



**Lexington-Fayette Urban County Government
Proposal to Provide External Auditing Services
RFP# 14-2024**

Cost Proposal

April 9, 2024



CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS





RFP #14-2024 Cost Proposal

Name of Firm: Crosslin, PLLC

Certification: John H. Crosslin, CPA, MBA is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with LFUCG.

Engagement Fees: At Crosslin, we share with our customers a desire for professional fees to be commensurate with the value delivered. Through our people, commitment and drive, we strive to ensure that this equation is always balanced. We seek not to be the lowest-cost provider in the markets we serve, but rather to provide services that offer compelling value to our customers. We believe that the fees proposed are competitive for comparable services. The all-inclusive maximum price for the fiscal year 2024 engagement and each subsequent year thereafter for the duration of the six year agreement is as follows:

Table with 4 columns: Fiscal Year, Lexington-Fayette Urban County Government, Operational Services for Annual Compilation of Sheriff's Collection of Property Taxes, Total. Rows for years 2024 through 2029.

The previously mentioned fees are FIXED unless LFUCG's activities result in changes which increase the scope of our engagement(s). In those circumstances, we would review the complexities and scope of the change (e.g., formation of entities, major structure changes, significant changes in controls processes, significant GASB pronouncements, etc.) and obtain your approval of the fee increase. The increase would correspond to the hourly rates and fees quoted previously. At this time, we do not expect any changes from the above fixed fees.

All administrative, online confirmation costs, and technology costs are included in this quotation as are all out-of-pocket expenses.



RFP #14-2024 Cost Proposal (continued)

Hours and Fee by Level for LFUCG					
Description	Staff	Senior	Super/Mgr	Principals	Total
Planning, TOCs, JEs, Confirms, TB	70.00	45.00	30.00	15.00	160.00
TB/Financial Statements	10.00	45.00	70.00	10.00	135.00
Concluding	3.00	12.00	5.00	5.00	25.00
Client Meetings	3.00	10.00	7.00	5.00	25.00
Miscellaneous	4.00	4.00	2.00	-	10.00
Cash	15.00	-	-	-	15.00
Investments	10.00	15.00	5.00	-	30.00
Accounts Receivable	15.00	5.00	5.00	-	25.00
Inventory	10.00	-	-	-	10.00
Prepaid Expenses & Other Assets	5.00	-	-	-	5.00
PP&E	25.00	15.00	5.00	-	45.00
Debt	20.00	5.00	-	-	25.00
Accounts Payable	15.00	-	-	-	15.00
Pension & OPEB	15.00	10.00	-	-	25.00
Accrued Liabilities	15.00	-	-	-	15.00
Deferred Revenue	10.00	-	-	-	10.00
Equity	-	10.00	5.00	-	15.00
Sales/Revenue Analysis	12.00	8.00	-	-	20.00
Expenses/Expenditure Analysis	10.00	-	-	-	10.00
Other Rev/Exp Analysis	10.00	-	-	-	10.00
Proof & Clerical	20.00	-	-	-	20.00
Law and Regulations	10.00	-	-	-	10.00
Single Audit Procedures	70.00	65.00	35.00	10.00	180.00
Review 1st Principal	-	-	-	45.00	45.00
Review 2nd Principal	-	-	-	15.00	15.00
Review Details	-	25.00	60.00	15.00	100.00
	377.00	274.00	229.00	120.00	1,000.00
Crosslin Standard Billing Rates	\$ 115.00	\$ 150.00	\$ 235.00	\$ 350.00	
Sub-Total Fee by Level	\$ 43,355.00	\$ 41,100.00	\$ 53,815.00	\$ 42,000.00	\$ 180,270.00
Courtesy Discount	\$ (567.00)	\$ (567.00)	\$ (568.00)	\$ (568.00)	\$ (2,270.00)
Total Propsed Fee for FY 2024	\$ 42,788.00	\$ 40,533.00	\$ 53,247.00	\$ 41,432.00	\$ 178,000.00



RFP #14-2024 Cost Proposal (continued)

Hours and Fee by Level for Annual Compilation of Sheriff's Collection of Property Taxes					
Description	Staff	Senior	Super/Mgr	Principals	Total
Planning, TOCs, JEs, Confirms, TB	4.00	3.00	2.00	1.00	10.00
TB/Financial Statements	4.00	8.00	3.00	-	15.00
Concluding	2.00	3.00	-	-	5.00
Client Meetings	1.00	1.00	1.00	-	3.00
Miscellaneous	1.00	1.00	-	-	2.00
Prop Tax Procedures	20.00	10.00	5.00	-	35.00
Review 1st Principal	-	-	-	8.00	8.00
Review 2nd Principal	-	-	-	2.00	2.00
Review Details	-	-	10.00	-	10.00
	32.00	26.00	21.00	11.00	90.00
80% of Standard Billing Rates	\$ 92.00	\$ 120.00	\$ 188.00	\$ 280.00	
Sub-Total Fee by Level	\$ 2,944.00	\$ 3,120.00	\$ 3,948.00	\$ 3,080.00	\$ 13,092.00
Courtesy Discount	\$ (960.00)	\$ (960.00)	\$ (961.00)	\$ (961.00)	\$ (3,842.00)
Total Proposed Fee for FY 2024	\$ 1,984.00	\$ 2,160.00	\$ 2,987.00	\$ 2,119.00	\$ 9,250.00

Unanticipated Services

If an unanticipated need arises, the Crosslin team agrees to perform the additional work at an agreed-upon price before the service is provided. This service will be billed separately to LFUCG, as part of a change order or as separate services, and will be payable upon mutually agreeable terms. We agree to bill these services at a maximum of 80% of our standard rates.

Our current standard hourly rates are as follows:

Crosslin Standard Billing Rates		LFUCG's Rates
Principals	\$350	\$280
Supervisors/Managers	\$235	\$188
Seniors	\$150	\$120
Team Members	\$115	\$92



RFP #14-2024 Cost Proposal (continued)

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Service Guarantee

We are fully committed to our pledge of outstanding customer service. Our work for LFUCG is guaranteed to your satisfaction. If you are anything less than satisfied with the services performed by your engagement team, we will do whatever is necessary to make you satisfied. We value your business, and we look forward to working with you to achieve your financial objectives.

We would bill our fees in four equal invoices once the audit begins. We understand that ten percent (10%) will be withheld from each billing pending delivery of Crosslin's final reports.

These quotations are based on the following assumptions:

- Your accounting team will prepare schedules, documents, and analyses and provide us with supporting documents as requested, as well as be available to assist us. We do not expect this involvement to be greater than it currently is.
- You will not make significant changes in your internal accounting controls, accounting systems, key personnel, or organizational structure.

Upon the conclusion of our work, we will meet with management and the Council to present the financial statements and related reports, our management letter, if applicable, and any other items which they wish to discuss. There will be no additional fees for meeting with the Council or other appropriate persons based on your recommendation.