

May 9, 2025
10200 Grand Central Avenue
Suite 250
Owings Mills, MD 21117



Certified Public
Accountants &
Business Advisors

Cost Proposal to Provide Professional Auditing Services

City of Frostburg

Submitted by SB & Company, LLC



Chris Lehman
Engagement Partner
Email: clehman@sbandcompany.com
Phone: 410-584-2201

Cost Proposal

May 9, 2025
Ms. Lydia Claar
Acting Deputy City Administrator
City of Frostburg
Frostburg Municipal Center
37 S Broadway, PO Box 440
Frostburg, Maryland 21532

RE: Request for Proposals for Professional Auditing Services – Cost Proposal

Dear Ms. Claar,

SB & Company, LLC ("SBC") is pleased to present our cost proposal to provide financial auditing services to the City of Frostburg ("the City"). We propose to perform the financial statement audit and Single Audit for the fiscal year ending June 30, 2025.

SBC will perform the audit in accordance with generally accepted auditing standards, the Governmental Accounting Standards Board ("GASB"), the Financial Accounting Standards Board ("FASB"), the provisions of the Federal Single Audit Act of 1996, the U.S. General Accounting Offices ("GAO"), "Governmental Auditing Standards" (1994) and the Office of Management and Budget ("OMB") Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations. Additionally, SBC shall prepare the Uniform Financial Report for submission to the State Department of Fiscal Services and express an opinion as to whether the City is in compliance with the Uniform System of Accounts as required by the State of Maryland.

SBC confirms that we have the resources and staffing availability to perform the audit timely, on-site, and with minimal procedures performed after the close of field work. SBC commits to performing the work within your desired. The authorized and binding representative for this engagement is Chris Lehman. Chris Lehman is authorized to bind the selected bidder to all statements, including services and prices contained in the bid. Should you have any questions, please feel free to contact me or Bill Seymour, advisory partner, at any time.

Christopher Lehman, CPA
Engagement Partner
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Mr. Bill Seymour, CPA, CMGA
Advisory Partner
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Sincerely,
SB & Company, LLC



By: Christopher Lehman

Fees

See the following cost forms that highlight SBC's cost proposal to the City.

Hourly Rate

See SBC's hourly rates below that we would bill the Authorities for services outside of the scope of work if requested. These rates may be discounted based on the nature and timing of additional services.

Personnel	Hourly Rate
Partner	\$300
Manager	200
Supervisor	175
Staff	145

Fee Philosophy

Our practice in billing clients is to live by the fee commitment we make to a client, even if our estimate of the time to complete the engagement is incorrect. If we incur additional time for additional services that are not part of the original scope of services, we will discuss the services with you in advance along with our estimate of the fees to be incurred. We will not bill for normal issues that may come up in an audit, adoption of new standards, or year-round meetings and consultation. This practice ensures there are no surprise bills.

All of SBC's personnel are client serving. There are no national office charges that are layered on top of the revenue needed to support the local office. Members of national offices are typically the most expensive personnel and do not interact with clients. This means that this cost is allocated to the local offices to pass on to their respective clients. Additionally, national offices have other charges (litigation, insurance, etc.) that are borne out of non-public sector practices (i.e., SEC practice) that are allocated across the entire firm. As a result, it is not uncommon to have a national office incur from 30% up to 50% of the fees charged to a local client. Clients can pay up to twice as much for items that do not directly benefit them when working with national offices. By having 100% client service offices and partners, SBC reduces the need to have this overhead charge and can pass the savings along to you.

APPENDIX A

PROFESSIONAL AUDITING SERVICES - COST PROPOSAL FORM

Firm Name: SB & Company, LLC

	FY25	FY26	FY27
City Audit and Related Reports	\$ 36,850	\$ 37,955	\$ 39,093
Single Audit and Related Reports (with one major program)	5,000	5,150	5,304
Single Audit – each additional program	1,500	1,545	1,591
Examination Engagement (if a Single Audit is not required)	2,000	2,060	2,121
Other (specify):			
Total All-inclusive Maximum Price	\$ 45,350	\$ 46,710	\$ 48,109

Firm Contact Name: Christopher Lehman

Authorizing Official Title/Position: Member

Firm Address: 10200 Grand Central Avenue; Suite 250

Owings Mills, Maryland 21117

Firm Contact Email: clehman@sbandcompany.com

Firm Contact Phone: 410-584-2201

APPENDIX B

PROFESSIONAL AUDITING SERVICES - SCHEDULE OF PROFESSIONAL FEES

Firm Name: SB & Company, LLC

FY25 Audit	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	25	\$ 300	\$ 250	\$ 6,250
Managers	50	200	170	8,550
Supervisory Staff	120	175	150	18,000
Staff	120	145	105	12,600
Other (specify):				
				\$ 45,350