

## Financial Audit Proposal Comparison

### Water-Sewer Fund Conversion Cash Basis to Accrual Basis

	<u>Approximate Hours</u>		<u>Rate per Hour (\$)</u>		<u>Approximate Charges</u>	
	<u>BH</u>	<u>M&amp;J</u>	<u>BH</u>	<u>M&amp;J</u>	<u>BH</u>	<u>M&amp;J</u>
Parter	100		\$170		\$17,000	
Manager						
Senior Staff			\$135			
Staff		20	\$105	\$150		\$3,000
Other Charges			\$90			
Approximate Total	100	20			\$17,000	\$3,000

### Water-Sewer Fund Perform Financial Audit

	<u>Approximate Hours</u>		<u>Rate per Hour (\$)</u>		<u>Approximate Charges</u>	
	<u>BH</u>	<u>M&amp;J</u>	<u>BH</u>	<u>M&amp;J</u>	<u>BH</u>	<u>M&amp;J</u>
Parter	22	25	\$170	\$200	\$3,740	\$5,000
Manager	44	40	\$135	\$175	\$5,940	\$7,000
Senior Staff	34		\$105		\$3,570	
Staff		20	\$90	\$150		\$3,000
Other Charges					\$160	
Approximate Total	100	85			\$13,410	\$15,000

Total Hours

200 105

Note: M&J quotes half the number of hours

\*\* M&J is half the cost but also quoted half the hours

\*\* M&J hourly costs are all higher than BH

Total Costs	\$30,410	\$18,000
Water-Sewer Fund	BH	M&J

### General, Gas, Solid Waste Funds Conversion Cash Basis to Accrual Basis

	<u>Approximate Hours</u>		<u>Rate per Hour (\$)</u>		<u>Approximate Charges</u>	
	<u>BH</u>	<u>M&amp;J</u>	<u>BH</u>	<u>M&amp;J</u>	<u>BH</u>	<u>M&amp;J</u>
Parter	100		\$170		\$17,000	
Manager			\$135			
Senior Staff		40	\$105	\$150		\$6,000
Staff			\$90			
Other Charges						
Approximate Total	100	20			\$17,000	\$6,000

### General, Gas, Solid Waste Funds Perform Financial Audit

	<u>Approximate Hours</u>		<u>Rate per Hour (\$)</u>		<u>Approximate Charges</u>	
	<u>BH</u>	<u>M&amp;J</u>	<u>BH</u>	<u>M&amp;J</u>	<u>BH</u>	<u>M&amp;J</u>
Parter	78	20	\$170	\$200	\$13,260	\$4,000
Manager	13	40	\$135	\$175	\$1,755	\$7,000
Senior Staff	9		\$105		\$945	
Staff		40	\$90	\$150		\$6,000
Other Charges					\$420	
Approximate Total	100	100			\$16,380	\$17,000

Total Costs	\$33,380	\$23,000
General, Gas, Solid Waste Fund	BH	M&J

NOTE: Both quote 100 hours

\*\*BH is more expensive because they use senior personnel for 90% of the work

Total Cost Rollup	W/S	G, G, SW	Total
Barmore Hammond	\$30,410	\$33,380	\$63,790
Mauldin & Jenkins	\$18,000	\$23,000	\$41,000

### Recommendation

#### **Retain Barmore Hammond**

#### Justification:

1. While Mauldin & Jenkins looks least expensive (\$41,000 vs \$63,790), must consider the number of hours quoted. M&J estimated only 20 hours for conversion from cash to accrual basis for the Water-Sewer Fund but we know from experience it will take over the 100 hours. Adding these hours makes M&J more expensive.
2. Barmore Hammond's hourly rate is below Mauldin Jenkins in every category (Partner; Manager; Staff).
3. Barmore Hammond assists the City Finance Department in the preparation of City documents prior to official engagement.
4. Barmore Hammond knows the complexity of converting all funds from cash to accrual basis of accounting.

