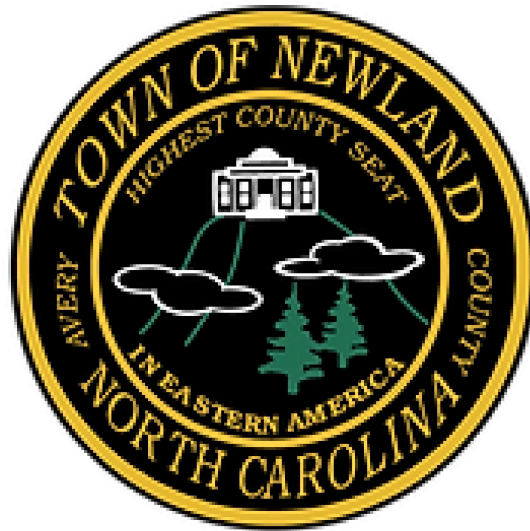


Town of Newland

REQUEST FOR PROPOSALS AUDIT SERVICES



Town of Newland
301 Cranberry Street
Newland, NC 28657
David Epley, Town Manager
Phone: (828) 765-2023
Email: manager@townofnewland.org

Proposal Due Date: July 8, 2026, at 5:00 PM

REQUEST FOR PROPOSALS FOR AUDIT SERVICES

The Town of Newland, North Carolina, (hereinafter called the “Town”) invites qualified independent Auditors (hereinafter called “Auditor”) to have sufficient governmental accounting and auditing experience to perform an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal. There is no expressed or implied obligation for the Town of Newland to reimburse firms for any expenses incurred in preparing proposals in response to this request. The specific details shown herein shall be considered minimum unless otherwise indicated. The specifications, terms, and conditions included with this RFP shall govern any resulting contract(s) unless approved otherwise in writing by the Town of Newland. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Avery County, North Carolina.

Type of Audit

1. The audit will encompass a financial and compliance examination of the unit’s Annual Financial Report in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with Generally Accepted Auditing Standards; Government Auditing Standards, July 2018 revisions; the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the State Single Audit Implementation Act; and all other applicable laws and regulations. By accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education requirements as specified in Government Auditing Standards. The Auditor must provide a copy of their most recent Peer Review Report with their proposal.
2. The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the proposal submission date. This includes, but is not limited to, the Governmental Accounting Standards Board (GASB) statement and Government Auditing Standards. Although some pronouncements will not be in effect until after the first year of the audit, estimates for future years should include pronouncements that will become effective during that contract period. The audit firm will be expected to advise appropriate Town staff on the applicability of accounting and reporting standards as they become effective.
3. The financial audit opinion will cover the financial statements for the governmental activities, each major fund, and the remaining fund information, which constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required 2 by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Auditor shall express an opinion on the budgetary comparison information for the General Fund, the major funds, and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis. The working papers shall be retained and made available upon request for no less than three years from the date of the Audit Report.
4. The audit will also include the following:

- a. Pre-planning conference with Finance staff where both the Auditor and Finance staff discuss their expectations of the audit.
- b. Interim audit work prior to June 30th and/or prior to final close.
- c. Attendance at Town Council meeting for presentation of the financial statements by Manager or Partner of the Audit staff with comments and potential questions from the Board as requested.
- d. The selected auditor shall coordinate directly with the North Carolina Local Government Commission as necessary to ensure compliance with all applicable reporting requirements.

5. The audit should encompass all funds and entity-wide activities as reported in the Town's Annual Financial Report on June 30, 2024, and any additional funds or entity-wide activities that may be added after that date.

6. The Town seeks a single engagement for completion of audits for fiscal years ending at June 30th 2024, June 30th 2025, June 30th 2026 with the intent to continue the relationship with the Auditor for no less than three years based on annual negotiation after completing the first-year contract. Each year, after negotiation has taken place, a yearly contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board's approval. The Town of Newland reserves the right to request proposals at any time following the first year of this contract.

7. If required, the audit firm will issue a management letter to the Town Council upon completion of the audit. All content must be discussed with the Finance Officer before issuance. The audit firm is encouraged to discuss the content while the management letter is in draft form to ensure that all parties fully understand the circumstances that lead to Auditor comments.

8. The Town staff may require the Auditor's guidance or input on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as inclusion in the Town's financial statements. Guidance may be required for new note disclosures, all outstanding and effective authoritative standards and other reporting requirements on June 30 year-end. Cost for providing these services should be included in the Auditor's base fee quote and will not be considered extra for additional billings. In cases, however, where services requested would require a more in- depth scope and require work significantly above the original fee quote, such additional fees must be negotiated prior to commencement of work.

Auditor Requirements

The audit firm is an independent contractor and will be wholly responsible for its employees' and permitted sub-contractors' services and supervision.

Each year, a planning meeting will be held to determine schedules that the Town will be responsible for preparing. Estimated timeframes will be established, and interim audit work will be planned. Adequate notification will be given before any changes in estimated times.

