

ORIGINAL COST PROPOSAL

FOR

FINANCIAL STATEMENT AUDIT

OF

CITY OF BURLINGTON, VERMONT



Proven Expertise and Integrity



Proven Expertise and Integrity

June 17, 2011

Rich Goodwin
Assistant Chief Administrative Officer for Finance and Management
City of Burlington
City Hall
149 Church Street
Burlington, Vermont 05401

Dear Mr. Goodwin:

Thank you for giving us the opportunity to submit the following proposal to provide auditing services to the City of Burlington. Please find enclosed the cost information you requested.

The "not to exceed" amount detailed in this cost proposal is in effect for the years ending June 30, 2011 through June 30, 2014.

This cost proposal is in effect for 90 days from the above date. Please feel free to call me if you have any questions.

Very Best,

A handwritten signature in blue ink, appearing to be "RHS", written over a light blue horizontal line.

Ron H.R. Smith, CPA, CFE

COST PROPOSAL SUMMARY

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	FORM 990	TOTAL HOURS	COST
City of Burlington					
City Wide Audit Report (CAFR)					
Engagement Partner	32	136		168	\$14,280
Senior Accountants	83	266		349	\$29,665
Staff Accountants	48	320		368	\$31,280
REPORT TOTAL	163	722		885	\$75,225
Single Audit					
Engagement Partner	12	18		30	\$2,550
Senior Accountants	16	48		64	\$5,440
Staff Accountants	16	135		151	\$12,835
REPORT TOTAL	44	201		245	\$20,825
Burlington Community Development Corp					
REPORT TOTAL	28	58	18	104	\$8,840
Department of Public Works					
REPORT TOTAL	35	50		85	\$7,225
Airport Department					
REPORT TOTAL	28	80		108	\$9,180
Burlington Telecom					
REPORT TOTAL	35	270		305	\$25,925
Burlington School District					
REPORT TOTAL	75	304		379	\$32,215
Verification of Debt Service Coverage					
REPORT TOTAL	20	40		60	\$5,100
TOTAL HOURS	428	1725	18	2171	
TOTAL NOT TO EXCEED AUDIT PRICE					\$184,535

City Wide Audit Report

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	TOTAL HOURS	COST
City of Burlington				
City Wide Audit Report (CAFR)				
General Fund				
Engagement Partner	12	60	72	\$ 6,120
Senior Accountants	24	100	124	\$ 10,540
Staff Accountants	6	120	126	\$ 10,710
Subtotal	42	280	322	\$ 27,370
Traffic Fund				
Engagement Partner	2	4	6	\$ 510
Senior Accountants	5	12	17	\$ 1,445
Staff Accountants	4	20	24	\$ 2,040
Subtotal	11	36	47	\$ 3,995
School Funds				
Engagement Partner	*	*	*	\$0
Senior Accountants	*	*	*	\$0
Staff Accountants	*	*	*	\$0
Subtotal	0	0	0	\$0
Capital Funds				
Engagement Partner	2	20	22	\$ 1,870
Senior Accountants	6	30	36	\$ 3,060
Staff Accountants	4	40	44	\$ 3,740
Subtotal	12	90	102	\$ 8,670
Church Street Marketplace				
Engagement Partner	2	4	6	\$ 510
Senior Accountants	6	10	16	\$ 1,360
Staff Accountants	4	20	24	\$ 2,040
Subtotal	12	34	46	\$ 3,910

Downtown District Fund				
Engagement Partner	2	4	6	\$ 510
Senior Accountants	6	10	16	\$ 1,360
Staff Accountants	4	20	24	\$ 2,040
Subtotal	12	34	46	\$ 3,910
Community & Economic Development Fund				
Engagement Partner	2	8	10	\$ 850
Senior Accountants	6	16	22	\$ 1,870
Staff Accountants	6	20	26	\$ 2,210
Subtotal	14	44	58	\$ 4,930
Burlington Community Development Corp.				
Engagement Partner	*	*	*	\$0
Senior Accountants	*	*	*	\$0
Staff Accountants	*	*	*	\$0
Subtotal	0	0	0	\$0
Water Fund				
Engagement Partner	2	8	10	\$ 850
Senior Accountants	6	24	30	\$ 2,550
Staff Accountants	4	16	20	\$ 1,700
Subtotal	12	48	60	\$ 5,100
Wastewater Fund				
Engagement Partner	2	8	10	\$ 850
Senior Accountants	6	24	30	\$ 2,550
Staff Accountants	4	16	20	\$ 1,700
Subtotal	12	48	60	\$ 5,100
Storm water Fund				
Engagement Partner	2	8	10	\$ 850
Senior Accountants	6	24	30	\$ 2,550
Staff Accountants	4	16	20	\$ 1,700
Subtotal	12	48	60	\$ 5,100
Airport Fund				
Engagement Partner	*	*	*	\$0
Senior Accountants	*	*	*	\$0
Staff Accountants	*	*	*	\$0

