



## MUNICIPALITY OF SKAGWAY PRICE PROPOSAL

The following is our price proposal for the attestation services for the Municipality of Skagway (“the Borough”) for the year ended December 31, 2023.

The price quotes are estimates based on 680 total hours at an increase in rate from last year equal to the State of Alaska Consumer Price Index (1.5%). Fees are based on the size and complexity understood as of the date of this proposal. Should the actual size and complexity change substantially, we will discuss the effect it will have on our actual prices. Possible changes in complexity could include operational changes, changes in governmental accounting standards, significant or unusual transactions, or newly received grants.

We plan to be onsite for fieldwork in July 2023.

Description of Services	2021 actual	2022 proposed	2022 actual	2023 proposed
Financial statement audit	42,000	45,000	45,000	45,700
Technical assistance with draft of financial statements - including assistance with GASB 34 conversion, GASB 68/75 calculations and disclosures, cash flow statements, proforma of MD&A.	20,000	21,400	21,400	21,700
Audit of Port activity (note 1)	-	-	-	5,200
Federal compliance audit - per major program	7,500	12,500	12,500	12,700
State compliance audit - per major program	20,000	7,500	7,500	7,600
GASB 87/96 adoption (note 2)	-	2,500	2,500	2,500
Out of pocket costs (administrative fee per hour)	6,000	6,665	6,665	6,800
Out of pocket costs (travel, etc., estimated)	750	7,750	4,431	5,500
Additional costs for software conversion	11,410	n/a	n/a	n/a
<b>Annual total</b>	<b>107,660</b>	<b>103,315</b>	<b>99,996</b>	<b>107,700</b>

Note 1: The Municipality has substantial activity related to the Port in 2023, including transfer of leasehold improvements, increase in operations, rockslide response, and the bond sale. We anticipate an additional 25 hours related to this activity, largely being done by managers and partners given its complexity. We have included assistance with recording and reporting of the bond issuance for the financial statements in this figure.



Note 2: Governmental Accounting Standards Board (“GASB”) Statement No. 96, Subscription-Based Information Technology Arrangements, is effective for the year ending December 31, 2023. The impact to the Borough financial statements will be based on software contracts outstanding and is estimated at 8 hours of manager/partner level time to audit. Additional assistance with implementation will be billed hourly (evaluation of software / IT-related agreements, calculation of amortization).

Hourly rates for additional services are as follows:

Level	Hourly Rate
National Technical	\$ 425
Partner / Director	360
Senior Manager	285
Manager	225
Senior	155
Associate	125

We will also charge actual expenses for out-of-pocket travel related costs, including airfare, hotel, and per diem. We will also bill at per hour rate for technology costs. At an estimated 680 hours, this is estimated to be \$6,800.

We are grateful to have served the Borough and hope to build on our understanding of and service to the Borough in years to come.

Sincerely,

Joy Merriner  
Partner  
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