



**Richards & McDougall**<sub>PC</sub>  
— Certified Public Accountants —

■ David L. Richards, CPA, ABV

Krista D. McDougall, CPA ■

March 8, 2021

Manistee Downtown Development Authority  
400 River Street  
Manistee, MI 49660

We are pleased to confirm our acceptance and understanding of the services we are to provide for the Manistee Downtown Development Authority for the fiscal year ended June 30, 2021.

You have requested that we prepare the financial statements of the Manistee Downtown Development Authority, which comprise the balance sheets and the related profit and loss statements, including budget comparison, for the fiscal year ended June 30, 2021, and perform a compilation engagement with respect to those financial statements.

We will assist your bookkeeper in adjusting the books of accounts with the objective that he (she) will be able to prepare a working trial balance from which financial statements can be prepared. Your bookkeeper will provide us with a detailed trial balance and any supporting schedules we require.

We will also provide the following bookkeeping services:

1. Monthly bank reconciliations for accounts (currently 6 accounts) and provide monthly bank reconciliation reports.
2. Review monthly accounting file and complete adjusting journal entries as necessary.

### **Our Responsibilities**

The objective of our engagement is to

1. Prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and
2. Apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

[www.richardsandmcdougallcpa.com](http://www.richardsandmcdougallcpa.com)

475 Water Street ■ P.O. Box 10 ■ Manistee, MI 49660 ■ P 231-723-6275 ■ F 231-723-0140

Members: American Institute of Certified Public Accountants & Michigan Association of Certified Public Accountants

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Company or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
4. The prevention and detection of fraud.

5. To ensure that the Company complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to use for the engagement.
7. To provide us with
  - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - additional information that we may request from you for the purpose of the compilation engagement.
  - Unrestricted access to persons within the Company of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our bookkeeping services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

### **Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

### **Other Relevant Information**

Krista D. McDougall, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be billed monthly at a rate of \$400 per month. If additional work is needed outside of the services listed above, they will be billed at the applicable hourly rate. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

At the conclusion of this engagement, you will be furnished with an original copy of your financial statements and we will also return to you all of your original source documents. We recommend that you retain the copies of your financial statements permanently. Our record retention policy provides that we will maintain document copies in our files for a period of seven years. We are under no obligation to notify you that our records relating to your company are to be destroyed. We reserve the right to modify our retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

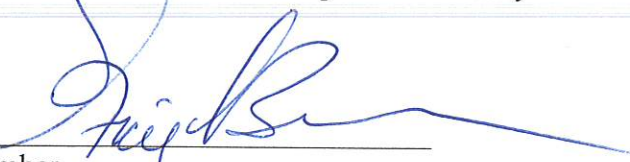
You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

  
Richards & McDougall, P.C.

ACKNOWLEDGED:  
Manistee Downtown Development Authority

  
Member

  
Date