker compensation may be required if applicable and appropriate for the contracted service.

VI. Performance Bonds

- A. The Village shall have the authority to require a performance bond before entering a contract in an amount necessary to protect the interests of the Village.

VII. Co-operative Purchasing

- A. The Village shall have the authority to join with other units of government in a co-operative purchasing plan when the best interest of the Village would be served.

VIII. Legal and Professional Services

- A. Only the Village President or the Village Manager is authorized to purchase legal or professional services that are not otherwise already contracted for execution.

IX. Conflict of Interest - Employees

- A. No employee will participate directly or indirectly in a procurement when the employee knows that the employee or any member of the employee's immediate family has a financial interest to the procurement; when a business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or when any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

- B. Upon discovery of an actual or potential conflict of interest, an employee shall promptly file a written statement of disqualification and shall withdraw from any further participation in the transaction involved. Failure to do so could result in immediate dismissal.

X. Conflict of Interest – Councilpersons

- A. The Village of Lexington can enter into a contract with a contractor/vendor which a councilperson has a conflict of interest as defined in IX above. In entering into a contract with this contractor/vendor the councilperson must not vote on the contract and must disclose any pecuniary interest. A vote of two thirds of the full Village Council must approve the contract.

ADOPTED BY COUNCIL
February 24, 2003

AMENDED/APPROVED BY COUNCIL February 22, 2010
AMENDED/APPROVED BY COUNCIL AUGUST 27, 2018
AMENDED/APPROVED BY COUNCIL March 24, 2025

BG
21710

Policy # 411-10

Bidding Procedures:

The competitive bidding process for services is useful for several reasons. The bidding process:

- Allows the Village of Lexington to make an informed and objective choice among potential contractors.
- Encourages competition among contractors.
- Gives the Village of Lexington a list of qualified contractors for future bids.

Bids are required for all jobs services and/or purchases estimated as greater than \$500 \$10,000 and will be sealed-bids advertised on Village website. Emailed or hard copies may be mailed to vendors and/or solicited online via MITN.org online bidding sites.

1. Utilize bidding form for all bids.
2. All contractors shall receive identical copies of the Request for Bid (RFB).
3. All contractors must be notified in writing if bid specifications change. Every consideration should be given to allow sufficient time for all bidders to accommodate the requested changes, bid extensions are allowed if requested and appropriate. If the deadline is extended for one contractor, it must be extended for all.
4. Specify a deadline for submitting all bids. The deadline should be reasonable to provide time for quality responses.
5. When the bids are received, the Village of Lexington should sign, date and indicate the time that each is received. All competitive bids are confidential.
6. When evaluating bids, the following selection criteria should be considered:
 - a. Price
 - b. Bidders previous record of performance, service and references.
 - c. Ability of bidder to render value-added services (maintenance, etc.)

- d. Delivery schedule.
 - e. Warranty.
 - f. Terms and conditions.
7. If the lowest bid is found unacceptable because of one or more factors above, the department head or manager shall document a concise and factual justification for the decision in written form.
8. Tips on evaluating bids:
- a. Narrow the field by determining which contractors are “responsive”. A responsive bid provides all the information asked for and addresses all of the issues in the RFB.
 - b. Look carefully at proposed bid price. Be wary of a contractor who substantially underbids his competitors. They may be “low-balling” to win the bid, but the work product may be of inferior quality, not meet specifications or the contractor may not be able to meet the requirements.
 - c. Consider the contractors’ past performances by checking references.

Adopted and approved by Council 2/22/10

Amended and approved December 2016

Amended and approved March 24, 2025



To: Village of Lexington Council

From: Lori Fisher, Village Manager

Date: March 11, 2025

Re: Maner Costerisan Contract

Background:

Over the last year we have identified the need to improve some financial processes, including capital asset depreciation schedules and year-end closing processes. Many of our current projects, such as the USDA Grants and Harbor project are leading to more complex entries that include "Construction in Progress" and first time "Depreciation" schedules. Our pension and OPEB liabilities also require offsets that are not straightforward.

In 2024 we were charged a substantial amount over our audit fee for work performed related to such entries. In an effort to minimize future unexpected expenses, an option is to utilize a firm to perform pre-audit work. Utilizing a firm different from the auditing company ensures independence.

Maner Costerisan's approach is to work with clients and help provide tools so that the client can take over the process. Building out spreadsheets that are useable is an example. The Village also has some unique one-off situations that require guidance, such as the Port Sanilac Water Contract payments for the current year.

Recommendation:

It is recommended that Council approve the February 18, 2025 proposal provided by Maner Costerisan and approve the Manager to sign the agreement and authorize expenses up to \$10,000.



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

☎ 517.323.7500

☎ 517.323.6346

February 18, 2025

Village of Lexington
Lexington, Michigan

Maner Costerisan is pleased that the Village of Lexington (the Village) has expressed interest in our firm and our municipal government expertise. We are submitting the following updated engagement letter for consideration and selection of services that we may be able to assist the Village with.

We are prepared to provide a full range of accounting and consulting services to the Village of Lexington as requested. The purpose of this engagement letter is to identify the scope of available accounting and consulting services, that we are able to provide as requested, and confirm the terms of our engagement.

Scope of Services

The scope of accounting and consulting services that can be provided to the Village, as you request them, are outlined below. While this listing includes the full range of services available from Maner Costerisan, the specific services anticipated to be provided at the current time as the Village requests them, are separated below from those other services that are available upon further request after the services commence.

We understand that our duties will potentially help ensure the completion of the following items as requested:

- Perform a preliminary general "field review" of the Village's procedures by obtaining a general understanding of the Village's programs and financial procedures and then a detailed understanding of the same by reviewing documentation and discussions with management.
- Analyze current systems in place related to all significant accounting functions and potentially develop a detailed accounting manual to be utilized Village-wide to effectively and efficiently process accounting transactions, as necessary.
- If desired, we can train administrative staff on essential functions necessary for day-to-day operations while implementing and maintaining critical internal controls. This would include specific training on the Village's accounting software package, BS&A.
- Review of organizational structure and provide recommendations on opportunities for efficiencies and optimal staffing levels, as needed.
- Develop timelines and tasks lists on duties to be conducted and when they need to be completed.

- Assist with various accounting functions as needed, including audit prep services, preparing State compliance reports, budgeting, assistance with resolving prior audit findings, etc. as needed.
- Assist with the bank reconciliation process, analysis of the general ledger to reconcile material accounts, etc. as requested.
- Meet with Village management to discuss any accounting issues, findings that arise, and recommend corrective actions, as needed.
- Provide financial consulting services upon request.

Additional management advisory services may be requested throughout this engagement, as necessary:

- General accounting advisory assistance, as requested.
- Internal control policies and procedures review and updating.
- Other contracted accounting outsourced solutions.

Village Responsibilities

The Village is, and will continue to be, solely responsible for establishing and maintaining an effective accounting and internal control system, including, without limitation, systems designed to assure compliance with policies, procedures, and applicable laws and regulations.

The Village will be responsible for establishing the scope of the accounting and consulting services and the resources allocated to the work; such responsibility includes determining the nature, scope, and extent of the accounting and consulting services to be performed by Maner Costerisan, providing overall direction and oversight for each service, reviewing, approving, and accepting the results of the work.

If our engagement involves assistance with the preparation of draft annual financial statements for use by an external auditor, our work will be considered a prelude to the audit performed on the Village's behalf and not the submission of compiled financial statements as defined by the standards for accounting and review services of the AICPA. The draft financial statements we provide to the external auditor, on the Village's behalf, will be prepared in accordance with accounting principles generally accepted in the United States, will be limited to management's representations, and will include no opinion, report, or any form of assurance on the statements from us. Because we can provide no form of assurance on such statements, any engagement to prepare these draft financial statements for auditor use cannot be relied upon to disclose errors, fraud, or illegal acts. The Village will be responsible for the fair presentation of such statements, and it will make such representations to the external auditors. The Village also represents to us that it is responsible for the basis of accounting and assumptions used in the preparation of the draft financial statements. The Village also agrees not to use the draft financial statements, prepared as a prelude to the audit, in any manner other than for use by the external auditor, and will not distribute or allow use of such draft statements to or by third-parties.

The Village retains responsibility for performing management functions and making management decisions, including but not limited to, the adequacy of the Village's policies and procedures. Accordingly, we may submit to the Village journal entries, listings of transactions or other entries or changes or a summary of these for the Village's approval. The appropriate individual at the Village should review these items and contact us regarding any questions or changes that the Village wishes to be made. The Village is responsible and accountable for overseeing the services rendered under this engagement.

As indicated above, the Village is responsible for supplying us with all necessary information and for allowing us access to personnel to assist in performing our services. A list of information and assistance that the Village will need to provide may be supplied by us. The Village's failure to provide this information in a timely manner may impair our ability to provide service and may result in increased fees.

The Village agrees that any final reports issued by Maner Costerisan in the conduct of our services engagement are intended solely for the information and use of Village staff, management, and the governing body. Any such reports may include wording that describes the limitations on their distribution.

Maner Costerisan Responsibilities

Maner Costerisan is responsible for providing the services requested from those anticipated or available, as defined in the Scope of Services section of this letter. Such services will be performed in accordance with the applicable accounting and consulting professional standards of the American Institute of CPAs (AICPA).

Maner Costerisan will be responsible for reporting or otherwise communicating to the Village Management &/or the Village Board any findings or recommendations, it determines necessary, resulting from the accounting and consulting services provided.

Additional Terms and Responsibilities

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our procedures, indicating that fraud may have occurred. In addition, we will inform the Village of any evidence or information that comes to our attention during the performance of our procedures regarding illegal acts that potentially may have occurred.

The Village is responsible for the safeguarding of assets, for the proper recording of transactions in the general ledger, for the substantial accuracy of the financial records, and the full and accurate disclosure to us of all relevant facts affecting the engagement. The Village also has the final responsibility for any filings we do on the Village's behalf and, therefore, the appropriate officials should review them carefully before an authorized officer signs and submits.

If, during our work, we discover information that materially affects prior-year information, we will make the Village aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year information. If the Village becomes aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to assist in adjusting information and/or filings as part of this engagement.

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that the Village not solicit our employees to work for the Village. If the Village does hire one of our employees within 2 years of when they last worked for Maner Costerisan, we will be due a finder's fee equal to 100% of the annual salary of said individual. Payment will be due within 10 days of receipt of our invoice.

Considering our current relationship as an independent member of the BDO Alliance USA, the firm may from time to time, and depending on the circumstances, use third-party service providers in serving the Village's account. We may share confidential information about the Village with these service providers but remain committed to maintaining the confidentiality and security of the Village's information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of the Village's personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of the Village's information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of the Village's confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, the Village will be asked to provide its consent prior to the sharing its confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by a such third-party service provider.

In connection with this engagement, we may communicate with the Village or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that e-mails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication or e-mail transmissions, or for the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement. In that regard, the Village agrees that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, the Village agrees that, notwithstanding the statute of limitations of the State of Michigan, any claim based on this engagement must be commenced within 12 months after performance of our service, unless the Village has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

The Village agrees that our maximum liability for any negligent errors or omissions committed by us in the performance of the engagement will be limited to the amount of our fees for this engagement, except to the extent determined to result from our gross negligence or willful misconduct.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. If the parties are unable to resolve the dispute through mediation within 60 days from the date notice is first given from one party to the other as to the existence of a dispute and the demand to mediate, then they may proceed to resolve the matter by arbitration if this agreement provides that the particular dispute is subject to arbitration, or by whatever other lawful means are available to them if this agreement does not provide for arbitration of the particular dispute. Costs of any mediation proceeding shall be shared equally by all parties.

The Village of Lexington and Maner Costerisan both agree that any dispute over fees charged by Maner Costerisan to the client will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final. The arbitration shall take place at Lansing, Michigan. Any hearing shall be before one arbitrator in accordance with Rule 17 of the Commercial Arbitration Rules of the American Arbitration Association (the Rules). Any award rendered by the Arbitrator pursuant to this Agreement may be filed and entered and shall be enforceable in the appropriate court of the County in which arbitration proceeds. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution. The prevailing party shall be entitled to an award of reasonable attorney's fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Fees and Costs

Fees and out-of-pocket expenses for this engagement will be billed as the work progresses and payable upon receipt of our invoices. Out-of-pocket expenses include such costs incurred by our firm in providing the services including travel time/costs, telecommunications, printing, document reproduction, and the like. Our fees for these services will be billed at our standard hourly rates, for the individual performing such services based on the actual number of hours of work, including travel time, performed by that individual.

2025 Rates

Associate	\$ 195
Manager	260
Senior Manager	280
Principal	395

Brief phone conversations during the year are encouraged at no additional cost. Our rates increase annually on an incremental basis.

Our initial assessment and commencement of our various services will require a mixed time from various levels of staffing. We will work as efficiently and effectively as possible to maintain reasonable costs. We will bill the Village for any costs based on the value of the services received from our team members involved until our services are no longer needed. Our ability to keep costs down is predicated on Village staff cooperation and providing necessary information on a timely basis. If the Village would like additional assistance over the noted elements those hours will be billed at the rates noted after approval is given.

All projects/services detailed in the scope of services section would be billed at the hourly rates noted above, as requested. With an engagement such as this, the Village has 100% control over the hours to be invested in the project and the resulting cost. We will bill the Village for all the time spent on each phase of the engagement as we conduct the services. Our invoices for these fees will be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not completed the entire scope of service. You will be obligated to compensate us for all the time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will bill the Village as the work progresses and only bill for the value of the services provided during the project. We will invest the time required to ensure that the professional relationship we will develop with the Village remains strong and we continue to be the Village's trusted advisor in all financial matters. We will rely on the Village to monitor the cumulative fees and expenses charged and notify us if and when the cumulative amount approaches the total appropriated level.

If the Village were to need additional services rendered by other team members, those hours would be billed at the following rates, which increase annually on an incremental basis:

<u>Team Member Level</u>	<u>Hourly Rate</u>
Principal	\$ 275 - 425
Manager/Senior Manager	200 - 300
Associate	150 - 200
Administrative	100 - 200

Maner Costerisan may perform additional services upon receipt of a request from the Village with terms and conditions that are acceptable to the Village and Maner Costerisan.

Very truly yours,

Maner Costerisan PC

Acceptance

Please indicate the Village's acceptance of this agreement by signing in the space provided below and returning this engagement letter to us. We look forward to continuing our professional relationship with the Village of Lexington.

This letter correctly sets forth the understanding of the Village of Lexington:

By: _____

Title: _____

Date: _____



To: Village of Lexington Council

From: Lori Fisher, Village Manager

Date: March 18, 2025

Re: RFP for Professional Audit Services

Background:

In December 2024, Council gave direction to develop an RFP for audit services and place out for bid. Bids were due on March 14, 2025. The following bids were received:

1. AHP
2. Roslund Prestage & Co.
3. Gabridge & Co.
4. Clark Schaefer Hackett
5. Siegfried Crandall PC
6. UHY

Total pricing varied from \$23,500 to \$43,000 for 2025. Breakdown of pricing differed between audit and single audit amounts. We likely will only have a single audit for 2025 and 2026.

Recommendation:

AHP's proposal was the least expensive overall. The references provided are excellent and the partner, Greg Soule has ties to this community and attended Cros Lex schools. He also indicates in his bid that the company would spend more time in the first year working with staff to build relationships.

It is recommended that Council move to award the bid to AHP for fiscal years 2025 – 2027 with the option to continue for 2028 – 2029 and authorize the Manager to execute the agreement.

