



FIXED PRICE AGREEMENT

Client Name: Midland Area Transportation Study ID NO. 11274

Address: 220 W. Ellsworth, Suite 326

City: Midland State: MI Zip: 48640

Type of Entity: Government Year End: 09/30

To Management,

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. In order to document the understanding between us as to the scope of the work that McDonald & Associates, P.C., CPAs will perform, we are entering into this **fixed price agreement** with Midland Area Transportation Study. (the Client or you). To avoid any misunderstandings, this agreement defines the services we will perform for you, as well as your responsibilities under this agreement.

Prepared Financial Statement Services

We will prepare the financial statements of Midland Area Transportation Study on an annual basis for the years ended December 31, 2023, 2024 and 2025.

Tax Services

We will prepare the federal tax return with supporting schedules, any state income tax returns requested, and any bookkeeping entries that we find necessary in connection with preparation of the income tax returns.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure to us of all relevant facts affecting the return(s). You also have final responsibility for the tax return and, therefore, the appropriate company officials should review the return carefully before an authorized officer signs and files it.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without any verification by us.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit disclosure, we reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

Certain communications involving tax advice may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in our fees for preparation of the tax return(s).

Unanticipated Services

Furthermore, the parties agree that if an unanticipated need arises (such as, but not limited to, an audit by a taxing agency, or any other exogenous service not anticipated in this agreement by the parties), McDonald & Associates, P.C. hereby agrees to perform this additional work at a mutually agreed upon price *before the service is provided*. This service will be billed separately to Midland Area Transportation Study, as part of a change order, and will be payable upon presentation or [payable upon terms mutually agreed upon].

Service Guarantee

Our work is guaranteed to the complete satisfaction of the customer. If Midland Area Transportation Study is not completely satisfied with the services performed by McDonald & Associates, P.C., we will, at the option of Midland Area Transportation Study, either refund the price, or accept a portion of said price that reflects Midland Area Transportation Study's level of satisfaction.

Price Guarantee

If you ever receive an invoice without first authorizing the service, payment terms, and price, you are not obligated to pay for that service.

Terms and Conditions of Fixed Price Agreement

McDonald & Associates, P.C. will provide the services requested based upon data submitted by Midland Area Transportation Study. The tax returns, forms, and financial statements prepared will not be audited or reviewed by McDonald & Associates, P.C. Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, McDonald & Associates, P.C. will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our engagement regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

You are responsible for assuming all management responsibilities, and for overseeing any bookkeeping services, tax services, or other services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the tax services performed and accepting responsibility for the results of such services.

We estimate that our fees for all services provided under this engagement will be \$6,240.00. In addition to our professional fees, expenses for direct engagement support including travel and subsistence, production or reports, and other direct engagement expenses will be billed separately at our cost and stated separately on our invoices. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Midland Area Transportation Study hereby agrees to pay \$520 on or around the 1st of each month. The annual, thus monthly, fee is subject to an annual increase at the discretion of McDonald & Associates, P.C. You will be notified by letter of any increase.

Quality Review

Midland Area Transportation Study, agrees to, and hereby consents to participate in, McDonald & Associates, P.C.'s policy of in-house Quality Review. McDonald & Associates, P.C. subscribes to a policy of quality review to maintain the highest quality of product produced by our firm. As part of this program, all of the major services performed under this Agreement will be reviewed by another CPA within McDonald & Associates, P.C. under strict rules of confidentiality. The price for this review is included in the above professional services.

Other Relevant Information

To assure that our arrangement remains responsive to your needs, as well as fair to both parties, we will meet throughout the engagement and, if necessary, revise or adjust the scope of the services to be provided and the prices to be charged in light of mutual experience.

In addition, 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.

Furthermore, it is understood that either party may terminate this agreement at any time, for any reason, within 30 days of written notice to the other party. It is understood that any unpaid services that are outstanding at the date of termination are to be paid in full within 10 days from the date of termination.

To ensure that McDonald & Associates P.C. CPA's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

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 regarding the Engagement Agreement, please contact George Snyder, the engagement partner on this engagement who is responsible for the overall supervision and review of the engagement and for determining that the engagement has been completed in accordance with professional standards. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

McDonald & Associates, P.C.

McDonald & Associates, P.C.
Saginaw, MI

Agreed to and accepted:

Client Signature

Date

Title

Representing Midland Area Transportation Study