Barmore Hammond

CITY OF THOMSON  
REQUEST FOR PROPOSAL

APPENDIX A  
SCHEDULE OF ESTIMATED PROFESSIONAL FEES AND EXPENSES (Continued)

McDuffie County/City of Thomson, Georgia  
Water Sewer Commission

Conversion Cash to Accrual Basis - Water-Sewer Fund	Approximate Hours	Rate	Approximate Charges
Partner	100.00	170.00	17,000.00
Manager	-	135.00	-
Senior	-	105.00	-
Staff	-	90.00	-
Other Charges	-		-
Approximate TOTAL	100.00		17,000.00

Engagement Thomson-McDuffie Water-Sewer Commission	Approximate Hours	Rate	Approximate Charges
Partner	22.00	170.00	3,740.00
Manager	44.00	135.00	5,940.00
Senior	34.00	105.00	3,570.00
Staff	-	90.00	-
Other Charges	-		160.00
Approximate TOTAL	100.00		13,410.00

  
W. Lee Hammond, Partner

Barmore Hammond, LLP  
Certified Public Accountants

9/26/22  
Date

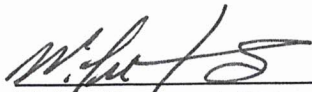
**CITY OF THOMSON  
REQUEST FOR PROPOSAL**

**APPENDIX A  
SCHEDULE OF ESTIMATED PROFESSIONAL FEES AND EXPENSES**

**City of Thomson, Georgia**

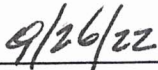
Conversion Cash to Accrual Basis - General Fund, Gas Fund, Solid Waste Fund	Approximate Hours	Rate	Approximate Charges
Partner	100.00	170.00	17,000.00
Manager	-	135.00	-
Senior	-	105.00	-
Staff	-	90.00	-
Other Charges	-		-
Approximate TOTAL	100.00		17,000.00

100 Hour Engagement City of Thomson	Approximate Hours	Rate	Approximate Charges
Partner	78.00	170.00	13,260.00
Manager	13.00	135.00	1,755.00
Senior	9.00	105.00	945.00
Staff	-	90.00	-
Other Charges	-		420.00
Approximate TOTAL	100.00		16,380.00



W. Lee Hammond, Partner

Barmore Hammond, LLP  
Certified Public Accountants



Date

(Continued)

Mauldin & Jenkins

CITY OF THOMSON  
REQUEST FOR PROPOSAL

Conversion Cash to Accrual Basis – Water- Sewer Fund	Approximate Hours	Rate	Approximate Charges
Partner			
Manager	20	150	3,000
Senior			
Staff			
Other Charges			
Approximate TOTAL	20		3,000

Engagement Thomson-McDuffie Water-Sewer Commission	Approximate Hours	Rate	Approximate Charges
Partner	25	200	5,000
Manager	40	175	7,000
Senior			
Staff	20	150	3,000
Other Charges			
Approximate TOTAL	85		15,000

David Irwin

Name and Title

Mauldin & Jenkins

Company

September 29, 2022

Date

*Mauldin & Jenkins*

CITY OF THOMSON  
REQUEST FOR PROPOSAL

**APPENDIX A**

**SCHEDULE OF ESTIMATED PROFESSIONAL FEES AND EXPENSES**

This appendix **must** be signed and submitted as part of your proposal to be considered valid. Please provide the City with an estimate of the charges needed to complete a hypothetical engagement with a total of 100 hours of work allocated between Partners, Managers, Senior Accountants and Staff Accountants plus any other charges to be incurred. Include estimate of charges for converting annual financial data from cash basis to accrual basis of accounting.

The City is aware that the exact number of hours needed to complete the engagement prescribed may vary depending on the nature and extent of testing required to produce the desired results. This pricing model is requested in order to provide a benchmark for cost comparison.

As a reminder, the cost of the audit will not be the only determining factor in the selection of an accounting firm for this engagement. However, the City wishes to accurately budget for the cost of the audit in accordance with the estimated costs provided by the firm selected.

Conversion Cash to Accrual Basis – General Fund, Gas Fund, Solid Waste Fund	Approximate Hours	Rate	Approximate Charges
Partner			
Manager	40	150	6,000
Senior			
Staff			
Other Charges			
Approximate TOTAL	40		6,000

100 Hour Engagement City of Thomson	Approximate Hours	Rate	Approximate Charges
Partner	20	200	4,000
Manager	40	175	7,000
Senior			
Staff	40	150	6,000
Other Charges			
Approximate TOTAL	100		17,000