ATTACHMENT B

**VILLAGE OF LEXINGTON
RFP PROFESSIONAL AUDITING SERVICES**

**SCHEDULE OF PROFESSIONAL FEES FOR THE AUDIT OF THE 2025, 2026, 2027, 2028, 2029,
FINANCIAL STATEMENTS**

	06/30/2025	06/30/2026	06/30/2027	06/30/2028	06/30/2029
Audit Services	\$ 17,500	\$ 18,000	\$ 18,500	\$ 19,200	\$ 19,900
Single Audit	\$ 8,000	\$ 8,300	\$ 8,700	\$ 9,100	\$ 9,500
Preparing the financial report	\$ Included	\$ Included	\$ Included	\$ Included	\$ Included
TOTAL (NOT TO EXCEED)	\$ 23,500	\$ 26,300	\$ 27,200	\$ 28,300	\$ 29,400

	Hours		Hourly Rate		Total Audit Fee 06/30/2025
Partners	20	X	\$ 275	=	\$ 5,500
Managers	40	X	\$ 180	=	\$ 7,200
Supervisory Staff	50	X	\$ 120	=	\$ 6,000
Staff	60	X	\$ 80	=	\$ 4,800
Other (specify):	N/A	X	\$ N/A	=	\$ N/A
GRAND TOTAL (NOT TO EXCEED)					\$ 23,500

CONTACT INFORMATION

Representative's Name Gregory H. Soule **Date** March 14, 2025

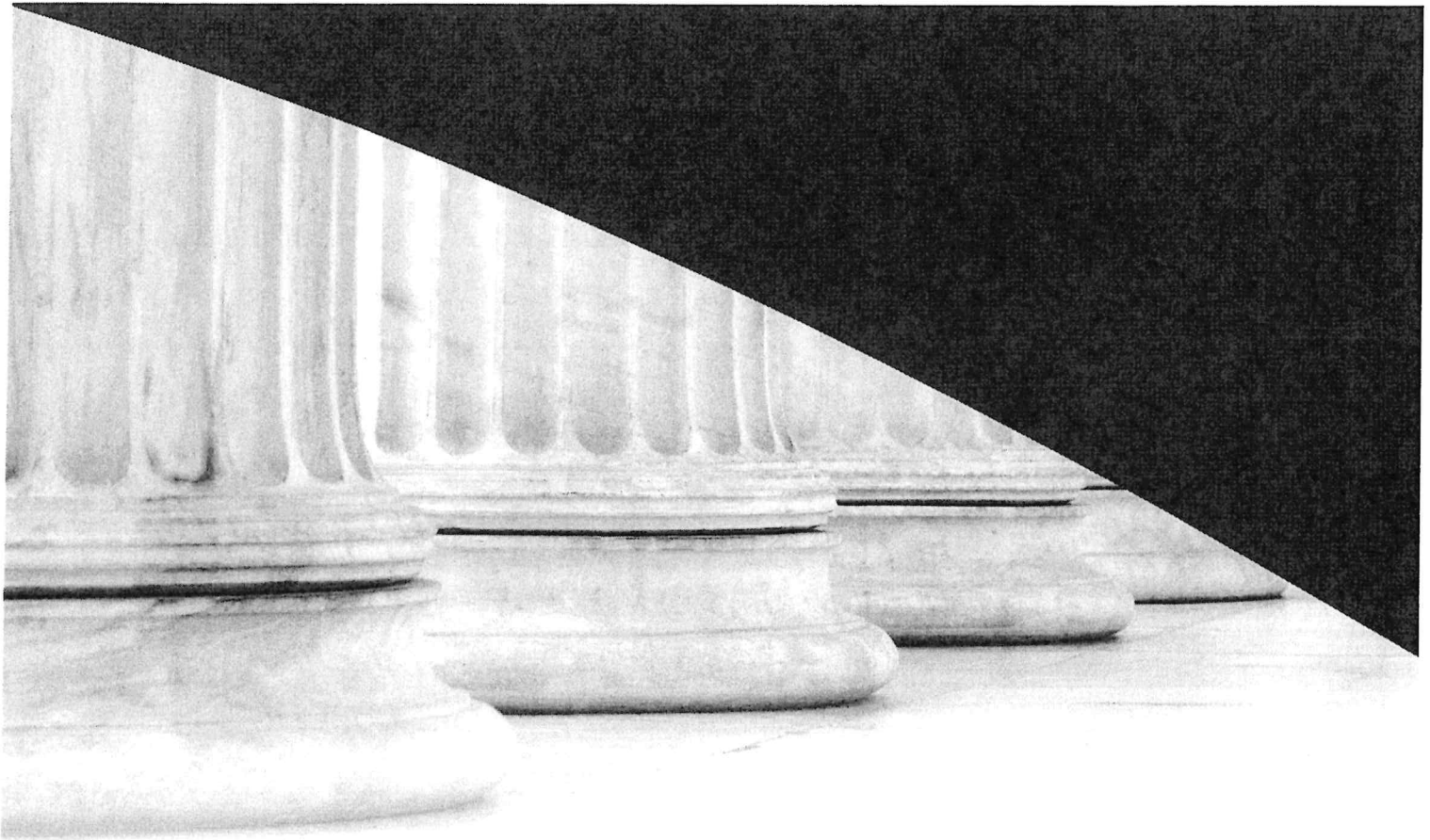
Signature 

Email: gregory.soule@ahpplc.com

Company Andrews Hooper Pavlik PLC

Address 43252 Woodward Ave., Suite 150, Bloomfield Hills, MI 48302

Telephone 248-340-6050



***A VIEW* of Success**

A Proposal to Provide Professional Services Prepared for

Village of Lexington

Submitted by

Greg Soule, CPA, CFE - Partner

Delivered on

March 14, 2025

Prepared by

AHPA 

43252 Woodward Avenue, Suite 150 | Bloomfield Hills, MI 48302

248.340.6050 | www.ahpplc.com



March 14, 2025

Lori Fisher, Village Manager
Village of Lexington
Lexington, Michigan

Choosing an audit team is an important decision for you and the Village of Lexington, but it doesn't need to be a complicated one. The team you select should have the ability to add *value* and advise your organization as you grow and your needs change. It should have *integrity* and an *efficient* and collaborative work ethic that shows a commitment to the Village's success based on a *wealth* of experience in the local government industry. You need a team who can identify and respond to your specific needs, keeping you in their *VIEW* at all times. We are that team!

We appreciate the time you spent answering our questions and sharing information about the Village. Based on our review of your previous reports, our discussions, and our knowledge of the industry, we have made the following observations:

- **Scope of Work** – We understand that management is requesting an audit of the financial statements for the Village of Lexington and assistance preparing the financial statements and State filings. You've noted that a single audit of federal expenditures is not expected to be required.
- **Need for a Firm Committed to Municipalities** – AHP currently serves many governmental organizations. Please call our references.
- **Need for Timely Service** – AHP is committed to audit reports delivered on your timeline. We ensure this through our technology, including workflow and collaboration tools listed within this proposal, and having management onsite during fieldwork.
- **Need for an Experienced Team** – All of the executives and management assigned to your services have municipal experience. We have also ensured your team includes expertise in information technology and compliance audits of federal awards.
- **Need for More than Just an Auditor** – We expect open and frequent communication throughout the year on trends and issues affecting the Village. We will collaborate with you and offer recommendations to improve operations.

We have taken the above observations into consideration and have assembled a team of professionals with the necessary skills and experience to provide solutions to meet the needs of the Village of Lexington today and into the future.

Thank you for the opportunity to propose on the Village of Lexington engagement. We would be happy to speak with you in more detail about the information contained in this proposal. We look forward to working with you. Greg Soule is authorized to represent the firm regarding this proposal and can be reached via phone at 248-340-6050 and via email at gregory.soule@ahpplc.com.

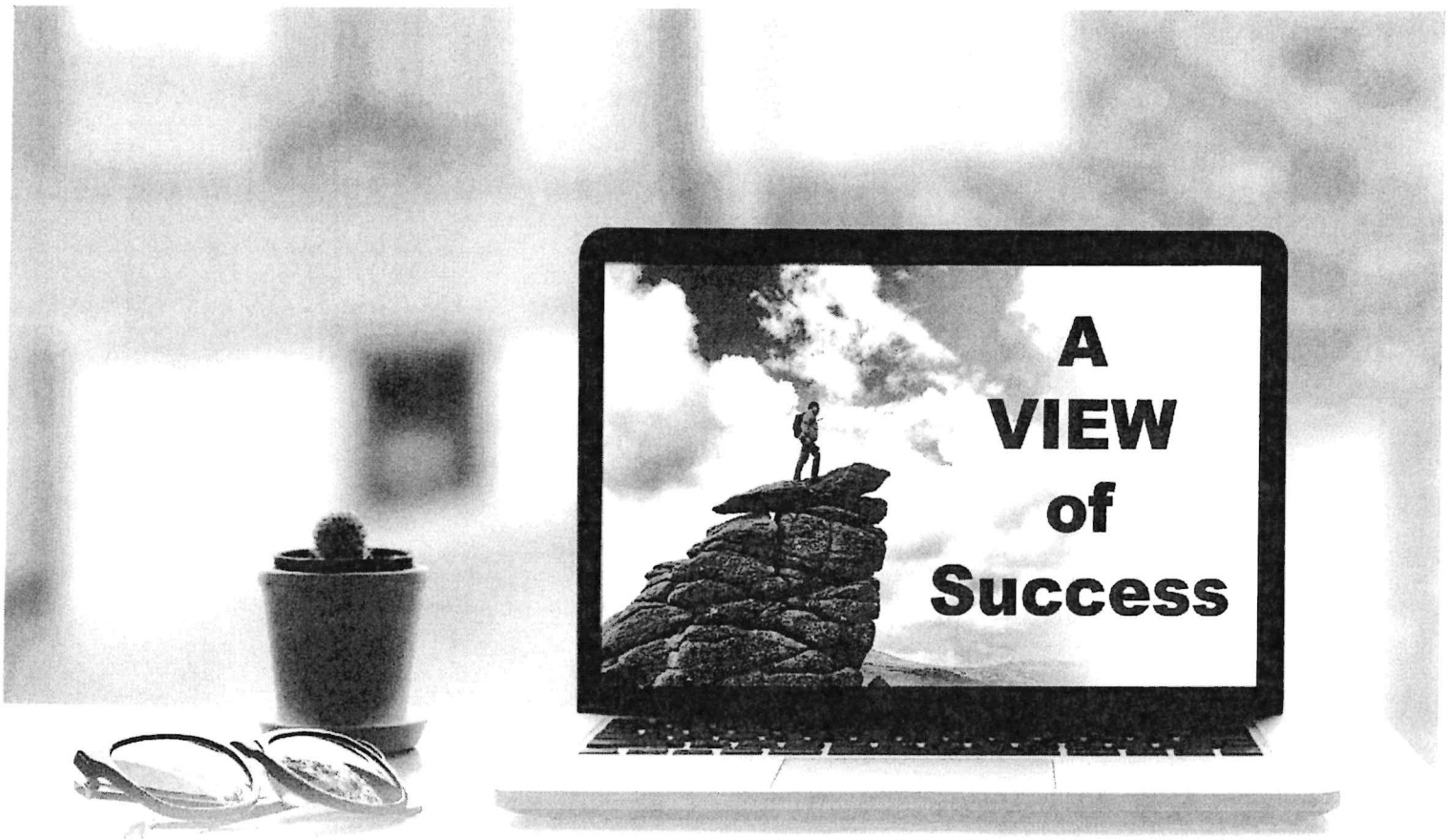
Sincerely,

Andrews Hopper Pavlik PLC



Proposal Roadmap

AHP View	Page 4
A Snapshot of Your Proposal	Page 5
Firm Overview	Page 7
Your Audit Team	Page 9
Your AHP Experience	Page 13
Audit Approach	Page 15
Industry Experience	Page 19
References	Page 22
Your Investment	Page 23
Peer Review Report	Appendix A
Schedule of Professional Fees	Appendix B



*As a client of AHP, you can trust that our interactions
are guided by these four core principles:*

Value

Quality services from a regional firm that bring value to our clients

Integrity

A high level of integrity to support the continued success of our clients and our firm

Efficiency

Efficiency in achieving cost-effective results for our clients and AHP

Wealth

Services that increase our clients' wealth of knowledge and financial resources

Snapshot

A glimpse into your proposal

We are excited to propose on auditing services for the Village of Lexington. As a client of AHP, you'll receive top-notch client service based on the AHP VIEW philosophy. Guided by our VIEW, AHP's goal is to create a long-term relationship in which you receive exceptional value, creative solutions, and excellent service. In this proposal you'll find how our VIEW translates to success for this engagement and your organization. Below is a summary of what you'll find in the proposal.

Value

Quality services from a regional firm that bring value to our clients

- We believe our fees are fair to both our clients and our firm and we work hard to ensure you'll see the value of the solutions we provide above and beyond the scope of the engagement.
- As a client, you will have direct and significant access to engagement partners and executives in all phases of our services, as well as throughout the year.
- Year-round, we answer miscellaneous questions and communicate with you when any issues affecting the Village of Lexington arise.
- We feel our proposed fees are fair to you and to AHP. If additional services are needed, the associated fees will be at the same reasonable rates.

Integrity

A high level of integrity to support the continued success of our clients and our firm

- AHP has the appropriate licensure, independence, experience, and controls in place to support the integrity of the work we will perform for you.
- You can trust our experience in financial reporting is backed by an unblemished record. Our practices are sound, and we will protect your confidentiality with utmost seriousness.
- AHP has controls in place to ensure quality standards have been met and is subject to internal and external quality control procedures.
- You'll find a sample of AHP clients who will endorse our level of integrity in the *References* section.

Snapshot

Efficiency

Efficiency in achieving cost-effective results for our clients and AHP

- *Your AHP Experience* goes into detail on how we work with your current auditors and staff to ensure the transition to a new firm is smooth.
- Effective use of technology allows us to work seamlessly with you throughout the engagement, increasing collaboration and efficiency. It also provides us with the ability to provide you with the best service team possible, regardless of location.
- AHP's *Audit Approach* is a process designed to obtain sufficient audit evidence and render an opinion in a manner that is timely and cost-effective for our clients.

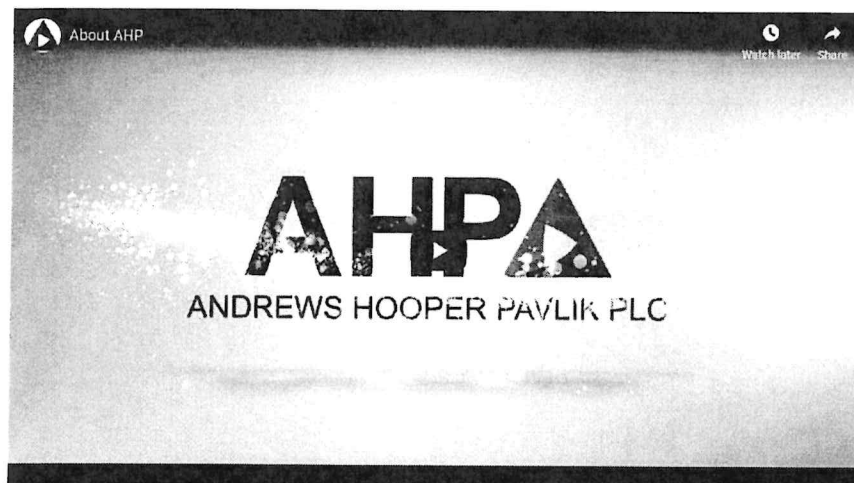
Wealth

Services that increase our clients' wealth of knowledge and financial resources

- *Your Audit Team* is constructed of professionals who have significant experience in auditing governmental entities. We leverage the skill sets and experience of professionals from across the firm for your benefit.
- Our professionals stay ahead of trends in governmental accounting and auditing, as well as the latest in compliance and federal program auditing, ensuring that your audit will be completed efficiently.
- AHP's membership in Allinial Global (AG), an association of over 100 accounting and consulting firms throughout the world, extends your access to expertise through the extensive industry and service-specific knowledge base of our fellow AG firms.
- We continue to discuss with you and evaluate any potential impact that new and emerging issues will have on the Village of Lexington (fees related to resolution of the issues will be fair and reasonable based on the time incurred).

Testimonial Video

Please visit <https://www.ahpplc.com/about> to watch this short video to learn more about AHP and why our clients chose and continue to choose us.



Firm Overview

AHP by the Numbers

1993 Built on a foundation of delivering excellence and value, Andrews Hooper Pavlik PLC was founded in 1993 by three partners from the Saginaw and Lansing offices of Ernst & Young. They set out to provide traditional accounting, audit, and tax services with accessibility at a local level. Our "Big Four" firm history allows us to bring a level of technical and industry experience to our engagements that makes AHP stand out from other regional CPA firms.

Large enough to meet all of your accounting and consulting needs...

10 Our roots are in ten Michigan offices, but our geographic reach extends much further. We have clients throughout the midwest and beyond.

Ann Arbor
Bay City
Bloomfield Hills
Flint
Grand Rapids
Marquette
Midland
Okemos
Owosso
Saginaw



2 AHP's two affiliates have broadened our service offering and allowed us to transition beyond traditional certified public accounting services into a trusted advisor role.

AHP CONSULTING

Offers a broad range of services to help businesses improve processes, manage risk, and promote growth. We also offer an extensive array of technology services that are designed to assist you in identifying and organizing your business' pertinent information, safeguarding it from unauthorized users, and regenerating it should a disaster occur.

AHP FINANCIAL SERVICES INC

As an Independent Registered Investment Advisor, AHPFS can provide a full portfolio of retirement planning and investment management services to assist you in planning for a secure future. With their innovative financial planning tools, clients are able to visualize their future with confidence.

190+ With a team of over 190 professionals to provide a full suite of professional services.

#12 *AHP's current ranking on Crain's 2025 list of Michigan Accounting Firms by Number of Employees.*

...small enough to offer personalized service.

Client Satisfaction Survey

3 When asked which three words they would choose to describe AHP, the top three answers were:

***Professional
Responsive
Knowledgeable***



"We have confidence AHP can handle any difficult situation that comes up. They always answer the call and come through for us."

- Matt Pumford
Owner of Pumford Construction

97% of clients surveyed indicated they were likely to recommend AHP services to a friend, family member, or colleague.

Firm Overview

AHP has a proven and successful track record of delivering high quality.

License to Practice, Membership, and Registration

AHP is registered to practice in the State of Michigan and is a member of the Michigan Association of Certified Public Accountants (MICPA) and American Institute of Certified Public Accountants' (AICPA). All key professional staff members are properly licensed to practice in the State of Michigan.

We are registered with the Public Companies Accounting Oversight Board (PCAOB) and our most recent PCAOB inspection was completed in 2021 with no comments. Industry specific memberships and registrations are listed in the Industry Experience section.

Peer Review

Our most recent peer review was completed in 2022, with the highest rating available, and is enclosed as Appendix A. Our peer review included governmental engagements. Our firm is appropriately covered by professional liability insurance.

Independence

AHP is independent of the Village of Lexington as defined by the United States Government Accountability Office's *Government Auditing Standards* and U.S. Generally Accepted Auditing Standards. AHP has not had professional relationships involving the Village of Lexington, or any of its agencies or component units, for the past five years.

No Desk or Field Reviews and Disciplinary Action

- Because of the size of our governmental audit practice, our engagements are reviewed regularly by the Auditor General of the State of Michigan. The results of these reviews have not resulted in any written comments.
- No members of AHP or AHP itself have had any disciplinary action taken or pending.
- AHP has no record of substandard work.

Debarment, Suspension, Ineligibility, and Voluntary Exclusion

AHP is in compliance with the provisions of 24 CFR Part 24 and neither the firm nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract. Additionally, the firm will not use, directly or indirectly, any of the funds provided by this contract to employ, award contracts to, or otherwise engage the services of, or fund any contractor/subcontractor during any period that the contractor/subcontractor is debarred, suspended, or ineligible under the provisions of 24 CFR Part 24.



Your Audit Team

People make the difference in any professional relationship.

