Maximum Not-To-Exceed Fees

Summarized below are the professional fees and expenses for the City's audit services for the FY 2016:

Audit Area - Description	Cost
Professional fees:	
City Audit	$23,495
Financial Statement Preparation	2,780
Federal Single Audit	12,250
GANN Limit	1,320
Agreed Upon Procedures (Any Two)	5,330
Supporting Schedule for The City of Placentia Audit Report	3,500
Supporting Schedule for the CAFR Preparation and Editing	2,535
Sub Total	$51,210
Less: Professional Discount @ 15%	7,682
Total professional fees	$43,528
Add: Out-of-pocket expenses:	
Lodging/Car Rental/Per Diem	1,936
Total Maximum Fees (not-to-exceed)	**$45,464**

Please Note:

1. Our estimated fees will be $51,210 . However, we are pleased to let you know that our partners committee has selected you as part of our strategic portfolio which means that your engagement is entitled to our special discount of 15%. Our discounted fees for your organization will be $43,528 excluding out of pocket expenses.
2. We will not increase our fee for our audit services for the subsequent optional fiscal years, if any, as the inflationary costs will be absorbed by the time saved in understanding the entity, its environment and internal controls. Thus, we will charge the same fee for the optional years, provided the level of organization activities remains relatively same.
3. The out-of-pocket expenses has been calculated as follows:

Lodging	665
Per Diem	460
Travel/Rental Car	811
Total	**1,936**

APPENDIX A

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE FY 2015-16 THROUGH 2017-18 FINANCIAL STATEMENTS

	Hours	Hourly Rates	Total FY 15-16	Total FY 16-17	Total FY 17-18
Partners	2	175	350	350	350
Managers	4	130	520	520	520
Supervisory Staff	8	115	920	920	920
Staff Auditor	11	90	990	990	990
Other (specify):	-	-	-	-	-
Total price for the City of Placentia Audit Report:			**2,780**	**2,780**	**2,780**

Total for services Described in Section II D of the RFP (Detail on subsequent pages)

Other (specify):

Estimated number of hours required from City to develop permanent file:
From City Clerk's Office- **15 Hours**
From Finance Department- **15 Hours**

Total all-inclusive maximum price:

*This is our an estimation only, actual hours may vary.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

SUPPORTING SCHEDULE FOR THE CITY OF PLACENTIA AUDIT REPORT

	Hours	Hourly Rates	Total FY 15-16	Total FY 16-17	Total FY 17-18
Partners	2	175	350	350	350
Managers	5	130	650	650	650
Supervisory Staff	10	115	1,150	1,150	1,150
Staff	15	90	1,350	1,350	1,350
Other (specify):	-	-	-	-	-
Total price for the Single Audit Report	**32**	-	**3,500**	-	-

SUPPORTING SCHEDULE FOR THE SINGLE AUDIT REPORT

	Hours	Hourly Rates	Total FY 15-16	Total FY 16-17	Total FY 17-18
Partners	8	175	1,400	1,400	1,400
Managers	16	130	2,080	2,080	2,080
Supervisory Staff	34	115	3,910	3,910	3,910
Staff	54	90	4,860	4,860	4,860
Other (specify):	-	-	-	-	-
Total price for the Single Audit Report:	**112**	-	**12,250**	**12,250**	**12,250**

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
SUPPORTING SCHEDULE FOR THE CAFR PREPARATION AND EDITING

	Hours	Hourly Rates	Total FY 15-16	Total FY 16-17	Total FY 17-18
Partners	2	175	350	350	350
Managers	3	130	390	390	390
Supervisory Staff	7	115	805	805	805
Staff	11	90	990	990	990
Other (specify):	-	-	-	-	-
Total price for the CAFR Preparation and Editing:	**23**	-	**2,535**	**2,535**	**2,535**

SUPPORTING SCHEDULE FOR THE CITY'S AUDIT

	Hours	Hourly Rates	Total FY 15-16	Total FY 16-17	Total FY 17-18
Partners	17	175	2,975	2,975	2,975
Managers	32	130	4,160	4,160	4,160
Supervisory Staff	64	115	7,360	7,360	7,360
Staff	100	90	9,000	9,000	9,000
Other (specify):	-	-	-	-	-
Total price for the CAFR Preparation and Editing:	**213**	-	**23,495**	**23,495**	**23,495**

SUPPORTING SCHEDULE FOR AGREED UPON PROCEDURES (ANY TWO)

	Hours	Hourly Rates	Total FY 15-16	Total FY 16-17	Total FY 17-18
Partners	4	175	700	700	700
Managers	8	130	1,040	1,040	1,040
Supervisory Staff	14	115	1,610	1,610	1,610
Staff	22	90	1,980	1,980	1,980
Other (specify):	-	-	-	-	-
Total price for the CAFR Preparation and Editing:	**48**	-	**5,330**	**5,330**	**5,330**

SUPPORTING SCHEDULE FOR GANN LIMIT

	Hours	Hourly Rates	Total FY 15-16	Total FY 16-17	Total FY 17-18
Partners	1	175	175	175	175
Managers	2	130	260	260	260
Supervisory Staff	3	115	345	345	345
Staff	6	90	540	540	540
Other (specify):	-	-	-	-	-
Total price for the CAFR Preparation and Editing:	**12**	-	**1,320**	**1,320**	**1,320**