

Schonhardt & Associates

Professional Fees (Continued) *CAFR & GAAP Financial Preparation*

In order to contain costs and pass the savings on to our clients, we are prepared to offer the same level of services identified in this proposal for preparation of a 2013 and 2014 CAFR at the same annual fee quoted for the 2012 CAFR preparation. We will freeze this rate and annual contract amount with the signing of a multi-year contract not to exceed three (3) consecutive report years. This fixed rate is contingent upon the City's agreement that the scope of work will remain the same for this and the subsequent years and that no significant change in accounting policies and/or procedures is anticipated which will potentially alter the required level of service. We are confident that you will agree that such cost containment measures provide both current and long-term benefits to the City.

The multi-year contract option is included on the contract document and requires an appropriate approval signature on the line provided which will designate the term of the contract. We hope that you are able to take advantage of this opportunity so that we may continue to provide you with the highest quality of service at the best possible price.

Our fee to provide management and technical oversight in the report preparation, as outlined in the Summary of Work to be Performed (**excluding an allowance for mileage reimbursement**) will be:

<u>Report Year</u>	<u>Report Fee</u>
2012	\$19,000
2013	19,000
2014	19,000

The amount that will be billed to the City of Napoleon for the project is as noted in the table above (**excluding an allowance for mileage reimbursement**). The hourly rate quoted above will not increase during the term of the contract. The proposal is a maximum not to exceed bid for the scope of services defined by this proposal, the City will not pay more than the amount noted above provided the scope of services does not change.

Billing

Our practice is to bill in monthly installments covering the period worked on the engagement. Billings are due and payable upon receipt.