The Village of Lexington will be served mainly by our Bloomfield Hills office, but we will also leverage the skill sets and experience of professionals from across the firm for your benefit. All proposed staff listed are full-time employees and we will not use any sub-contractors on this engagement. Your engagement will be staffed by the following AHP professionals. All members of the engagement team have received appropriate CPE during the past three years.



Gregory Soule, CPA, CISA, CISSP, CFE – Partner, Bloomfield Hills

Greg will serve as the **Engagement Executive** for the Village. He serves in a similar role in other municipal and City audit engagements and has served municipalities throughout his entire 18 year career. Greg is also a member of GFOA and serves on the GFOA Special Review Committee, reviewing submitted financial statements for compliance with GFOA award criteria.

Greg has served as a discussion leader and lecturer for various educational programs on topics of accounting, auditing, internal controls, fraud, and forensic accounting. In addition, he has published articles in both local and national business publications.

Professional History:

- Over 18 years of public accounting experience with AHP
- Serves institutions of higher education, governmental entities, and not-for-profit organizations

Education:

- Central Michigan University

Continuing Professional Education:

- Meets CPE requirements under Government Auditing Standards
- Accounting and Auditing CPE during the past two years exceeds 80 hours

Other Activities:

- American Institute of Certified Public Accountants (AICPA)
- Michigan Association of Certified Public Accountants (MICPA)
- MICPA Information Technology Task Force – Past Chair
- MICPA Forensic Accounting Task Force
- Central Michigan University – School of Accounting Advisory Board
- St. Joseph Catholic Church – Finance Council Chair



Your Audit Team



Jamie Rabe, CPA – Partner, Okemos

Jamie will serve as the **Independent Review Partner** for the Village of Lexington. She will be independent of the planning and performance of the audit and will perform a review of the audited financial statements and critical items for compliance with professional standards. Jamie will draw from her breadth of experience to perform a valuable technical review and help identify matters that are important to you.

Professional History:

- Over 20 years of auditing, accounting, and financial reporting experience with AHP.
- Has served as the engagement executive or independent technical reviewer for governmental, not-for-profit, employee benefit plan, and other engagements.

Education:

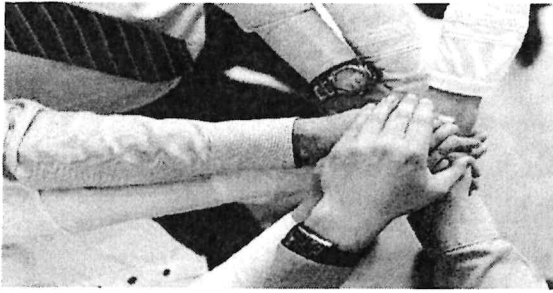
- Northern Michigan University

Continuing Professional Education:

- Meets CPE requirements under Government Auditing Standards
- Accounting and Auditing CPE during the past two years exceeds 80 hours

Other Activities:

- American Institute of Certified Public Accountants (AICPA)
- Michigan Association of Certified Public Accountants (MICPA)
- United Way for South Central Michigan – Board Treasurer



Your Audit Team



Danielle Hoppe, CPA – Audit Manager

Danielle will serve as the **Audit Manager** for the Village. She will draw from her extensive experience working with governmental organizations to provide oversight to the engagement team and to offer significant technical expertise throughout the engagement. Danielle will ensure seamless execution of audit services through effective and efficient use of team resources and regular communications with your financial executives. Danielle has over eight years of public accounting experience and currently serves many governmental entities, including those with *Uniform Guidance* single audits.

Professional History:

- Over 8 years of experience with AHP
- Extensive experience with governmental and municipal organizations
- Conducts internal training seminars on governmental accounting and auditing

Education:

- Northwood University

Continuing Professional Education:

- Meets CPE requirements under Government Auditing Standards
- Accounting and Auditing CPE during the past two years exceeds 80 hours

Other Activities:

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



Your Audit Team



Justin Comis – Audit In-Charge

Justin will serve as the **Audit In Charge** for the Village of Lexington. He will have primary responsibility for executing the day-to-day audit services and supervising staff. Justin has served in a similar role on other governmental and City engagements.

Professional History:

- Extensive experience with governmental and municipal organizations
- Conducts internal training seminars on governmental accounting and auditing

Education:

- Central Michigan University

Continuing Professional Education:

- Meets CPE requirements under Government Auditing Standards
- Accounting and Auditing CPE during the past two years exceeds 80 hours

Other Activities:

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

Your AHP Experience

Collaboration is the key to audit efficiency.

The Transition to AHP

We understand the thought of transitioning to a new firm can be intimidating, but we commit to doing our best to help make it an easy process!

Upon being awarded the audit, our first step is to coordinate the transition with your current auditor. We review their workpapers, review their communications with your organization, and address areas of continuing accounting and auditing significance. We leverage this information in developing our initial planned audit approach. Once the audit plan is developed and coordinated with the Village of Lexington, the plan will be executed by the engagement team in accordance with the planned timelines listed in the Audit Approach section of this proposal.

The first year of an audit relationship will take more time on our part as we work to develop and refine our understanding of your systems and processes. **We do not bill extra for this time and instead view it as an investment in our relationship with the Village of Lexington.** We view that this additional time spent understanding your systems is critical in ensuring the audit will go smoothly in future years.

Use of Village of Lexington Staff

As is consistent with most CPA firms, we assume that the Village of Lexington staff will reconcile and close the general ledger, locate documents selected by us for testing, investigate any questions or discrepancies that we have based on our testing, and run reports from the general ledger system (or provide us access to your general ledger system to allow us to look up transactions and activity), among other functions. We will work with your staff throughout the audit to ensure a smooth and efficient audit.

Quality Review Process

We ensure the quality of our service not only by guaranteeing involvement of partners and managers in every phase of the audit, but also through our policy of Executive and Independent Review on every significant engagement. The Executive Reviewer on your engagement will review every audit area, followed up with a review of the financial statements and sensitive audit areas by the Independent Review Partner. These reviews are preceded with detail review by the manager or senior manager, who will be on-site during fieldwork.

**“Great service, working
with great people.”**

- Bill Gipson, Senior VP / Treasurer
Fishbeck, Thompson, Carr & Huber, Inc.

Your AHP Experience

Use of Technology

Technology has rapidly changed the way we provide services to our clients. It allows us to work seamlessly with you throughout the engagement, increasing collaboration and efficiency.

At AHP, workpapers are always retained electronically on a secure server. This allows engagement executives and team members to access information on a real-time basis from multiple locations with no service disruptions. This also provides us with the ability to provide you with the best service team possible, regardless of location.

Anytime transferring sensitive information is discussed, security is a concern. AHP has systems and policies in place to ensure all of our clients' information is safe. Our team members take great pride and ownership in ensuring our clients' information always remains confidential and secure. We would be glad to discuss our internal controls and policies with you in greater detail if you would like more specific information.

Suralink

AHP utilizes Suralink, a browser-based client workflow and collaboration tool that assists in tracking audit requests and status updates. This dynamic tool creates and tracks each requested document, such as bank reconciliations or Board minutes, and provides reporting regarding the status of each requested item.

Using the Suralink dashboard, you can immediately understand what requests have been fulfilled, which requests have been accepted by the audit team, or what requests have not been fulfilled. The tool's easy-to-use interface streamlines the audit document request and management process. We also use Suralink to send secure files, such as the final audit reports and workpapers.

Potential Audit Problems

To ensure our clients have the highest level of satisfaction, we encourage frequent and open communication between the engagement team and your team. Our goal for every client is to add value while performing an efficient and collaborative engagement. AHP works diligently to ensure our clients' needs are met. We do not anticipate any problems that could negatively impact the audit. We believe that early detection of potential issues or problems is critical to providing you with the information you need to make quality decisions that may impact the Village of Lexington. The planning stage of our audit is designed to identify key issues that impact the Village and communicate these items to you as early as possible. We will meet with your management team regularly to discuss accounting, reporting, or operating issues, and potential problems.

If an audit issue arises during the engagement, the timeliness and level of communication would depend on the severity and materiality of the issue. Items that would be included in the management letter would be communicated to management in advance of the management letter issuance. Certain issues would be brought to the attention of management, and potentially Village Council, immediately, as prescribed under professional standards.

We understand additional audit effort may be required for assistance with adoption of new GASB standards. Fees for such assistance will be discussed with you and will be fair and reasonable based on the time incurred.

Audit Approach

Scope of Your Engagement

You are requesting a proposal for the years ending June 30, 2025 through 2027 for the Village of Lexington including the following services:

- Financial statement audit for the Village of Lexington, in accordance with Generally Accepted Auditing Standards
- Single audit in accordance with the Uniform Guidance
- Consultation services to Village personnel throughout the year regarding matters or developments affecting accounting and financial reporting of governmental entities

Value-Added Services

There are various services we will provide for the Village at no additional charge. These services include:

- Year-round answers to brief miscellaneous accounting, business operations, or tax questions that may arise (should the question warrant significant research, any fees would be fair and reasonable based on the time incurred)
- Workpapers and reports retained for a minimum of seven years
- Periodic mailing of information on relevant and emerging issues
- Discussions and evaluation of any potential impact that new and emerging issues will have on the Village of Lexington (fees related to resolution of the issues will be fair and reasonable based on the time incurred).

Financial Statement Audit Key Phases

Our professional responsibility is to obtain sufficient audit evidence before an opinion is rendered on any financial statements. To achieve this, we will conduct our work in the following phases:

- Pre-Engagement Planning
- Assess Internal Controls and Risks
- Audit Fieldwork
- Reporting and Conclusion

Details of these phases are listed on the following pages. All phases will be performed by staff and seniors and overseen by managers and partners. We anticipate using two to three partners, one manager, and two or more staff accountants on this engagement.

Report Format

AHP will perform the typing and assembly of all audit reports.

Audit Approach

Financial Statement Audit Key Phases

Phase 1 ***45 Hours***

Pre-Engagement Planning

- Planning meeting with your personnel to discuss audit scope, process, and timing
- Review prior year audit results and predecessor workpapers
- Obtain an understanding of the Village of Lexington programs and activities
- Pro-forma financial reports and schedules
- Perform risk assessment and major program determination for Single Audit

Phase 2 ***35 Hours***

Assess Internal Controls and Risks

- Obtain an understanding of internal controls over key transaction cycles, including information technology controls
- Perform walkthroughs of significant transaction classes
- Assess risks of material misstatements, including consideration of fraud risks and risks by audit assertion for each significant balance and transaction class
- Assess control and compliance risk for Single Audit

Phase 3 ***50 Hours***

Audit Fieldwork

- Design and perform specific audit procedures for your organization based on information obtained during Phase 1, focusing on areas of greatest risk
- Include testing of internal controls where effective and efficient to do so, in accordance with professional standards
- Utilize substantive analytical procedures and review of financial information and operating trends
- Focus on an efficient process that minimizes disruptions to your staff
- Perform compliance testing for Single Audit

Phase 4 ***40 Hours***

Report and Conclusion

- Draft financial statements and agree to underlying audited records
- Draft other required reports
- Prepare a management letter detailing recommendations for strengthening internal controls or improving operating procedures
- Audit closing meeting to discuss audit results and review reports before final issuance
- Report to those charged with governance
- File reports with appropriate State and Federal agencies

Audit Approach

A Tailored Approach for Your Benefit

To provide you with quality audit service, we believe you should have an audit tailored to the circumstances unique to your organization and its programs. This approach includes the following components:

- Considering significant accounts, potential problems or issues, and related sources of information in developing our overall audit strategy. This process enables us to focus our audit effort in high-risk areas and provides a basis for minimizing our audit procedures in low-risk areas.
- Applying appropriate sampling to maximize audit efficiency and effectiveness. Sample sizes, to the extent used for audit procedures, vary depending on our assessment of risk, population sizes, and other factors. When applicable, we use a stratified sampling approach which includes key items (large or unusual transactions or balances) in performing substantive testing of account balances (assets, liabilities, etc.). Common sample sizes often fall between 5 and 30 items.
- Use of IDEA data extraction software to supplement the audit process. Examples of how we have used this software on municipal audits include examining multi-year expense and vendor payment trends, examining expenses for unusual characteristics, selecting transaction samples, summarizing information using various filters, and other applications.
- Using analytical review procedures during planning and in testing of material balances to see that financial and operating trends, ratios, and relationships make sense. Analytical procedures can be used extensively to test the material components of the financial statements because of the availability of budgets, historical data, and interrelated non-financial operating data.
- Applying an interactive internal control assessment process which utilizes interviews and questionnaires to gather the basic elements and processes for the five components of internal control. This is performed within a practical context realizing that not all municipalities have the same staffing, experience, or resources. We are proactive with our recommendations for improvement. Our preference is to suggest opportunities that represent best practices so you can evaluate the nature of the recommendation and determine which are in the best interest for the Village overall. We verify our understanding of the facts of all comments with you before communicating our suggestions in writing.
- Determining laws and regulations subject to audit testing based on our monitoring of guidance from the Michigan Department of Treasury, inquiries with key management personnel, review of your policies, and knowledge gained from other audits to ensure all significant compliance issues are identified.

Audit Approach

Timetable

The expected timing for the completion of the audit and overall work plan is outlined below. The ability to meet these deadlines is contingent upon receiving the levels of assistance from the Village of Lexington staff as indicated in your proposal request. As outlined in the request for proposal, entrance, progress, and exit meetings will be held with AHP and the Village to communicate pertinent audit matters throughout the engagement.

<i>Planning and Preliminary Audit Work</i>	July
<i>Fieldwork</i>	August / September
<i>Report Date (Draft Reports Completed)</i>	October
<i>Completion of Audit</i> Final Printed Reports Provided	End of October
<i>Presentation to City Council</i>	November meeting

"AHP is a partner that meets and exceeds our expectations every time."

Paul Barbeau
Director, Michigan Baseball Foundation
Former President & GM, Great Lakes Loons

Industry Experience

A Commitment to Your Industry

Governmental organizations are a significant focus for AHP. We currently have over 50 people working on audits of governmental organizations. Our commitment to governmental organizations and our reputation in Michigan are well known based on over 40 years of services through Andrews Hooper Pavlik PLC and its predecessor offices. AHP performs numerous governmental audits and single audits, including municipalities, component units and agencies of the State of Michigan, universities, community colleges, and other governmental entities. AHP's experience includes assistance with and preparation of Annual Comprehensive Financial Reports, including those submitted to the GFOA as part of the Certificate of Achievement for Excellence in Financial Reporting program.

AHP's federal single audit experience is extensive. This experience covers most typical federal and state assistance programs, including both construction and operating grants. Federal granting sources include the US Departments of Education, Health and Human Services, Housing and Urban Development, Transportation, and others.

AHP Stays Current on Matters Important to Municipal Clients

By staying ahead of trends in governmental accounting and auditing, as well as the latest in compliance and federal program auditing, we ensure that your audit will be completed efficiently. This wealth of knowledge will be leveraged throughout your audit to ensure that you are getting up-to-date, accurate information. Through internal and external trainings and events, each of AHP's professionals obtain the continuing professional education required under *Government Auditing Standards*. We also consistently exceed the continuing professional education requirements of the AICPA, the Michigan State Board of Accountancy, the U.S. Government Accountability Office, and any other regulatory agencies where applicable.

Mandatory Training for Professional Staff Members – Our partners and staff spend an average of 60 hours per year in formal education. This represents 150% of the required amount.

Specialized Training – Staff members receive specialized training, where appropriate, in matters affecting our municipal clients. The training programs are designed for each individual so as to ensure a proper balance in accounting and auditing experience and meet the education requirements of *Government Auditing Standards*. Additional training is provided for industry-specific matters (e.g., implementation of recent GASB pronouncements).

Organizational Involvement – AHP is a member of the AICPA Center for Audit Quality, the Governmental Audit Quality Center, and the Employee Benefit Plan Audit Quality Center. Our professionals serve on various task forces of the Michigan Association of Certified Public Accountants (MICPA). In addition, Greg Soule, AHP Partner, is a member of the Michigan Government Finance Officers Association (MGFOA). Through these resources and direct communication with the standards boards, we remain aware of current and emerging issues.

Industry Experience

Thought Leadership

AHP professionals have presented to numerous industry organizations, including at Michigan Association of CPAs (MICPA) annual governmental accounting and auditing conferences, including a recent presentation by Greg Soule at the May 2024 MICPA governmental conference on internal controls. Greg recently led a session in March 2025 on Preparing for an Audit for the Michigan Government Finance Officers Association (MGFOA) Spring Conference. Recent presentations at other MICPA conferences have covered:



- Emerging technologies
- New auditing standards
- Audit documentation requirements
- Changes in accounting standards
- Ethics

In addition, we offer an occasional webinar series that is free for our clients to attend. Previous webinars have covered the new changes in financial reporting, revenue recognition, tax topics, cybersecurity, and an update to the financial markets. We continue to invest in thought leadership and presentations to ensure our clients are aware of emerging issues relevant to governmental organizations.

Additional Resources

All professional staff maintain an awareness and understanding of current developments in technical literature and other resources, including:

- Governmental Accounting Standards Series including the Action Report
- Government Finance Review published by GFOA
- GFOA Newsletter
- The Practitioners Publishing Company (PPC) Governmental Update
- Accounting and Financial Reporting for Governmental Entities published by PPC
- Michigan Uniform Budgeting Act
- Michigan Government Accounting & Auditing Guide

Allinial Global Member

AHP is a proud member of Allinial Global (AG), an association of over 100 accounting and consulting firms throughout the world. Our membership with AG allows us to reinforce client service by exchanging expertise, resources, and advice in a wide range of industries. Your access to expertise is extended through the extensive industry and service-specific knowledge base of our fellow Allinial Global firms.