Subtotal	0	0	0	\$0
Telecom Fund				
Engagement Partner	*	*	*	\$0
Senior Accountants	*	*	*	\$0
Staff Accountants	*	*	*	\$0
Subtotal	0	0	0	\$0
Housing Trust Fund				
Engagement Partner	2	6	8	\$ 680
Senior Accountants	6	8	14	\$ 1,190
Staff Accountants	4	16	20	\$ 1,700
Subtotal	12	30	42	\$ 3,570
Pension Trust Fund				
Engagement Partner	2	6	8	\$ 680
Senior Accountants	6	8	14	\$ 1,190
Staff Accountants	4	16	20	\$ 1,700
Subtotal	12	30	42	\$ 3,570
REPORT TOTAL				
Engagement Partner	32	136	168	\$ 14,280
Senior Accountants	83	266	349	\$ 29,665
Staff Accountants	48	320	368	\$ 31,280
	163	722	885	\$ 75,225

* Indicates covered in separate section

Single Audit

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	TOTAL HOURS	COST
Single Audit				
Compliance & Internal Controls				
Engagement Partner	8	10	18	\$1,530
Senior Accountants	8	24	32	\$2,720
Staff Accountants	8	80	88	\$7,480
Subtotal	24	114	138	11730
Schedule of Federal Awards				
Engagement Partner	4	8	12	\$1,020
Senior Accountants	8	24	32	\$2,720
Staff Accountants	8	55	63	\$5,355
Subtotal	20	87	107	\$9,095
REPORT TOTAL				
Engagement Partner	12	18	30	\$2,550
Senior Accountants	16	48	64	\$5,440
Staff Accountants	16	135	151	\$12,835
	44	201	245	\$20,825

Burlington Community Development Corp

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	FORM 990	TOTAL HOURS	COST
Burlington Community Development Corp					
Engagement Partner	4	10	2	16	\$1,360
Senior Accountants	8	24	16	48	\$4,080
Staff Accountants	16	24		40	\$3,400
REPORT TOTAL	28	58	18	104	\$8,840

Department of Public Works

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	TOTAL HOURS	COST
Department of Public Works				
Engagement Partner	10	10	20	\$1,700
Senior Accountants	15	16	31	\$2,635
Staff Accountants	10	24	34	\$2,890
REPORT TOTAL	35	50	85	\$7,225

Airport Department

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	TOTAL HOURS	COST
Airport Department				
Engagement Partner	10	8	18	\$1,530
Senior Accountants	8	32	40	\$3,400
Staff Accountants	10	40	50	\$4,250
REPORT TOTAL	28	80	108	\$9,180

Burlington Telecom

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	TOTAL HOURS	COST
Burlington Telecom				
Engagement Partner	10	60	70	\$5,950
Senior Accountants	15	95	110	\$9,350
Staff Accountants	10	115	125	\$10,625
REPORT TOTAL	35	270	305	\$25,925

Burlington School District

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	TOTAL HOURS	COST
Burlington School District				
Engagement Partner	15	24	39	\$3,315
Senior Accountants	30	120	150	\$12,750
Staff Accountants	30	160	190	\$16,150
REPORT TOTAL	75	304	379	\$32,215

Debt Service Coverage

STAFF	PREPARATION AND REVIEW OF FINANCIAL STATEMENTS/ SCHEDULES	AUDIT OF FINANCIAL STATEMENTS	TOTAL HOURS	COST
Verification of Debt Service Coverage				
Engagement Partner	4	8	12	\$1,020
Senior Accountants	8	16	24	\$2,040
Staff Accountants	8	16	24	\$2,040
REPORT TOTAL	20	40	60	\$5,100

Staff Rate Schedule

ROLE	RATE
City of Burlington	
Engagement Partner	\$125
Ronald H. R. Smith, CPA, CFE	
Senior Accountants	\$100
Charemon Davis, CPA	
Christina M. Smith, CPA	
Bruce Nadeau, CPA	
Christopher Backman, MBA	
William Hall	
Staff Accountants	\$85
John Bernier, M.S.A.	
Brittany Elliott	

Other

Hourly rates for accounting services beyond the scope of the audit through non-attest engagements:

- Management Advisory and Consulting: \$125 to \$150 (Principal)
- Accounting Services: \$100 to \$125

Hourly rates are based on the level of expertise required and are subject to change.