Industry Experience

AHP Governmental Engagements

While AHP serves clients in a number of industries, a significant percentage of our business is dedicated to governmental entities. Our governmental experience was gained through performing services for many entities. A sample of these includes:

Cities

- City of Essexville
- City of Clare
- City of Berkley

Townships

- Charter Township of Midland
- Charter Township of Oakland
- Grant Township
- Homer Township
- Ingersoll Township
- Larkin Township
- Lee Township

Counties and Transit Authorities

- Clare County Transit Corporation
- Midland County Central Dispatch Authority
- Marquette Transit Authority
- Sanilac County
- Sanilac County Transportation

Villages

- Village of Chesaning
- Village of Copper City
- Village of Dansville
- Village of Lake Orion

Libraries

- Capital Area District Library
- Clinton-Macomb Public Library
- Community District Library
- Rochester Hills Public Library
- Plymouth District Library
- Orion Township Public Library

State of Michigan Agencies and Component Units

- Farm Produce Insurance Authority
- Michigan Education Savings Program
- Michigan Unemployment Insurance Agency
- State Bar of Michigan
- State Building Authority of the State of Michigan

Colleges and Universities

- Delta College
- Oakland University
- Monroe County Community College
- Saginaw Valley State University
- Washtenaw Community College

Other Governmental Entities

- Marquette Board of Power and Light
- Michigan Universities Self-Insurance Corporation
- Rochester Older Persons Commission Center (OPC)

References

We focus on long-term relationships with our clients with the ultimate goal of benefiting you. As we get to know you and your operations better, we are better able to provide highly tailored advice and recommendations.

The following is a sample of AHP audit clients served by those assigned to your engagement:

Oakland Township Partner: Greg Soule Financial Audit 2023 – Present	Mr. John Giannangeli, Treasurer 248-651-4440 jgiannangeli@oaklandtownship.org
City of Berkley Partner: Greg Soule Financial Audit 2024 – Present	Mr. Carl Johnson, Finance Director 248-658-3340 cjohnson@berkleymi.gov
Village of Lake Orion Partner: Greg Soule Financial Audit 2017 – Present	Ms. Sonja Stout, Clerk/Treasurer 248-693-8391x102 stouts@lakeorion.org
Sanilac County Partner: Greg Soule Financial and Single Audit 2022 – Present	Mr. Nathan Roskey, Administrator/Controller 810-648-2933 nroskey@sanilaccounty.net



Your Investment

We believe our fees should be fair to both our clients and our firm. We establish our fees based on our estimate of time spent and the complexity of work to be performed. The following is a breakdown of our estimated fees for the services discussed for the years ending June 30:

Service	2025	2026	2027	2028	2029
Audit of Financial Statements	\$17,500	\$ 18,000	\$ 18,500	\$ 19,200	\$ 19,900
Single Audit of Federal Expenditures	8,000	8,300	8,700	9,100	9,500
Total	\$25,500	\$ 26,300	\$ 27,200	\$ 28,300	\$ 29,400

The fees presented above include assistance with the preparation of the financial statements and related notes to the financial statements and supplementary information and a management letter. The fees also include filing the Auditing Procedures Report and financial statements with the State of Michigan, and filing the Data Collection Form with the GSA / Federal Audit Clearinghouse. Single audit fees assume one major program; additional major programs would be \$3,000 - \$5,000 depending on the complexity of the program. Single audit fees would only be charged in the event a Single Audit is required. The fees also assume that the Village's records support a hybrid audit approach.

The fees do not include filing the F-65, Act 51, Qualifying Statement, 5572 Retirement Report, or any other report not specifically mentioned above. The fees also assume that the Village will have its accounts closed and reconciled and ready for audit and that no bookkeeping assistance or cash-to-accrual conversions will be needed. The fees further assume the Village will assemble the information needed for the Schedule of Expenditures of Federal Awards.

The above fees are all-inclusive which would include all out-of-pocket and administrative costs and routine inquiries that do not require extensive time or research (any fees for questions that require such time or research would be fair and reasonable based on the time incurred). Potential one-time costs could result from matters that require additional time and effort outside of the normal course of audit services, including significant financial reporting or compliance matters; adoption of new accounting standards; accounting assistance and assistance with year-end closing adjustments; and other out-of-scope services that may be requested. To the extent possible, we will discuss any such matters with you in advance, and related fees will be fair and reasonable based on time incurred.

Hourly rates for expansion of scope, implementation of complex accounting standards, or additional accounting assistance are as follows:

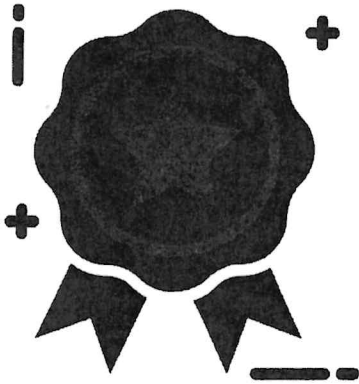
Staff	\$ 140	Senior Manager	\$ 270
Senior Accountant	\$ 175	Audit Partner	\$ 340
Manager	\$ 200		

We believe our fees should be fair to both our clients and our firm. We establish our fees based on our estimate of time spent and the complexity of work to be performed.

Your Investment

Value-Added Services

There are various services we will provide for Village of Lexington at no additional charge. These services include:



- year-round answers to brief miscellaneous accounting, business operations, or tax questions that may arise (should the question warrant significant research, any fees would be fair and reasonable based on the time incurred)
- workpapers and reports retained for a minimum of seven years
- periodic mailings of information on relevant and emerging issues
- discussions and evaluation of any potential impact that new and emerging issues will have on Village of Lexington (fees related to resolution of the issues will be fair and reasonable based on the time incurred)



Appendix A:

Peer Review Report



Kelley Galloway
Smith Goolsby, PSC

Certified Public Accountants and Advisors

1200 Corporate Court • P. O. Box 990 • Ashland, Kentucky 41105

• Phone (606) 329-1811 (606) 329-1171 • Fax (606) 329-8756 (606) 325-0590

• Web www.kgsgcpa.com Member of **Allinial** GLOBAL

Report on the Firm's System of Quality Control

To the Members
Andrews Hooper Pavlik PLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Andrews Hooper Pavlik PLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2021. 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 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 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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with 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 the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organizations (SOC 1 and SOC 2 engagements).

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 Andrews Hooper Pavlik PLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2021, 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*. Andrews Hooper Pavlik PLC has received a peer review rating of *pass*.

Kelley Galloway Smith, PSC

Ashland, Kentucky

June 15, 2022



Appendix B:

Fee Schedule

ATTACHMENT B

VILLAGE OF LEXINGTON RFP PROFESSIONAL AUDITING SERVICES

SCHEDULE OF PROFESSIONAL FEES FOR THE AUDIT OF THE 2025, 2026, 2027, 2028, 2029, FINANCIAL STATEMENTS

	06/30/2025	06/30/2026	06/30/2027	06/30/2028	06/30/2029
Audit Services	\$ 17,500	\$ 18,000	\$ 18,500	\$ 19,200	\$ 19,900
Single Audit	\$ 8,000	\$ 8,300	\$ 8,700	\$ 9,100	\$ 9,500
Preparing the financial report	\$ Included	\$ Included	\$ Included	\$ Included	\$ Included
TOTAL (NOT TO EXCEED)	\$ 23,500	\$ 26,300	\$ 27,200	\$ 28,300	\$ 29,400

	Hours		Hourly Rate		Total Audit Fee 06/30/2025
Partners	20	X	\$ 275	=	\$ 5,500
Managers	40	X	\$ 180	=	\$ 7,200
Supervisory Staff	50	X	\$ 120	=	\$ 6,000
Staff	60	X	\$ 80	=	\$ 4,800
Other (specify):	N/A	X	\$ N/A	=	\$ N/A
GRAND TOTAL (NOT TO EXCEED)					\$ 23,500

CONTACT INFORMATION

Representative's Name Gregory H. Soule **Date** March 14, 2025

Signature 

Email: gregory.soule@ahpplc.com

Company Andrews Hooper Pavlik PLC

Address 43252 Woodward Ave., Suite 150, Bloomfield Hills, MI 48302

Telephone 248-340-6050

Bid Proposal
Village of Lexington

Fee Proposal

1. Total Price and Hours Breakdown

- a. Name of Firm: Roslund, Prestage & Company, P.C.
- b. Christian M. Schaub is authorized to represent Roslund, Prestage & Company, P.C. and speak in its' behalf, is empowered to submit this bid, and is authorized to sign contracts with the Village of Lexington.
- c. The following fees are all-inclusive fees (costs not to exceed) for the audits of the Village of Lexington:

Attachment B
Village of Lexington
RFP Professional Auditing Services
Schedule of Professional Fees For The Audit of the 2025, 2026, 2027, 2028, and 2029 Financial

Services	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29
Financial Audit	\$ 22,000	\$ 23,000	\$ 24,000	\$ 25,000	\$ 26,000
Single Audit (Note 1)	4,500	4,750	5,000	5,250	5,500
Preparing the Financial Report (no charge)	-	-	-	-	-
Total (not to exceed)	\$ 26,500	\$ 27,750	\$ 29,000	\$ 30,250	\$ 31,500

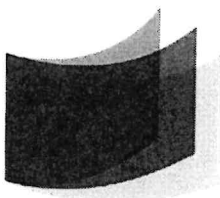
Audit Staff	Hours	Hourly Rate	Financial 6/30/25	Single 6/30/25	Total 6/30/25
Partners	48	\$ 245	\$ 8,580	\$ 3,185	\$ 11,765
Supervisory Staff	40	\$ 160	\$ 6,400	\$ -	\$ 6,400
Staff	62	\$ 135	\$ 7,020	\$ 1,315	\$ 8,335
Other (specify)	-	-	-	-	-
Total (not to exceed)			\$ 22,000	\$ 4,500	\$ 26,500

Note 1 - the single audit fees stated above include the compliance testing, report preparation and the filing of all required reports for ONE program. Each ADDITIONAL program will be charge at a rate of \$3,500 each.

Representative's Name:	Christina M. Schaub
Date:	March 11, 2025
Signature:	<i>Christina Schaub</i>
Email:	christina.schaub@rpccpas.com
Company:	Roslund, Prestage & Company, P.C.
Address:	525 West Warwick Avenue, Suite A
Telephone:	(989) 463-6123

Bid Proposal
Village of Lexington

*For Fiscal Years Ending
June 30, 2025-2027
(With the option to renew for 2028 & 2029)*



RPC
Roslund Prestage & Company
CERTIFIED PUBLIC ACCOUNTANTS

Title Page

Name of Organization: Roslund, Prestage & Company, P.C.

Address: 525 West Warwick Drive, Suite A
Alma, Michigan 48801

Authorized Representative: Christina M. Schaub, CPA
Title: Audit Partner
Telephone: Work: 989-463-6123 Cell: 989-620-4365
Fax Number: 989-463-4055
Email Address: christina.schaub@rpccpas.com

Persons to Contact: Christina M. Schaub, CPA

Date of Proposal: March 11, 2025

Bid Proposal
Village of Lexington

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Transmittal Letter

March 11, 2025

Village of Lexington
Lexington, Michigan

We would like to submit the following proposal in connection with the annual financial audits and single audits (if applicable) for the Village of Lexington for the three fiscal years ending June 30, 2025, 2026, and 2027 (with the option to renew for 2028, and 2029).

Roslund, Prestage & Company, P.C. (RPC) has been providing a full range of accounting and auditing services for over 55 years, including over 50 years in the Michigan municipal industry, which has provided us with the opportunity to gain valuable experience in this field. In addition, we strive to develop an experienced audit staff by providing a work environment that has historically resulted in little turnover during this period. We believe that this experience, along with our commitment to using partners and senior level auditors when conducting fieldwork, has given our firm a distinct advantage and has served us, and our clients, well. We are committed to continuing providing audit services to our clients with well-trained, experienced personnel.

RPC is committed to performing the required work and doing so within the time periods stated in the Request for Proposal. Drafts of the audit reports will be available for your review, comments, and recommendations prior to issuance of final reports.

Christina M. Schaub is authorized to represent RPC and speak in its' behalf, is authorized to submit this bid, and to sign contracts with the Village of Lexington.

This proposal will remain firm and irrevocable for 60 days from the date of this letter.

We welcome a thorough review of our qualifications and encourage management to investigate our references, capabilities, and integrity. We thank you for your consideration of Roslund, Prestage & Company, P.C. as your independent auditors and we are available at your convenience to answer any further questions should they arise.

Respectfully submitted,

Christina Schaub

Christina M. Schaub, CPA
Audit Partner
Office: (989) 463-6123
Cell: (989) 620-4365
Fax: (989) 463-4055
christina.schaub@rpccpas.com

Technical Proposal

1. General Requirements

Roslund, Prestage & Company, P.C. (RPC) is committed to performing the required work and doing so within the time periods stated in the Request for Proposal.

Our audit will be made in accordance with the requirements stated in the request for proposal, including the following:

- Generally accepted auditing standards (GAAS)
- Generally accepted accounting principles (GAAP)
- Government Auditing Standards issued by GAO
- 2 CFR 200 (OMB Uniform Guidance)
- Audits of State, Local Governments, and Non-Profit Organizations
- Governmental Accounting Standards Board - Pronouncements and Interpretations
- Michigan Department of Treasury
- Applicable Michigan Public Acts

2. Independence

We affirm that RPC is independent of the Village of Lexington as defined by American Institute of Certified Public Accountants and Governmental Auditing Standards - Standards for Audits of Governmental Organizations, Activities and Functions.

We affirm that there are no known actual or potential conflicts of interest with the Village of Lexington, any of its employees, board members, contracted service providers, component units, vendors, or other entities that provide goods or services to the Village.

We affirm that RPC has not had any professional relationship with the Village of Lexington or any of its employees, board members, contracted service providers, component units, vendors, or other entities that provide goods or services to the Village.

We affirm that RPC will provide written notice to the Village of Lexington of any professional relationship entered into during the period of this agreement with any of its employees, board members, contracted service providers, component units, vendors, or other entities that provide goods or services to the Village.

RPC does not use, nor do we expect to use, any subcontractors for this engagement during the period covered by this bid.

RPC and each of its partners and staff meet the independence standards of the American Institute of Certified Public Accountants and Governmental Auditing Standards - Standards for Audits of Governmental Organizations, Activities and Functions. Those standards provide for three areas where independence is tested. Those three areas are personal impairments, external impairments, and organizational impairments.

Our firm and each of its staff members affirm that they are independent regarding the stated areas.

In our role as independent auditors, we may provide limited non-attest (non-audit) services. Before performing non-attest services, we will establish and document in writing the understanding with the client regarding:

- 1) the objectives of the engagement
- 2) the services to be performed
- 3) the client's acceptance of its responsibilities
- 4) our responsibilities
- 5) any limitations of the engagement

In addition, we require that the client assume all management responsibilities pertaining to the non-attest services and oversee the services by designating an individual who possesses suitable skills, knowledge, and experience to assess and take full responsibility for the non-attest services performed. In every case, management must take full responsibility for the non-attest services provided by RPC.

RPC has no direct or indirect financial interests (including but not limited to ownership, investment interests, or any other form of remuneration) that may be present between RPC and the Village of Lexington or its employees, board members, contracted service providers, or component unit's personnel.

RPC affirms that no principal, employee, representative, agent, or other person acting on behalf of RPC, or legally capable of acting on our behalf, is currently an employee of Village of Lexington nor are they privy to insider information which would tend to give, or give the appearance of tending to give, an unfair advantage to RPC, which may constitute a conflict of interest.

3. License to Practice in Michigan

RPC and each of its partners are licensed as Certified Public Accountants in the State of Michigan and are duly authorized to practice public accounting in the State of Michigan.

Each partner is also a member in good standing of the American Institute of Certified Public Accountants and the Michigan Association of Certified Public Accountants.

All of RPC's partners and staff members assigned to this engagement who have obtained the Certified Public Accountant (CPA) credential meet the continuing professional education requirements of the Government Auditing Standards - Standards for Audits of Governmental Organizations, Activities and Functions.

4. Debarment, Suspension, Ineligibility, and Voluntary Exclusion

RPC affirms that we have complied with the provisions of 24 CFR Part 24, and that neither RPC nor our principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract.

In addition, neither RPC nor any of our principals have ever been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any contract.

We affirm that RPC will not use, directly or indirectly, any of the funds provided by this contract to employ, award contracts to, or otherwise engage the services of, or fund any contractor/subcontractor during any period that the contractor/subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24.

5. Firm Qualifications and Experience

Firm Size

RPC has 22 full-time and 2 part-time staff, including 7 staff who devote 100% of their time to our audit engagements.

Location

RPC has one office located at:
525 West Warwick Drive
Suite A
Alma, Michigan 48801

RPC was organized in 1969 by David D. Roslund and Richard D. Prestage. We have experienced a steady growth of clients, services and staff. Our growth over the years has not been without challenges and opportunities, but our dedication to our clients has always been our first priority.

The number and nature of the professional staff to be employed on this engagement.

We have 7 staff, all of whom work exclusively on audits, assigned to this engagement. Their resumes and experience are shown below.

Joint venture or consortium

RPC is not a member of a joint venture or consortium.

External Quality Review Report

RPC has successfully completed an independent on-site quality review of its accounting and auditing practice and received an unqualified opinion in each of the required years. Firms can receive a rating of *pass*, *pass with deficiencies*, or *fail*. RPC has received a peer review rating of pass in each year.

Each of the reviewers' reports has been accepted and approved by the Quality Review Executive Committee of the Michigan Association of Certified Public Accountants.

Each of the quality control reviews included a review of specific *governmental* engagements.

A copy of the most recent external quality review report is included with this proposal.

Federal or State Desk/Field Reviews

RPC has not been subjected to any federal or state desk reviews or field reviews of our audits in the past three years.

Disciplinary Actions

RPC has never been subjected to disciplinary action by any state or federal regulatory body or professional organization nor are we aware of any such action pending. RPC has never been subjected to inquiry or other action by any state or federal regulatory body or professional organization regarding substandard audit work nor are we aware of any such action pending.

5. Firm Qualifications and Experience (continued)

The purpose of RPC is to provide high quality, professional accounting and auditing services to individuals, small businesses, and local governmental entities. The accounting field has also changed dramatically, which has required us to be innovative and ever mindful of our clients' changing needs. Since 1969 we have been providing a wide variety of services including:

- Audits
- Reviews
- Compilations
- Single Audits
- Compliance Audits
- Tax return preparation
- Pension Plan Returns
- Forecasts & Projections
- Business Consulting
- Management Advisory Services
- Internal Control Reviews
- Payroll and Payroll Tax Preparation

RPC has been conducting audits of local governmental units since it opened its doors over 55 years ago. During that time, we have focused our auditing services in the areas of municipalities (cities and villages), school districts, mental health agencies, and Michigan Works entities.

RPC has enjoyed a long-term relationship with many of our audit clients. We believe that this is largely due to two factors: 1) highly qualified and experienced audit staff, and 2) low staff turnover.

RPC is a voluntary member of AICPA's Government Audit Quality Center. The Center's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. The Center also offers resources to enhance the quality of governmental audits.

We strongly feel that Roslund, Prestage & Company, P.C. can provide quality professional services that are required in today's changing business environment.

RPC follows Practitioners Publishing Company's guide to quality control for internal and external controls and supervisory and review procedures.

6. Partner, Supervisory and Staff Qualifications and Experience

Audit Staff

The following are resumes for the staff responsible for performing our firm's audit engagements:



Christina M. Schaub, CPA

Christina M. Schaub, Certified Public Accountant, Audit Partner. Christina graduated from Grand Valley State University in August of 1997 with a Bachelor of Science Degree in Business Administration with a Major in Accounting. Christina received her Master of Science in Professional Accounting from Michigan State University in 1998 and became certified in 2000. Christina joined our staff in 2003 after completing five years of auditing with an international firm. Christina specializes in governmental accounting and auditing, with a focus on cities, villages, school districts, and mental health organizations, including compliance auditing of community mental health organizations, and OMB Uniform Guidance. She is a frequent presenter at the Improving Outcomes conferences hosted by the Community Mental Health Association of Michigan (CMHA).



Derek M. Miller, CPA

Derek M. Miller, Certified Public Accountant, Audit Partner. Derek graduated from Alma College in 2005 with a Bachelor of Arts Degree in Business Administration with an emphasis in accounting. Derek received his Master of Science in Accountancy from Walsh College in 2006 and became certified in 2009. Derek spent two years auditing governmental agencies with another regional CPA firm before joining our staff in 2007. He specializes in governmental accounting and auditing, with a focus on cities, villages, school districts, and mental health organizations, including compliance auditing of community mental health organizations. He is a frequent presenter at the Improving Outcomes conferences hosted by the Community Mental Health Association of Michigan (CMHA).



William C. Hirschman, CPA

William C. Hirschman, Certified Public Accountant, Audit Partner. Bill graduated from Central Michigan University in May of 1983 with a Bachelor of Science Degree in Business Administration and a Major in Accounting. Bill joined our staff in December 1982 and was certified in March of 1986. Bill specializes in governmental accounting and auditing, with a focus on cities, villages, school districts, mental health organizations, and OMB Uniform Guidance.



Trevor Kapp, CPA

Trevor Kapp, Certified Public Accountant, In Charge. Trevor joined our staff in December of 2020 as a full-time staff auditor after working part-time over the last 2 years as he finished his college education. Trevor graduated from Michigan State University in December of 2020 with a Bachelor of Science and Master of Science in Accounting degree and became certified in September of 2022. He specializes in governmental auditing, with a focus on cities, villages, school districts, mental health organizations, including compliance auditing of community mental health organizations.

6. Partner, Supervisory and Staff Qualifications and Experience (continued)

Audit Staff (continued)



Sara J. De Jong, CPA

Sara J. De Jong, Certified Public Accountant, Senior Auditor. Sara graduated from Alma College in May of 2011 with a Bachelor of Arts Degree in Business Administration with an emphasis in accounting and became certified in April 2013. Sara joined our staff in September 2012 after working for a year and a half with a national accounting firm. Sara specializes in governmental accounting and auditing, with a focus on cities, villages, school districts, and mental health organizations, including compliance auditing of community mental health organizations.



Chris Lowe

Chris Lowe, Staff Auditor. Chris joined our staff in August of 2021 as a full-time staff auditor. Chris graduated from Concordia University-Ann Arbor in 2020 with a Bachelor of Science degree in Accounting. He is currently working towards obtaining his Certified Public Accountant (CPA) certification. He specializes in governmental auditing, with a focus on cities, villages, school districts, mental health organizations, including compliance auditing of community mental health organizations, and OMB Uniform Guidance.



Brent Wooton

Brent Wooton, Staff Auditor. Brent joined our staff in February of 2024 as a full-time staff auditor. Brent graduated from Western Michigan University in April 2011 with a Bachelor of Arts Degree in Business Administration, with a major in Accountancy and a Minor in General Business. He has spent several years in public, private, and governmental accounting and auditing. He is currently working towards obtaining his Certified Public Accountant (CPA) certification. He specializes in governmental auditing, with a focus on cities, villages, school districts, and mental health organizations, including compliance auditing of community mental health organizations.

Experience

The following staff have been assigned to this engagement. Christina Schaub and Derek Miller fill the role of field supervisors.

Staff Assigned	Years of Experience		
	Total Accounting & Auditing	Auditing Governmental Units	Auditing Cities and Other Municipalities
Christina Schaub, CPA	24	22	22
Derek Miller, CPA	20	19	19
William Hirschman, CPA	41	41	39
Sara De Jong, CPA	11	10	10
Trevor Kapp, CPA	5	5	5
Chris Lowe	4	4	4
Brent Wooton	2	2	2

6. Partner, Supervisory and Staff Qualifications and Experience (continued)

Audit Staff (continued)

We affirm that:

- Each of the above CPA level staff are licensed to practice as a certified public accountant in Michigan.
- Each of the above staff meets the continuing professional education requirements of the Government Auditing Standards - Standards for Audits of Governmental Organizations, Activities and Functions.
- Each of the above CPAs attend at least 40 hours per year of continuing professional education, with the majority being in governmental accounting and auditing.
- We will make every effort to maintain consistency in assigning personnel to engagements.

Indicate how the quality of staff over the term of the agreement will be assured.

It has been our practice to assign various segments of each audit to each of our audit staff. Consequently, all staff members will be actively involved in each audit. This provides consistency from year to year and avoids the challenges of training new staff from year to year. This practice, along with historically low staff turnover, has been well received by our clients and given us a distinct advantage over other firms.

We affirm that the engagement partner and/or audit manager will remain the same throughout the course of this engagement.

We acknowledge that a change in the engagement and/or audit manager can be changed with the express written consent of the Village, as stated in the request for proposal.

We acknowledge that audit personnel may be changed at the discretion of RPC provided that replacements have substantially the same or better qualifications or experience.

7. Similar Engagements with Other Government Entities

Our audits of the clients shown below were performed in accordance with the same accounting and auditing standards that are applicable to the Village of Lexington, include the same scope of services, and require the same reporting.

The City of Ithaca, the City of Williamston, and the City of Sault Ste. Marie all have Downtown Development Authorities as component units.

Entity	Total Hours	Scope of Work	Year End	Engagement Partner/Manager	Principal Client Contact	
City of Sault Ste. Marie	280	Audit of the financial statements and applicable federal programs in accordance with the requirements stated in the <i>General Requirements</i> section of this proposal.	06/30/24	Derek M. Miller Christina M. Schaub	Kristin Collins, Finance Director/Treasurer	(906) 632-5726
City of Williamston	210	Audit of the financial statements and applicable federal programs in accordance with the requirements stated in the <i>General Requirements</i> section of this proposal.	06/30/24	Derek M. Miller Christina M. Schaub	Tom Mead, Treasurer	(517) 655-2774
City of Ithaca	165	Audit of the financial statements in accordance with the requirements stated in the <i>General Requirements</i> section of this proposal.	06/30/24	Derek M. Miller Christina M. Schaub	Barb Fandell, Clerk/Treasurer	(989) 875-3200
Village of Lake Isabella	135	Audit of the financial statements in accordance with the requirements stated in the <i>General Requirements</i> section of this proposal.	06/30/24	Derek M. Miller Christina M. Schaub	Tim Wolff, Village Manager	(989) 644-8654
Sanilac CMH	125	Audit of the financial statements and applicable federal programs in accordance with the requirements stated in the <i>General Requirements</i> section of this proposal.	09/30/24	Derek M. Miller Christina M. Schaub	Anthony Shaver, CFO	(810) 583-0312

Additional references can be provided upon request.

8. Specific Audit Approach

a. Proposed segmentation of the engagement

Financial Audit

RPC will audit the financial statements of the Village of Lexington as of and for the years ending June 30, 2025, 2026, and 2027 (with the option to renew for 2028, and 2029) for the purpose of expressing an opinion on them.

Our audit will be made in accordance with the requirements stated above.

Accordingly, our audit will include such tests of the accounting records and such other auditing procedures, as we consider necessary in the circumstances. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, direct confirmation of receivables, and certain other assets and liabilities by correspondence with selected customers, creditors, legal counsel, and banks. At the conclusion of our audit, we will request certain written representations from you about the financial statements and matters related thereto.

As a part of our audit, we will make a study and evaluation of management's system of internal control to the extent we consider necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purpose of our study and evaluation is to establish a basis for reliance on the system of internal control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing the audit of the financial statements. This study will not necessarily disclose all weaknesses in the system because it is based on selective tests of accounting records and related data. Should such study and evaluation disclose conditions that we believe could be material weaknesses and significant deficiencies; they will be reported in our internal control letter for your review and comments.

Our engagement is subject to the inherent risk that material errors, irregularities, or illegal acts, including fraud or defalcations, if they exist, will not be detected. However, we will inform you and the State of Michigan of any such matters that come to our attention. Any such irregularities that may come to our attention that require extended services by Roslund, Prestage & Company, P.C. will be promptly advised to the appropriate level of management and our contract will be amended by mutual consent. No services will be performed unless they are authorized in the agreements or in an amendment to the agreement.

Analytical review procedures are used extensively to identify accounts/transactions for further testing. These procedures include:

- Comparison of current year balances to prior year audited balances
- Comparison of current year balances to the current year budget
- Comparison of current year balances to industry standards
- Comparisons to expected relationships with other accounts (i.e., change in fringe benefits compared to change in gross payroll)
- Common ratio analysis

Samples of transactions and/or account balances are selected and tested to gain an understanding of the internal control policies and procedures for the purpose of determining if the applicable controls can be relied upon to reduce substantive testing. Samples are randomly selected and based on account materiality and risk assessment.

The areas in which sampling is used, and the range of the sample sizes are as follows:

- Disbursements: 25-40
- Payroll: 15-25
- Capital Outlay: 15-25
- Cash Receipts: 5-10
- Journal Entries: 5-10
- Credit Card Transactions: 100% of one month

8. Specific Audit Approach (continued)

a. Proposed segmentation of the engagement (continued)

The audit programs used by RPC are provided by Practitioners Publishing Company (PPC). These standard audit programs are modified by us during the planning stage to fit the individual needs of each audit. The audit programs are very detailed and cover an extensive range of recommended practices and procedures.

In connection with the financial audit, we will provide the following reports:

- Financial Audit Report, which includes:
 - *The Independent Auditor's Report on the Financial Statements*, and
 - *The Government Auditing Standards Report*.
- *Communication with Those Charged with Governance at the Conclusion of the Audit* letter.

RPC does not issue a *Management Letter* regarding comments and recommendations. It is our policy to include any comments and recommendations in the *Communication with Those Charged with Governance at the Conclusion of the Audit* letter noted above.

Single Audit (if applicable)

RPC will perform an audit for the purpose of issuing an opinion on compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the applicable major federal programs.

Our audit will be made in accordance with the requirements stated above.

RPC will audit the schedule of expenditures of federal awards (SEFA) for the purpose of expressing an opinion on it in relation to the financial statements as a whole.

Accordingly, our audit will include such tests of the accounting records and such other auditing procedures, as we consider necessary in the circumstances. Our procedures will include tests of documentary evidence supporting the transactions and compliance with the applicable requirements. At the conclusion of our audit, we will request certain written representations from you about the financial statements and matters related thereto.

Samples are randomly selected for testing based on guidance provided in OMB Uniform Guidance (2 CFR 200) as well as our risk assessment. The sample sizes can vary significantly based on the amount of activity in the programs tested. The areas in which sampling is used are as follows:

- Receipts/Draws
- Payroll
- Disbursements
- Eligibility (if applicable)
- Contracts

In connection with the single audit, we will provide the following reports:

- Single Audit Report, which includes:
 - *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance*

Single audit reports will be issued separately from the financial audit reports.

We will also help with the electronic filing of the single audit report with the federal audit clearinghouse.

8. Specific Audit Approach (continued)

a. Proposed segmentation of the engagement (continued)

The following estimated timetable is designed to provide a summary of how the engagement will be segmented by activity and when various steps will be performed. Some of the audit procedures related to the single audit will overlap with the financial audit procedures and will be conducted during our financial audit fieldwork.

Activity	Approximate Period
Pre-audit meeting with management, set fieldwork dates, prepare engagement letters and confirmations, identify items that may need special attention	1-2 months prior to year-end
Internal control documentation and testing	1-2 months prior to year-end
Perform test of payroll, disbursements, and receipts; read minutes, update permanent file	1-2 months prior to year-end through 2 months following year-end
General financial fieldwork	2-3 months after year-end, no later than the end of September
Single audit fieldwork (if applicable)	2-3 months after year-end, no later than the end of September
Issue draft of reports and letter to those charged with governance	2-3 weeks after completion of fieldwork, no later than October 31st
Receive management's responses	1-2 weeks after issuing drafts
Issue final report	no later than November 15th
Present reports to board	November board meeting
Submit reports to the State of Michigan and the Federal Audit Clearinghouse (as applicable)	No later than November 30 th

Use of software in the engagement.

We currently use Thomson Reuter's *Engagement Manager* software as our primary engagement software. This incorporates trial balance management, lead sheets, various analytical review functions, and file management. This software is compatible with Excel, Word, and Adobe, which we use extensively for our work papers. All files are maintained electronically.

We request all client documents be provided in Excel, Word, or Adobe (Pdf) formats.

Approach to be taken to gain and document an understanding of internal control structure.

As a part of our audit, we will do a study and evaluation of the system of internal control to the extent we consider necessary to evaluate the system as required by generally accepted auditing standards. This process will include inquiry of management, review of policies and procedures, review of organizational charts, performing a walkthrough of each of the major control processes (i.e., disbursements, payroll, receipts, bank reconciliations, and others as deemed necessary) to determine if the processes are in place and properly implemented. We will obtain copies of client prepared narratives, flowcharts, and other documents used in the internal control system.

8. Specific Audit Approach (continued)

a. Proposed segmentation of the engagement (continued)

Approach to be taken in determining laws and regulations that will be subject to audit test work.

We will inquire of management about compliance requirements (i.e., provisions of laws, regulations, contracts, and grant agreements) that could have a material effect on the determination of financial statement amounts.

We will assess management's identification of compliance requirements that may have a material effect on the determination of financial statement amounts and obtain an understanding of the possible effect of the compliance requirements on the financial statements.

We will consider knowledge about compliance requirements obtained in performing similar audits and discuss compliance requirements with the governmental unit's chief financial officer, legal counsel, internal auditor, or grant administrators.

We will also perform the following:

- We will review relevant portions of directly related agreements, such as grant and debt agreements.
- Identify sources of revenue, review related agreements, and inquire about legal requirements and enabling legislation relating to using and accounting for the revenue.
- Review minutes of meetings of the governing body for enactment of laws and regulations or information about contracts and grant agreements.
- Inquire of federal, state, or local auditors, or other appropriate audit oversight organizations about applicable compliance requirements, including statutes and uniform reporting requirements.
- Obtain legal representation letters from the governmental unit's legal counsel and evaluate the responses.
- Review information included in the OMB Compliance Supplement and any subsequently issued relevant guidance, federal audit guides, similar state and local policies and procedures program publications, applicable AICPA audit and accounting guides, content available from other professional organizations and governmental associations, and other publications pertaining to applicable compliance requirements.
- Inquire of grantor audit, finance, or program administrators about restrictions, limitations, terms, and conditions pertaining to grants, contributions, and appropriations.

Detailed List of Information Needed

We will provide you, in advance, with a detailed list of documents that your staff is to provide to us for each phase of the engagement.

All files are maintained electronically. Therefore, **we request that all client documents be provided in Excel, Word, and Pdf. (Adobe) formats.** See Exhibit A and Exhibit B for a list of items that you will need to provide for the audit.

See Attachments:

- Exhibit A – Preliminary Fieldwork
- Exhibit B – Financial Fieldwork

Bid Proposal
Village of Lexington

8. Specific Audit Approach (continued)

b. Level of staff and number of hours to be assigned.

The following chart reflects the staff assigned to each segment and their estimated hours:

Financial Audit								
	Schaub	Miller	Hirschman	Kapp	DeJong	Lowe	Wooton	Total
Planning	2	2	2	2	2	2	2	14
Fieldwork (Preliminary)	-	-	-	4	4	8	8	24
Fieldwork	8	-	-	16	12	16	16	68
File Review	2	-	5	-	-	-	-	7
Report Preparation	8	4	-	-	-	-	-	12
Report Presentation	2	-	-	-	-	-	-	2
Total Hours	22	6	7	22	18	26	26	127

Single Audit								
	Schaub	Miller	Hirschman	Kapp	DeJong	Lowe	Wooton	Total
Planning	2	-	-	-	-	-	-	2
Fieldwork (Preliminary)	-	-	-	-	-	-	-	-
Fieldwork	4	-	-	-	-	10	-	14
File Review	2	-	2	-	-	-	-	4
Report Preparation	3	-	-	-	-	-	-	3
Report Presentation	-	-	-	-	-	-	-	-
Total Hours	11	-	2	-	-	10	-	23

c. Approach to ensuring new accounting standards is adopted appropriately, including assistance to provided to the Village during the implementation process.

To ensure that new accounting standards are adopted appropriately and effectively, the following approach can be implemented, including assisting the Village during the implementation process:

- Gaining an understanding the new accounting standards and how they impact the Village's current financial reporting processes.
- Conduct a review of the Village's existing accounting practices to identify any gaps between current procedures and the requirements of the new standards.
- Provide targeted training for accounting staff and management. This training will cover the new standards in detail, as well as practical implementation steps.
- If necessary, consult with experts who specialize in the new accounting standards to offer guidance during the transition.
- Communicate regularly with staff and management to assist with any technical or procedural questions that may arise during the implementation process.
- After the standards are fully adopted, conduct a post-implementation review to assess the effectiveness of the adoption process and identify areas for improvement.

By following this approach, the Village can ensure a smooth and successful transition to the new accounting standards, with adequate support provided to staff and management throughout the process.

9. Identification of Anticipated Potential Audit Problems

We currently do not anticipate any potential audit problems that would be beyond the normal challenges of performing a financial or single audit, nor do we expect that we will need any special assistance.

Bid Proposal
Village of Lexington

Fee Proposal

1. Total Price and Hours Breakdown

- a. Name of Firm: Roslund, Prestage & Company, P.C.
- b. Christian M. Schaub is authorized to represent Roslund, Prestage & Company, P.C. and speak in its' behalf, is empowered to submit this bid, and is authorized to sign contracts with the Village of Lexington.
- c. The following fees are all-inclusive fees (costs not to exceed) for the audits of the Village of Lexington:

Attachment B
Village of Lexington
RFP Professional Auditing Services
Schedule of Professional Fees For The Audit of the 2025, 2026, 2027, 2028, and 2029 Financial

Services	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29
Financial Audit	\$ 22,000	\$ 23,000	\$ 24,000	\$ 25,000	\$ 26,000
Single Audit (Note 1)	4,500	4,750	5,000	5,250	5,500
Preparing the Financial Report (no charge)	-	-	-	-	-
Total (not to exceed)	\$ 26,500	\$ 27,750	\$ 29,000	\$ 30,250	\$ 31,500

Audit Staff	Hours	Hourly Rate	Financial 6/30/25	Single 6/30/25	Total 6/30/25
Partners	48	\$ 245	\$ 8,580	\$ 3,185	\$ 11,765
Supervisory Staff	40	\$ 160	\$ 6,400	\$ -	\$ 6,400
Staff	62	\$ 135	\$ 7,020	\$ 1,315	\$ 8,335
Other (specify)	-	-	-	-	-
Total (not to exceed)			\$ 22,000	\$ 4,500	\$ 26,500

Note 1 - the single audit fees stated above include the compliance testing, report preparation and the filing of all required reports for ONE program. Each ADDITIONAL program will be charge at a rate of \$3,500 each.

Representative's Name:	Christina M. Schaub
Date:	March 11, 2025
Signature:	<i>Christina Schaub</i>
Email:	christina.schaub@rpccpas.com
Company:	Roslund, Prestage & Company, P.C.
Address:	525 West Warwick Avenue, Suite A
Telephone:	(989) 463-6123

Fee Proposal (continued)

The above fees do not include assistance with implementation of new standards or auditing of new funds upon implementation of new accounting pronouncements. Those services will be billed at our standard hourly rates shown below.

RPC provides updates and consultations on a wide range of topics to our current audit clients at no additional cost. Typically, that would include phone calls and emails that do not require any significant amount of time. Although we often have communications with our clients throughout the year, they seldom result in additional fees being charged.

2. Rates for Additional Services

Any additional services that have been requested and that require us to spend any significant time will be billed at the rates shown below.

We will discuss these additional services with management in advance and request formal approval in the form of a new engagement letter before providing these services.

The rates listed below are the rates effective January 1, 2025. Rates are subject to change annually.

- Derek Miller - \$375/hr.
- Christina Schaub - \$375/hr.
- William Hirschman - \$375/hr.
- Sara De Jong - \$225/hr.
- Trevor Kapp - \$225/hr.
- Chris Lowe - \$200/hr.
- Brent Wooton - \$200/hr.

3. Manner of Payment

Our invoices for these fees will be rendered periodically as work progresses and are payable on presentation. We typically bill as follows:

- 25% of the engagement upon the substantial completion of planning, file set up, and preliminary fieldwork.
- 50% of the engagement upon the substantial completion of fieldwork.
- 25% of the engagement upon the issuance of the report.

Affirmations

1. We affirm that RPC and each of its partners are licensed as Certified Public Accountants in the State of Michigan and are duly authorized to practice public accounting in the State of Michigan.
2. We affirm that our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.
3. We affirm that RPC does not have a record of substandard audit work. RPC has never been subjected to any inquiry or other action by any state or federal regulatory body or professional organization regarding substandard audit work nor are we aware of any such action pending.
4. We affirm that RPC has in place a system of internal controls and procedures to ensure that quality standards have been met and that we will disclose those controls upon request.
5. We affirm that RPC has successfully completed an independent on-site quality review of its accounting and auditing practice in each of the required years. Each of the reviewers' reports has been accepted and approved by the Quality Review Executive Committee of the Michigan Association of Certified Public Accountants. Firms can receive a rating of *pass*, *pass with deficiencies*, or *fail*.

RPC has received a peer review rating of pass.

The most recent on-site quality review, completed in June 2023, included a review of specific governmental engagements. A copy of the most recent external quality review report is included in the back of this proposal. (See Attachment).

6. We affirm that RPC is a voluntary member of the AICPA's Government Audit Quality Center. The Center's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. The Center also offers resources to enhance the quality of governmental audits.
7. RPC affirms that this proposal has not been made or prepared in collusion with any other vendor and the prices, terms, or conditions thereof have not been communicated by, or on behalf of, RPC to any other firm and will not be so communicated prior to the official receipt of this proposal.

Additional Information

Reports to Be Issued

We affirm that we will timely file all reports outlined in the Scope of Work to be Performed section of the *Request for Proposal* and referenced above, except for the Management Letter.

RPC does not issue a *Management Letter* regarding comments and recommendations. It is our policy to include any comments and recommendations in the *Communication with Those Charged with Governance at the Conclusion of the Audit* letter noted above.

We will review the audit reports with the Finance/Audit Committee or the full board, whichever you prefer. The presentation of the audit reports is a standard service we provide, which normally consists of reviewing the Independent Auditor's Opinion, Financial and Compliance Reports, and any other reports or documents provided.

In addition, we will inform our clients throughout the year of changes in accounting and auditing regulations.

We will also provide, at the conclusion of each audit, or upon management's request, any suggestions for improving accounting, management and recordkeeping procedures as we determine necessary.



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

☎ 517.323.7500

☎ 517.323.6346

Report on the Firm's System of Quality Control

June 6, 2023

To the Shareholders of Roslund Prestage & Company, PC 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 Roslund Prestage & Company, 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 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 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 a compliance audit under the single audit act.

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 Roslund Prestage & Company, 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*. Roslund Prestage & Company, PC has received a peer review rating of *pass*.

Maney Costeiran PC

EXHIBIT A - Preliminary Fieldwork Municipalities

The basic information needed to complete our preliminary fieldwork is shown below.

Please Note: All information requested below should be provided in electronic format (.pdf, .xls, or .doc) if available. The preferred format is shown in parenthesis. This listing is not intended to be a comprehensive list of all the information needed to complete our audit. Some items may not be applicable.

Please label the workpapers provided to us using the corresponding workpaper reference below. For example, signed bank reconciliations should be labeled "P3.a - Signed bank reconciliations". We have added the letter P in front of the labels to denote that the requests pertain to the Preliminary Fieldwork.

Workpaper Reference for Dropbox	Description of Item Needed	Uploaded to Dropbox Y/N/NA	Notes, if needed
Board Minutes			
P1.a	Board minutes for fiscal year to date		
Control and IT Reporting Forms			
P2.a	Updated Control Activities Forms for current FY (Word) (there are 5 of them, review last 3 columns)		
P2.b	Updated Financial Close Reporting Form for current FY (Word)		
P2.c	Updated Financial Reporting IT Controls Form for current FY (Word)		
	Please review and return these forms as applicable for the FY		
Bank Reconciliations			
P3.a	2 signed bank reconciliations and statements from November of FY (PDF)		
P3.b	List of any new bank/investment accounts that were opened during the FY		
P3.c	List of any bank/investment accounts closed during the FY		
Cash Receipts			
P4.a	Completed Revenue Stream Worksheet		
Disbursements			
	For the checks selected for testing, please provide the following:		
P5.a	Supporting documentation for the highlighted checks		
P5.b	GL report to trace checks to corresponding expense accounts		
Payroll			
	For the employees selected (from payroll register) for testing, please provide the following:		
P6.a	Approved time cards for employees selected		
P6.b	Approved rates of pay/contracts		
P6.c	Report that shows how gross pay is posted to corresponding expense accounts		
P6.d	Updated Employee Handbook		
P6.e	Updated Union Contract, if applicable		
Policies and Procedures			
P7.a	A copy of the following policies (Adobe .pdf): i. Capitalization ii. Fund balance iii. Investment iv. Credit card		
P7.b	A copy the following policies required under 2 CRF 200 (Adobe.pdf): i. Advanced Payments and Reimbursements ii. Allowable Costs iii. Conflict of Interest iv. Procurement		
Journal Entries			
P8.a	Support for the 5 journal entries selected (Adobe.pdf)		
Credit Cards			
P9.a	One credit card statement for the month of August of FY (Adobe.pdf)		
P9.b	Supporting documentation (invoices) for each item on the statement provided. (Adobe.pdf)		
Capital Outlay			
P10.a	Updated depreciation schedule if we do not maintain it for you		
P10.b	Support any additions during the FY		
P10.c	Support for any disposals during the FY		
Other			
P11.a	General legal counsel contact information		
P11.b	Preliminary SEFA with information up to the date of preliminary fieldwork		

EXHIBIT B - Financial Fieldwork Municipalities

The basic information needed to complete our audit is shown below.

Please Note: All information requested below should be provided in electronic format (.pdf, .xls, or .doc) if available. The preferred format is shown in parentheses. This listing is not intended to be a comprehensive list of all the information needed to complete our audit. Some items may not be applicable.

Please label the workpapers provided to us using the corresponding workpaper reference below. For example, bank statements and reconciliations should be labeled "F2.a – Bank statement xxx". We have added the letter F in front of the labels to denote that the requests pertain to the Financial Audit.

Workpaper Reference for Dropbox	Description of Item Needed	Uploaded to Dropbox Y/N/NA	Notes, if needed
Accounting Reports			
F1.a	A balanced general ledger for each fund that includes beginning balances, activity for the entire year, and ending balances. Also referred to as the annual general ledger. (Adobe .pdf)		
F1.b	Trial balance for each fund as of the end of the fiscal year. (Excel)		
F1.c	Check register listing all disbursements for the two months following the end of the fiscal year. (Excel)		
F1.d	Check register listing all disbursements for the entire fiscal year. (Excel)		
Assets			
F2.a	Bank statements and the related reconciliations for all bank accounts for the last month of the fiscal year. These bank reconciliations should agree with the corresponding general ledger account. Also provide bank statements for the month following the end of the fiscal year. (Adobe .pdf)		
F2.b	A schedule of investments held a year-end reconciled to the general ledger. This schedule should include a description of the type of investment, original cost, activity for the year, maturity date, and interest rates. (Adobe .pdf)		
F2.c	Investment statements and the related reconciliations (if applicable) for all investment accounts for the last month of the fiscal year. These investment reconciliations should agree with the corresponding general ledger account. Also provide investment statements for the month following the end of the fiscal year. (Adobe .pdf)		
F2.d	Detail of investments by type (i.e.: U.S. Agencies, Municipal Bonds, etc.), % of investments by type to total investments, maturity of investments by type in 5-year maturity increments, and the fair value measurement of investments by type (i.e.: Level 1, Level 2 or Level 3). (Excel – RPC will provide a template for this information).		
F2.e	A schedule calculating the FDIC insured & uninsured bank balances as of year-end. Please list each account and bank separately. A useful resource is listed here: www.fdic.gov/deposit/deposits/FactSheet.html		
F2.f	A schedule of all due from other governmental units at year-end reconciled to the general ledger. This schedule should include who the receivable is from, the related revenue account, and the amount. (Adobe.pdf)		
F2.g	A schedule of aged receivables at year-end reconciled to the general ledger. This schedule should include who the receivable is from, the related revenue account, the amount, and should be reported in categories that reflect time outstanding (0-30 days, 31-60 days, etc.). Also, please provide supporting documentation related to the receivable such as check stubs received after the fiscal year end date and / or billings prepared by management. We will also need to review receipts received during the two months immediately following the end of the fiscal year. (Adobe .pdf)		
F2.h	A schedule showing the calculation of the allowance for doubtful (uncollectable) accounts as of year-end (if applicable). (Excel)		
F2.i	A schedule of all prepaid expenditures as of year-end. Invoices supporting this asset should be available for our review. (Adobe .pdf)		
F2.j	A depreciation schedule as of end of the fiscal year. This schedule should list all capital assets owned (i.e. vehicles, buildings, equipment, etc.), dates purchased, original purchase price, prior year depreciation allowance, current year depreciation expense, and method of depreciation. This schedule should also identify all disposals for the year and related gains and losses. For purchases of individual capital assets in excess of \$1,000 please provide copies of the invoices or other supporting documentation. (Excel or Adobe .pdf)		
F2.k	A list of all assets that could be subject to impairment. (Excel or Adobe .pdf)		
F2.l	A list of all assets that have liens or encumbrances on them, have been pledged as collateral, or whose use is restricted in any way. (Adobe .pdf)		
F2.m	A schedule of all inventories on hand at year-end. This schedule should include a description of each item, the quantity, and the related cost. (Excel)		
Liabilities			
F3.a	A schedule of due to other governmental units and accounts payable at year-end reconciled to the general ledger. These schedules should include the payee, the amount, and the related expenditure account. Invoices supporting this liability should be available for our review. We will also need to review invoices paid during the two months immediately following the end of the fiscal year. (Excel)		

F3.b	A schedule of all other liabilities owed by you at year-end reconciled to the general ledger. This schedule should include the payee, amount due, interest rate, and other related information. (Adobe .pdf)	
F3.c	Loan agreements for new long-term liabilities that were established during the fiscal year. (Adobe .pdf)	
F3.d	A schedule of all leases/SBITA contracts as of year-end, as well as copies of related agreements, lease/purchase agreements, rental agreements, subscription agreements etc. (Adobe .pdf)	
Payroll		
F4.a	Copies of the 941 forms for each quarter of the fiscal year end. (Adobe .pdf)	
F4.b	A schedule of IRS Section 125 deductions detailing the deductions that are not subject to Medicare Tax. (Adobe .pdf)	
F4.c	A compensated absences list with the PTO balance due as of year-end. (Excel)	
F4.d	A termination benefits list with the outstanding liability due as of year-end. Explanation: Termination benefits are a form of compensation provided to employees when their employment is terminated before their normal retirement date. If the entity has this liability as of fiscal year end, please provide the listing noted above. (Excel)	
F4.e	For the pay period that spans the end of the fiscal year, provide the number of days included accrued salaries and wages liabilities as of year end. For example, 5 of 14 day pay period were accrued as a liability at year end.	
F4.f	A copy of any recent amendments to existing retirement or other post-employment benefit (OPEB) plans (defined benefit or defined contribution), or plan documents for any newly adopted retirement or OPEB plans. (Adobe .pdf)	
F4.g	For employers with defined contribution retirement plans: <ul style="list-style-type: none"> o Need schedule of employee and employer contributions made into each defined contribution plan during the fiscal year. Also, list amounts of forfeitures that were used to reduce employer contributions. o Amount payable to the plan as of year-end. o SOC 1, Type II report. 	
F4.h	For employers with single employer defined benefit pension retirement plans: <ul style="list-style-type: none"> o Need GASB 68 workbook calculating net pension liability and related deferrals. o Need most recent Actuarial Valuation Report. o Need reconciliation of aggregate census data (such as number of members and pensionable wages reported in the census data file) to amounts shown in latest actuarial valuation report. 	
F4.i	For employers with agent multiple-employer defined benefit pension retirement plans: <ul style="list-style-type: none"> o Need GASB 68 workbook calculating net pension liability and related deferrals. o Need most recent Actuarial Valuation Report. o Need separate valuation report addressed to the employer that provides employer-specific amounts for the total pension liability, pension expense, deferred inflows of resources, deferred outflows of resources, and other information necessary to meet pension disclosures. This may be already included in the Actuarial Valuation Report and labeled as "GASB 68 Information". o Need Statement of Fiduciary Net Position for the most recent plan year end. o Need audit of plan as a whole (i.e. for MERS copy of their Comprehensive Annual Financial Report or CAFR). o Need Service Organization Control (SOC 1, Type II) report on the census data maintained by the system issued by the retirement system auditor. o Need list of payments made to the plan, including dates and amounts, and related support. o Need reconciliation of aggregate census data (such as number of members and pensionable wages reported in the census data file) to amounts shown in latest actuarial valuation report. 	
F4.j	For employers with cost-sharing multiple-employer defined benefit pension retirement plans: <ul style="list-style-type: none"> o Need GASB 68 workbook calculating net pension liability and related deferrals. o Need most recent Actuarial Valuation Report. o Need audit of plan as a whole (i.e. audit report for county pension plan). o Need Opinion on employer's allocation percentage and proportionate share of the plan's net pension liability, pension expense, deferred inflows of resources, and deferred outflows of resources issued by the pension plan's auditor. o Need list of payments made to the plan, including dates and amounts, and related support. 	
F4.k	For employers with defined contribution other post-employment benefit (OPEB) retirement plans: <ul style="list-style-type: none"> o Need schedule of employee and employer contributions made into each defined contribution plan during the fiscal year. Also, list amounts of forfeitures that were used to reduce employer contributions. o Amount payable to the plan as of year-end. o SOC 1, Type II report. 	
F4.l	For employers with defined benefit other post-employment benefit (OPEB) retirement plans: <ul style="list-style-type: none"> o Need GASB 75 workbook calculating net OPEB liability and related deferrals. o Need most recent Actuarial Valuation Report. o Most recent Actuarial Valuation report, or Interim Disclosure of Other Post-Employment Benefits (OPEBs) under GASB Statement No. 75 (if the Actuarial Valuation was not completed within the last year). o Need list of payments made to the plan, including dates and amounts, and related support. 	

- o Need reconciliation of aggregate census data (such as number of members and pensionable wages reported in the census data file) to amounts shown in latest actuarial valuation report.

Revenues

- F5.a Schedule of *Unearned Revenue* as of fiscal year end. (Excel)
- F5.b Information supporting property tax revenues (valuations, millage rates, worksheets, etc.) applicable to the current fiscal year (i.e. signed copy of the winter "Certification of Assessing Officer Authenticating Copy of Tax Roll"). (Adobe .pdf)
- F5.c A schedule of Due From / Due To Other Funds (if applicable). Due From Other Funds should agree with Due To Other Funds and both should reconcile to the general ledger. (Excel)
- F5.d Copy of the Property Tax Settlement report applicable to the current fiscal year. (Adobe.pdf)
- F5.e Copy of the Tax Rate Request Form (L-4029) applicable to the current fiscal year. (Adobe .pdf)
- F5.f Tax abatement schedule. (Excel)
- F5.g Copy of State revenue check stubs received during the year and the month following year end. (Adobe .pdf)
- F5.h A schedule of Transfers Between Funds (if applicable). Transfers in should agree with transfers out and both should reconcile to the general ledger. (Excel)
- F5.i Schedule of federal expenses by Assistance Listing Number (previously known as CFDA number) reconciled to the trial balance (if applicable). The schedule of federal expenses provided should agree to the federal revenues recognized on the trial balance.
- o If federal expenses detailed in the schedule above are not over \$750,000, no additional information is required.
 - o The schedule should include the following information:
 - § Originating grantor (federal agency)
 - § If grant is not received directly from the Grant Originator (above), list the pass-through entity from whom the grant was received.
 - § Grant name
 - § Assistance Listing Number (previously known as the CFDA number)
 - § Grant/Project number
 - § Total federal expenditures
 - § Amounts provided to subrecipients
- F5.j List of lease agreements for which the CMHSP is the lessor along with agreement support. (Excel or Adobe .pdf)

Board Matters

- F6.a List of board members as of year-end, including addresses. (Word)
- F6.b An original and final budget approved by the board as of the end of the fiscal year. The original budget should be approved before the beginning of the fiscal year. The final budget should be approved before the end of the fiscal year. These budgets should be in a format similar to the audit report. (Excel)
- F6.c Board minutes, if not previously provided, for the entire fiscal year plus the two months following the end of the fiscal year. (Adobe .pdf)
- F6.d List of assigned/committed fund balance amounts as of fiscal year end. (Excel or Adobe .pdf)

General

- F7.a Correspondence from the State of Michigan or any other regulatory, oversight, or funding agency including any reports issued as a result of their audit or review of your records. (Adobe .pdf)
- F7.b If a minimum fund balance policy exists, please provide minimum fund balance calculation.
- F7.c Notify us if there were findings and recommendations from previous audits, attestation engagements, or other studies that directly relate to the objectives of the financial audit and whether the recommendations have been implemented. (Word)
- F7.d If you are self-insured for any risk, please provide copies of 1) the insurance policy that includes the stop-loss coverage, 2) computation of the related incurred but not reported (IBNR) liability, 3) copies of related invoices for the fiscal year, and 4) copies of the claims data for the fiscal year.

Requests Subsequent to Fieldwork

- F8.a Final trial balance including all adjusting entries made after we received the trial balance for audit.
- F8.a Management's Discussion and Analysis as required by GASB #34. (Word)

ATTACHMENT B

**VILLAGE OF LEXINGTON
RFP PROFESSIONAL AUDITING SERVICES**

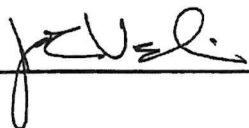
**SCHEDULE OF PROFESSIONAL FEES FOR THE AUDIT OF THE 2025, 2026, 2027, 2028, 2029,
FINANCIAL STATEMENTS**

	06/30/2025	06/30/2026	06/30/2027	06/30/2028	06/30/2029
Audit Services	\$ 20,640	\$ 21,200	\$ 21,800	\$ 22,400	\$ 23,000
Single Audit	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Preparing the financial report	\$ Included	\$ Included	\$ Included	\$ Included	\$ Included
TOTAL (NOT TO EXCEED)	\$ 26,640	\$ 27,200	\$ 27,800	\$ 28,400	\$ 29,000

	Hours		Hourly Rate		Total Audit Fee 06/30/2025
Partners	16	X	\$ 295	=	\$ 4,720
Managers	24	X	\$ 205	=	\$ 4,920
Supervisory Staff		X	\$	=	\$
Staff	88	X	\$ 125	=	\$ 11,000
Other (specify):		X	\$	=	\$
GRAND TOTAL (NOT TO EXCEED)					\$20,640 (without single audit)

CONTACT INFORMATION

Representative's Name Joe Verlin, CPA, CGFM **Date** 3/13/2025

Signature 

Email: Jverlin@gabridgeco.com

Company Gabridge & Company, PLC

Address 3940 Peninsular Drive SE, Suite 200 Grand Rapids, MI 49546

Telephone 616 538 7100

A PROPOSAL FOR FINANCIAL AUDIT SERVICES

For the Years Ending June 30, 2025 through 2027

Village of Lexington

Submitted by

GABRIDGE & CO.
WEALTH ADVISORS / CERTIFIED PUBLIC ACCOUNTANTS / CONSULTANTS

Joe Verlin, CPA, CGFM
3940 Peninsular Drive SE, Suite 200
Grand Rapids, MI 49546
Ph | (616) 328-6275
JVerlin@Gabridgeco.com

March 13, 2025

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Audit Scope

Gabridge & Company, PLC will audit and provide an opinion on the Village of Lexington's (the "Village") basic financial statements.

The auditing procedures will be performed, and the reports will be prepared in accordance with:

- Generally Accepted Auditing Standards (GAAS), as promulgated by the American Institute of Certified Public Accountants (AICPA).
- The AICPA Audit and Accounting Guide for State and Local Government Units.
- Government Auditing Standards, issued by the Comptroller General of the United States.
- The Uniform Guidance and Single Audit Act Amendments of 1996 (if applicable).
- Any other applicable standards required by the State of Michigan and Federal regulations, including those issued by the Government Accounting Standards Board (GASB).

We will guarantee retention and access to working papers for a minimum of five years, in compliance with the Village's requirements. All data, files, and reports will be safeguarded throughout the engagement.

Deliverables

The following reports and documents will be prepared and submitted to the Village:

- Independent Auditor's Report
- A report on internal control over financial reporting in accordance with Government Auditing Standards. This report will also include testing for compliance with applicable laws, regulations, contracts, and grant agreements. This will include internal control findings, recommendations for improvements, and any identified deficiencies. This letter will be reviewed with the Village Treasurer and President prior to finalization.
- If a Single Audit is required due to federal grant receipts, a report on the Schedule of Expenditures of Federal Awards (SEFA) and a report on compliance with federal requirements will be provided. This will adhere to OMB Uniform Guidance standards.
- Management Letter
- Required reports and schedules, including the F65 Report, Act 51 Report, qualifying statement, and other state or federally mandated deliverables.
- Year-end Audit Adjustments and Supporting Documentation
- Fixed asset depreciation lapse schedules (if applicable).

Reporting and Filing

Final financial statements and related reports will be provided as per the Village's audit calendar as stated in the audit approach section below.

Bound copies and an electronic PDF copy of the financial statement will be provided.

Audit reports will be submitted to the Michigan Department of Treasury and uploaded to the Federal Audit Clearinghouse (if applicable).

All deliverables will be prepared to meet the deadlines specified by the Village, including submission of draft reports in June and finalized, bound reports in July.

The Firm is committed to maintaining the highest level of professionalism and responsiveness throughout this engagement.

Authorized Contact

Joe Verlin, CPA, CGFM

Principal in Charge - Audit Services
3940 Peninsular Drive SE, Suite 200
Grand Rapids, MI 49546
Ph | (616) 328-6275

We warrant that Joe Verlin is authorized to bind Gabridge & Company, PLC to the terms set forth in this proposal.

Proposed Audit Fees

VILLAGE OF LEXINGTON

Proposed Audit Fees

For the Period Ending June 30, 2025

PRELIMINARY		Planning Hours	Field Work Hours	Report Prep Hours	Total Hours	Hourly Rate	Fee
	Partner in charge	4	-	-	4	\$ 295	\$ 1,180
	Senior Staff	24	-	-	24	125	3,000
Total		28	-	-	28		\$ 4,180
FINAL		Planning Hours	Field Work Hours	Report Prep Hours	Total Hours	Hourly Rate	* Fee
	Partner in charge	-	4	8	12	\$ 295	\$ 3,540
	Audit Manager	-	16	8	24	205	4,920
	Senior Staff	-	40	24	64	125	8,000
Total		-	60	40	100		\$ 16,460
TOTALS		28	60	40	128		\$ 20,640

Year Ending June 30, 2025	\$ 20,640	- Not to exceed
Year Ending June 30, 2026	\$ 21,200	- Not to exceed
Year Ending June 30, 2027	\$ 21,800	- Not to exceed
Year Ending June 30, 2028	\$ 22,400	- Not to exceed (optional extension)
Year Ending June 30, 2029	\$ 23,000	- Not to exceed (optional extension)

* Notes regarding the proposed fees are as follows:

- Fee would increase by \$6,000 for any year(s) requiring a federal single audit report.
- Bound copies of the audit report are provided, upon request, and would be invoiced separately based on the number of copies requested (approximately \$17.50 per bound copy).
- Out of pocket expenses would be charged for travel-related expenses (no out-of-pocket charges would apply for a remote audit and presentation).

Firm Qualifications and Experience

Gabridge & Company currently has over 270 governmental and non-profit audit clients throughout the State of Michigan. We also have 30 employees, including fifteen full-time governmental audit professionals. Gabridge & Company actively recruits prospective governmental audit staff members by seeking only individuals who are committed to serving our clients with integrity; while also being committed to becoming industry experts and providing proactive customer service. Gabridge & Company has offices located in Traverse City, Sturgis, Three Rivers, and Grand Rapids. Gabridge & Company will assign only accountants with extensive governmental experience to the audit of the Village, including a principal in charge and an independent review principal. Joe Verlin (Principal in Charge of Audit Services) will be assigned full-time to the audit and will remain the primary contact for the Village for the duration of the engagement term(s). Gabridge & Company is a member of the Michigan Association of Certified Public Accountants, the American Institute of Certified Public Accountants, the Governmental Audit Quality Center, the Michigan Municipal League and the Michigan Local Government Association.

Gabridge & Company is dedicated to serving municipal clients. We offer newsletters, webinars, and conferences at no charge to provide our clients with timely updates and best practices for the rapidly changing governmental financial regulations. We advise our clients before, during, and after the audit – and strive to be much more than what you would expect from your auditor.

Our firm has not been involved with any state or federal desk reviews or field reviews of its audits. Additionally, our firm has not been involved with any disciplinary action taken by state regulatory bodies or professional organizations. Our firm will also follow the American Institute of Certified Public Accountants "Interpretation 501-3, Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits." Our firm will not subcontract any of the auditing services included in this proposal.

Our proposal will remain valid for 120 days past the deadline for submittal.

We warrant that all information provided in connection with this proposal is true and accurate to the best of our knowledge.

Team Qualifications and Experience

PRINCIPALS

Joseph Verlin, CPA, CGFM

Principal in Charge - Audit Services

Education

BA, Accounting
Ferris State University

Memberships

American Institute of Certified Public Accountants (AICPA)
Michigan Association of Certified Public Accountants (MICPA)
Michigan Municipal League
Michigan Local Government Management Association
AICPA Governmental Audit Quality Center
Association of Government Accountants (AGA)
Government Finance Officers Association (GFOA)

Committees

Co-Chair: MICPA Governmental Accounting and Auditing Task Force
President: West Michigan Chapter of the Association of Governmental Accountants

Recent Speaking Engagements

MICPA sponsored governmental auditing conferences
Internal Controls for Local Units of Government
Improving Audit Timelines
Implementing GASB 54, 63 & 65
Single Audit Update
Preventing Fraud, Waste and Abuse
AGA sponsored governmental accounting event
Implementing GASB 63 and 65

Joe will serve as the engagement principal with responsibility for planning and technical execution of all of Gabridge & Company's services. Joe will ensure appropriate levels of staffing for your engagement, monitor your satisfaction, and manage regular communication with your executive leadership and Audit Committee. Joe currently serves as the engagement executive or independent review partner on over 75 of our firm's audit clients.

Joe is certified to practice public accounting in Michigan. Joe is also a **Certified Government Financial Manager** (CGFM), has earned the **Advanced Single Audit certification** from the AICPA, and is a member of the Government Finance Officers Association's (GFOA) Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting Program.

AUDIT TEAM MEMBERS

Andrew Wilcoxon, CPA, CGFM Independent Reviewer

With over eight years of experience specializing in governmental and nonprofit audits, Andrew is a senior auditor with extensive expertise in providing assurance services to local units of government across Michigan. His work spans a wide variety of governmental entities, including townships, counties, cities, villages, and school districts, ensuring clients meet all relevant financial and regulatory standards.

Education

Bachelor of Science in Public Accountancy
Grand Valley State University

Memberships

Michigan Association of Certified Public Accountants (MICPA)
AICPA Governmental Audit Quality Center

Key Qualifications and Experience

- **Over 8 Years of Specialization in Governmental and Nonprofit Audits:** Andrew has dedicated his career to performing audits exclusively for governmental entities and nonprofits, ensuring full compliance with GAAP, GASB, Yellow Book, and federal/state regulations.
- **Comprehensive Audit Involvement:** Andrew plays an active role in all audit phases, from planning and risk assessment to final reporting. His focus on quality and attention to detail ensures accurate, compliant financial reporting for each engagement.
- **Client-Focused Reporting:** He presents financial statements and audit findings to governing boards, helping clients strengthen internal controls and improve financial practices through actionable recommendations.
- **Leadership & Mentorship:** Andrew collaborates with audit teams, guides junior staff, and maintains strong communication with both clients and supervisors, ensuring smooth and effective audit processes.

Matt Holland
Audit Manager

With 12 years of experience in governmental and nonprofit audits, Matt Holland serves as an audit manager at Gabridge & Company, PLC. His comprehensive expertise spans local units of government, nonprofit organizations, and other public entities across Michigan. As a manager, Matt oversees all aspects of assurance engagements, ensuring the highest standards of audit quality, client service, and compliance with regulatory requirements.

Education

Bachelor of Science in Public Accountancy
Calvin College, Grand Rapids, MI

Memberships

Michigan Association of Certified Public Accountants (MICPA)
AICPA Governmental Audit Quality Center

Key Qualifications and Experience

- **12 Years of Specialization in Governmental and Nonprofit Audits:** Matt has spent his entire career specializing in audits for governmental entities and nonprofits, making him proficient in adhering to GAAP, GASB, Yellow Book, and Uniform Guidance standards.
- **Audit Leadership & Project Management:** As an audit manager, Matt leads audit teams through all stages of the audit, from planning and risk assessment to the execution of testing and final reporting. He ensures audit projects are completed on time, within scope, and meet all quality standards.
- **Client-Centered Focus:** Matt is dedicated to understanding his clients' unique challenges and delivering tailored audit solutions. He presents audit findings and reports to governing boards, offering actionable recommendations to enhance financial controls and operational efficiency.
- **Internal Control & Compliance Expertise:** Matt ensures rigorous testing of internal controls, performs substantive testing, and guarantees that financial statements meet the requirements of federal, state, and local regulations. He also advises on best practices to improve budgeting, forecasting, and financial management.
- **Team Development & Mentorship:** Matt plays an active role in developing junior staff, providing training and mentorship to ensure the firm's high standards are maintained across all audit engagements.
- **Regulatory Filing & Reporting:** He is experienced in preparing and submitting critical governmental financial reports such as APR, Qualifying Statements, F-65, and Pension Reporting Form 5572, ensuring clients remain compliant with regulatory filing requirements.

Lauren Wenneman, CPA, CGFM
Senior Associate

With over eight years of experience specializing in governmental and nonprofit audits, Lauren provides expert assurance services to local units of government across Michigan. As a senior associate, she is instrumental in delivering high-quality, compliant audit engagements that help clients strengthen their financial practices and meet regulatory standards.

Education

Bachelor of Science in Public Accountancy
Michigan State University

Memberships

Michigan Association of Certified Public Accountants (MICPA)
AICPA Governmental Audit Quality Center

Key Qualifications and Experience

- **Over 8 Years of Specialization in Governmental and Nonprofit Audits:** The majority of Lauren's career has been focused on audits for governmental entities and nonprofits, making her highly skilled in navigating the specific accounting standards and compliance requirements for these sectors.
- **Comprehensive Audit Services:** From planning and risk assessment to final reporting, Lauren is involved in every stage of the audit process. Her attention to detail and technical expertise ensure thorough and efficient audit engagements.
- **Internal Control & Compliance Testing Expertise:** Lauren performs rigorous internal control testing and substantive procedures to ensure accurate, compliant financial reporting, while identifying areas for improvement.
- **Client-Focused Reporting:** She presents audit findings and tailored recommendations to governing boards, helping clients strengthen their internal controls and financial management.
- **Leadership & Team Development:** Lauren leads field teams, mentors junior auditors, and ensures that audit engagements are delivered on time and with the highest quality standards.

Other Services

Gabridge & Company, PLC is able to provide consulting services to its clients throughout the year. We feel that it is important to interact with our clients throughout the year, especially with the rapidly changing governmental accounting pronouncements. We find that these proactive discussions will ultimately reduce the upcoming audit workload for both our firm, and more importantly, the staff of the Village. Joe Verlin will be your primary contact throughout the year to ensure continuity.

Our consulting services include (but are not limited to); assistance with accounting software, budgeting, general accounting questions, human resource consulting, financial reporting, internal control, grant compliance, implementation and assistance to the Village with any new accounting principles required by GASB, or as required by State or Federal Law, etc. Our customer service policy allows us to handle our audit clients informal questions and consultations throughout the year without additional billings, unless the scope of the consultation becomes a project in nature. In these cases, our consulting projects will be documented in an engagement letter that will set forth the timing, scope and related fees.

Licensed to Practice in Michigan

Gabridge & Company is a CPA firm actively registered to practice public accounting in the State of Michigan. Also, all assigned CPA's from Gabridge & Company are properly registered and licensed to practice in public accounting in Michigan.

Independence and Conflict of Interest

Gabridge & Company, PLC is independent of the Village as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards (2018 revision). Gabridge & Company is also independent of all component units of the Village, as defined by the aforementioned standards. Gabridge & Company has had no professional relationships involving the Village or any of its agencies, component units or primary governments during the past five years that would impair independence. Lastly, Gabridge & Company will give the Village written notice of any professional relationship entered into with the Village, or any of its agencies, component units or primary governments during the period of this agreement.

We warrant that no work included within this proposal will be subcontracted by Gabridge & Company, PLC.

Similar Engagements

Following is a list of similar engagements with other governmental entities in the State of Michigan:

Village of Beulah

Scope of Work – Governmental Financial Audit
Principal in Charge – Joe Verlin
Contact – Margaret Lumm, Village Treasurer
Phone – (231) 882.4451

Village of Elk Rapids

Scope of Work – Governmental Financial Audit
Principal in Charge – Joe Verlin
Contact – Kristine Davis, Village Treasurer
Phone – (231) 264.9274

Township of Grattan

Scope of Work – Governmental Financial Audit
Principal in Charge – Joe Verlin
Contact – Michelle Alberts, Township Clerk
Phone – (616) 691.8450

Charter Township of Lowell

Scope of Work – Governmental Financial Audit
Principal in Charge – Joe Verlin
Contact – Monica Burt, CMC Township Clerk
Phone – (616) 897.7600

City of Boyne City

Scope of Work – Governmental Financial Audit and GFOA Submission
Principal in Charge – Joe Verlin
Contact – Michael Cain, City Manager
Phone – (231) 582.0334

Village of Empire

Scope of Work – Financial Statement Audit Report
Principal in Charge – Joe Verlin
Contact – Derith Smith, Village Clerk
Phone – (231) 326-5466

Further references are available upon request.

Following is a list of all Michigan governmental and nonprofit clients for which our firm has performed an audit for during the past five years:

Townships	Villages	Other
Township of Adams	Village of Ashley	Alger Conservation District
Township of Algansee	Village of Bellevue	Barry County Transit
Township of Allegan	Village of Benzonia	Bear Lake Improvement Board
Township of Arcadia	Village of Beulah	Branch Area Transit Authority
Township of Bear Lake	Village of Burr Oak	Bronson Area Fire Association
Township of Beaver Creek	Village of Calumet	Calhoun County Cons. Dispatch Authority
Township of Bedford	Village of Colon	Cass County Conservation District
Township of Bingham	Village of Constantine	Cass County Transit Authority
Township of Blue Lake	Village of Decatur	CCE Central Dispatch Authority
Township of Boyne Valley	Village of Detour	Cedar Area Fire and Rescue
Township of California	Village of Eastlake	Central Upper Peninsula Planning and Dev. Com.
Township of Centerville	Village of Elk Rapids	Coloma City-Charter Township of Coloma Cem.
Township of Cheshire	Village of Empire	Colon Fire and Rescue
Township of Constantine	Village of Fowler	Delta Area Transit
Township of Covert	Village of Honor	Fife Lake Area Utility Authority
Township of Detour	Village of Lyons	Firekeepers Local Revenue Sharing Board
Township of Drummond Island	Village of Maple Rapids	Iron Baraga Conservation District
Township of Evangeline	Village of Mendon	Jordan Valley Emergency Med. Svcs. Auth.
Township of Everett	Village of Morrice	Kalamazoo Conservation District
Township of Fawn River	Village of Muir	Kalamazoo River Watershed Council
Township of Florence	Village of Ontonagon	Kent County Conservation District
Township of Garfield	Village of Oxford	Lake Leelanau Lake Association
Township of Gilmore	Village of Perrinton	Ludington Mass Transit Authority
Township of Grattan	Village of Pewamo	Manistee 9-1-1 Authority
Township of Hagar	Village of Romeo	Manistee-Blacker Airport Authority
Township of Hartford	Village of Thompsonville	Marshall Area Fire Fighters Ambulance Authority
Township of Holton	Village of Turner	Mason-Oceana 9-1-1
Township of Howell	Village of Webberville	Match-E-Be-Nash-She-Wish Rev. Shg. Board
Township of Ingham	Village of White Pigeon	Mendon Downtown Development Authority
Township of Inverness		Michigan Native American Heritage Fund Board
Township of Kasson		Mid-Michigan Area Cable Comm. Consortium
Township of LaGrange	Cities	Muskegon Conservation District
Township of Leonidas	City of Auburn	Newaygo County Area Promise Zone Authority
Township of Manistee	City of Boyne City	North Berrien Fire Rescue Board
Township of Melrose	City of Bridgman	Oceana County Medical Care Facility
Township of Mottville	City of Bronson	Owosso Downtown Development Authority
Township of Mullett	City of Cadillac	Pokagon Band Local Revenue Sharing Board
Township of Nottawa	City of Cheboygan	Portland Area Fire Authority
Township of Otisco	City of Flushing	Schoolcraft County Transit
Township of Pentwater	City of Hillsdale	St. Joseph Conservation District
Township of Pleasanton	City of Hudsonville	St. Joseph County Transportation Authority
Township of Raber	City of Laingsburg	Straits Regional Ride
Township of Salem	City of Litchfield	Sturgis Downtown Development Authority
Township of Sherman	City of Marshall	Thornapple Manor
Township of Stronach	City of Menominee	VanBuren Conservation District
Township of Sturgis	City of Milan	Washtenaw County Conservation District
Township of Thomas	City of New Baltimore	West Michigan Regional Planning Commission
Township of Tuscarora	City of New Buffalo	Western U.P. Planning & Development Commission
Township of Tyrone	City of Olivet	White Cloud-Sherman Utilities Authority
Township of Union	City of Owosso	White Lake Ambulance Authority
Township of Vevay	City of Reading	White Pigeon Sanitary System
Township of Whitefish	City of Springfield	
Township of Wilson	City of Sturgis	
	City of White Cloud	

Continued...

Counties

Allegan County
 Barry County
 Cheboygan County
 Crawford County
 Emmet County
 Gogebic County
 Manistee County
 Missaukee County
 Montcalm County
 Oceana County
 St. Joseph County
 Tuscola County

Nonprofits

Another Way Pregnancy Center
 Alano Club of Kent County
 Association of Legal Writing Directors
 Big Brothers Big Sisters
 Choices of Manistee County
 Clinton Gratiot Habitat for Humanity
 Communities in Schools of MI
 Community Action of Allegan County
 Habitat for Humanity of St. Joseph
 Marshall Area Economic Dev. Alliance
 MI Association of Conservation Districts
 Real Life Living Service
 Senior Services of Van Buren County
 Siren / Eaton Shelter
 St. Joseph County Grange Fair
 St. Joseph County United Way
 Staircase Youth Services
 Sturgis Community Foundation
 The Ridge Project

Charter Townships

Charter Township of Breitung
 Charter Township of Coloma
 Charter Township of Gun Plain
 Charter Township of Lowell
 Charter Township of Marquette
 Charter Township of Muskegon
 Charter Township of Niles
 Charter Township of Oscoda

Schools

Arbor Academy
 Augusta Academy
 Bessemer Area Schools
 Caledonia Community Schools
 Colon Community Schools
 Columbia School District
 Constantine Public Schools
 Delton Kellogg Schools
 Evergreen Academy
 Forest Academy
 Gladstone Area Schools
 Grass Lake Community Schools
 Manistee Area Public Schools
 Marcellus Community Schools
 Mendon Community Schools
 Michigan Center School District
 North Adams-Jerome Public Schools
 Nottawa Community Schools
 St. Joseph County ISD
 The Children's House
 Waldron Area Schools
 White Pigeon Community Schools
 William C. Abney Academy
 Woodland School

Libraries

Albion District Library
 Brandon Township Public Library
 Briggs District Library
 Cheboygan Area Public Library
 Clarkston Independence District Library
 Coopersville Area District Library
 Crooked Tree District Library
 Eaton Rapids Area District Library
 Eau Claire District Library
 Ferndale Area District Library
 Fraser Public Library
 Freemont Area District Library
 Galesburg-Charleston District Library
 Galien Township District Library
 Grant Area District Library
 Grosse Pointe Public Library
 Hartford Library
 Kalamazoo Public Library
 Lakeland Library Cooperative
 Manistee County Library
 Maple Rapids Public Library
 Marshall District Library
 Newaygo Area District Library
 Nottawa Township Library
 Otsego District Library
 Parchment Community Library
 Salem South Lyon District Library
 Sturgis District Library
 Watervliet District Library
 White Cloud Community Library
 White Pigeon Township Library

Continuing Education and External Quality Control Review

Continuing Education

Gabridge & Company, PLC and its professional staff members meet all continuing education and external quality control requirements as stated in the U.S. General Accounting Office's Government Auditing Standards (2024 revision).

External Quality Control Review

Included with this proposal is Gabridge & Company's most recent external quality control review (peer review) for which government engagements were included. The peer review is for the period ended June 30, 2021. Our firm continues to meet the external quality control review requirements by actively monitoring our staff member's continuing education and training (through frequent staff meetings, attending pertinent governmental conferences, and self-study courses focused on governmental accounting and auditing), participating in governmental associations, and internal inspections of audit files by partners not involved with the audit.

Quality Control Procedures

Some examples of our quality control procedures include:

- Draft versions of audit reports are reviewed by an independent review principal who was not involved with the audit.
- Our audit teams are trained prior to their arrival for fieldwork to ensure audit efficiency and that you will not need to "train the auditor".
- An audit manager or the principal in charge of the audit will be on-site at all times during fieldwork to ensure that a properly trained decision-maker will be available throughout fieldwork.
- The principal in charge of each audit reviews the audit report and related letters with the client prior to finalizing.

Specific Audit Approach

Our goal is to provide a thorough and quality audit with as little disruption to our clients as possible. We achieve this by emphasizing planning procedures and having audit team members who specialize in governmental audit. For example, prior to our arrival for fieldwork, we will already have a working set of financial statements loaded into our proprietary software and will have identified the audit areas that we feel need to be emphasized in the field. We will know precisely what we need to look at prior to our arrival – this focused approach minimizes disruption to your staff while we are in the field. Also, our staff is made up of employees who specialize in governmental audit and who are fully dedicated to auditing governmental agencies. In other words, our clients will not need to "train the auditors".

Interim Fieldwork and Audit Planning

During the interim fieldwork and audit planning phase, we gain an understanding of your current year operations, evaluate the reliability of your internal controls, identify any issues that may have audit significance, and complete planning in preparation for final audit fieldwork. Based on the information that we obtain during this phase, we can determine your general areas of audit risk, the extent to which we can rely on your internal controls for our audit testing, and whether any significant audit issues need to be discussed so they can be resolved prior to the start of fieldwork. Some of the areas addressed at this time include documentation of internal controls, preparation of confirmations as necessary, review of minutes, completion of the preliminary analytical procedures review, and tailoring the current year audit work programs.

Final Fieldwork

As we complete our interim fieldwork and engagement planning, you will be provided with a listing of audit schedules required for final fieldwork. Many of the schedules will be similar to what you have prepared for previous audits and may be provided to us in an electronic format. The final fieldwork phase of the audit will generally commence once the books are closed and the appropriate audit schedules have been completed. During this phase, we will perform the appropriate tests of account balances, using sampling, substantive, and analytical review procedures, in order to form an opinion on the financial statements as a whole.

Areas that we will test using substantive procedures include (not intended to be an all-inclusive list):

Cash and cash equivalents – we will inspect bank account reconciliations and prepare bank account confirmations to ensure that the balances agree to the financial statements.

Accounts receivable – we will test certain balances by using a combination of analytical procedures and tracing year end balances to subsequent receipts.

Interfund transactions – we will review the schedule of interfund transfers and balances to ensure that all entries are reconciled and eliminated properly for government-wide presentation.

Capital assets – we will obtain a depreciation lapse schedule and verify key additions by inspecting vouchers, while also testing the adequacy of depreciation expense.

Accounts payable – we will obtain a year end accounts payable aging report and test for accuracy by inspecting certain vouchers. We will also review subsequent expenditures (after year end) searching for possible unrecorded liabilities as of year-end.

Accrued payroll – We will obtain payroll registers for payrolls issued after year end and compare to the schedule of accrued salaries and wages. We will also test the year end balances for payroll taxes by tracing year end liabilities to their payments, while comparing to payroll forms.

Compensated absences – We will obtain a year end value of compensated absences and validate the balance by comparing to the employee handbook and / or union contracts.

Long-term debt – We will obtain a year end schedule of long-term debt and verify the accuracy of the current portion of long-term debt by reviewing amortization schedules. We will also confirm certain balances by inspecting vouchers or sending confirmations to lenders.

Equity – We will ensure that the beginning fund balance and net assets amounts agree to the prior year ending balances.

Property Taxes – We will examine taxable values and the Village's millages to ensure that the tax revenues are properly supported and allocated to the proper funds.

State and Federal Grants – We will compare state and federal grant revenues and substantiate the activity with Treasury reports and grant documents. We will also review federal grant and loan activity verifying consistency between the financial statements and the Schedule of Expenditures of Federal Awards (if applicable).

Type and Extent of Statistical Sampling to be Used in the Engagement

Statistical sampling will be used extensively during field work to assist with our testing procedures. Sample size will be based primarily on the level of risk assigned to a given financial statement assertion, the potential magnitude of misstatement, the potential for non-compliance, and other factors based on our professional judgment. Most often the range of our sample size is between 25 and 40 items. We affirm that adequate tests of transactions will be performed.

Type and Extent of Analytical Procedures to be Used in the Engagement

Analytical procedures also will be used extensively during our planning and final fieldwork stages. We will rely on our analytical procedures to determine what areas may need additional attention based on the size of deviation from our expectations. Analytical procedures will be applied using key ratios compared to budget and historical figures. Areas with large "gaps" between actual and expected amounts will receive additional attention in the field, and the results of the extra attention will be documented and substantiated. Lastly, during field work we will gather sufficient audit documentation, clear all open items, complete our audit programs, and our quality control documents will be completed and reviewed.

Approach to be Taken to Document an Understanding of Internal Controls

As auditors for a significant number of governmental units, we have a good understanding of the significant areas of internal control that need to be tested and documented. We have tailored client questionnaires for each significant transaction class that allow our clients to review and document any changes in procedures in a timely and efficient manner. We then review the questionnaires and utilize them as a base for documenting our related tests and walkthroughs.

Approach to Determining Laws and Regulations that will be Subject to Audit Test Work

We have accumulated an extensive list of the significant laws and regulations that apply to governmental entities. Each year we review that list in relation to new State, Federal, and industry guidelines and make modifications as appropriate. During fieldwork, the list is reviewed with client personnel to ensure compliance with the identified laws and regulations.

Approach to Obtaining the Trial Balance and Incorporating it into the Audit Workpapers and Preparing the Reports

We will request an electronic version of the trial balance after the year has been closed and the general ledger is deemed ready for audit. The electronic trial balance will be imported into our governmental reporting software and mapped in accordance with your chart of accounts. From there we will have a working draft of the financial statements that will ultimately be exported into the audit report. All adjusting audit journal entries and backup support will be provided to and reviewed with your staff prior to the conclusion of fieldwork to ensure that all are in agreement. Finally, we will request a final version of your trial balance, after audit adjustments are posted, to ensure that each line item is in agreement with the audited trial balance.

We will provide delivery dates during the planning phase of the audit and confirm these dates during our planning meeting with management. Following is our anticipated timetable to complete the audit:

Description	Dates
Detailed Audit Plan	June / July
Fieldwork	August / September
Draft Reports	October
Final Reports	November
Council Presentation	November

Identification of Potential Audit Problems

We begin the audit process each year by revisiting any prior year management recommendations and/or suggestions and inquiring of our clients regarding any action taken to remedy those recommendations. In addition, we engage in discussions with our clients regarding any potential areas of concern and if there are any specific procedures they would like us to perform during the audit process.

We will also provide monthly written reports to the Village that communicates progress of the audit. Additionally, any irregularities, illegal acts, or indications of illegal acts will immediately be reported in writing to management. Also, any conditions, transactions, situations or circumstances that need special consideration or that prevent or impede the completion of the audit will be reported to the Village officials.

Non-Discrimination Clause

Gabridge & Company, PLC does not discriminate against any individual for employment with respect to such person's hire, tenure, terms, conditions, privileges of employment, or any matter directly or indirectly related to employment because of such person's race, color, religion, national origin, ancestry, age, sex, or disability as defined by law.