If the Town of Newland audit engagement is subject to the standards for audit as defined in Government Auditing Standards, 2018 revisions issued by the Comptroller General of the United States Meeting then by accepting this engagement the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. **The Auditor must provide a copy of their most recent peer review report with their proposal.**

The Town Finance Officer will prepare all standard year-end accruals and other adjusting journal entries. The Finance Officer will prepare the government wide year-end adjusting journal entries as well as any necessary entries to allocate the state pension balances. The Town management will ultimately be responsible for the preparation and fair presentation of the financial statements, which includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statements, supplementary information and compliance reports. The Town Finance Officer will prepare the MD&A. A preliminary draft of the audit and required adjusting journal entries must be submitted to the Finance Officer by October 15 for proofing and reconciliation to the Town's records to allow ample time for review and corrections before it is sent to the Local Government Commission.

Meeting LGC deadlines is a high priority for the Town. Therefore, the Town of Newland prefers interim fieldwork to be completed in early June. Year-end fieldwork should begin by or before mid-August and be completed by late September. While many documents can be shared electronically, the Town expects the audit firm staff to be onsite for fieldwork, including manager and partner-level staff, for at least a portion of the onsite work. An agreed-upon post-closing trial balance must exist by September 30. The Finance Officer will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

The timing of the draft and review should ensure final completion of the Financial Statements by the annual October 31st deadline or no later than the yearly grace period of December 1.

Eight copies of each Audit report, management letter, and other applicable reports must be supplied to the Finance Officer within the time frame cited above. In addition, the Auditor is responsible for complying with the requirements of the LGC for submitting the audit and all associated documents and forms as required for the year under audit when (or prior to) submitting the final invoice for audit services rendered to the Commission.

In the event that circumstances arise during the audit that require work to be performed more than the original estimates, any additional costs will be negotiated prior to commencement of the work, and an amended contract will be approved by the governing board and forwarded to the staff of the LGC for approval.

Either the manager or partner of the audit staff is required to present and attend the Town Council's meeting in which the Audit report is presented. Required communications to the Council can be delivered at this point, as well as general comments regarding the audit process and the results of the audit. Finance staff will coordinate this presentation and determine the date and time of the meeting, typically held in late October following the audit completion.

Audit Contract: Period & Payment of Audit Fees

The Town seeks a single engagement for completion of audits for fiscal years ending at June 30th 2024, June 30th 2025, June 30th 2026 with the intent to continue the relationship with the Auditor for no less than three years based on annual negotiation after completing the first-year contract. Each year, after negotiation has taken place, a yearly contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board's approval. The Town of Newland reserves the right to request proposals at any time following the first year of this contract.

It is requested that proposals be prepared for the following years:

July 1, 2023 – June 30, 2024

July 1, 2024 – June 30, 2025

July 1, 2025 – June 30, 2026

The required current revision of the form "Contract to Audit Accounts" (form LGC-205) is required to be executed as the contract document; however, the Auditor and the Town may also execute an engagement letter to include additional terms not addressed in the LGC-205. The entire audit contract package must be approved by the staff of the Local Government Commission.

Invoices are subject to approval by the LGC before payment by the Town. Interim or progress billings for services rendered marked approved by the LGC will be paid up to 75% of the total fee before submission of the final audited financial statements to the staff of the Local Government Commission. The final 25% of the Audit fees (final invoice) will be paid when the financial statements, single audit (if applicable), management letter, and amended contract (if applicable) have been reviewed or approved by the LGC.

Description of the Selection Process

The Town requests that no Town officials be contacted during this proposal process. Submit questions regarding the RFP in writing via email to manager@townofnewland.org. Any additional information disclosed to participating audit firms before bid submission will be shared with all interested parties. Proposals will be submitted in two sections and must be physically signed by an authorized representative of the Audit firm. The first section will be comprised of the audit firm's prior experience, qualifications of its personnel in performing governmental audits and audit approach. The second section will consist of a completed cost estimate sheet. The Finance Officer and Town Manager will evaluate the Auditor/firm on experience, qualifications, and audit approach and cost and the firm best meeting these requirements will be selected. Please keep in mind that cost, while an important factor, will not be the sole determining factor. Unusually low bids that are obviously out of line with other bidders will raise concerns. The lowest bid will not automatically be awarded preferential consideration.

The Town reserves the right to reject any or all bids, waive technicalities, and be the sole judge of the suitability of the services for its intended use. It further specifically reserves the right to make the award in the best interest of the Town.

Failure to respond to any requirements outlined in the RFP or failure to enclose copies of the required documents may disqualify the bid. Firms must be registered with the North Carolina State Board of CPA Examiners.

First Section - Profile of the Firm

The first section should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the audit firm's North Carolina office location(s) that will manage the audit.
2. Indicate the number of people (by level) in the local office to conduct the audit.
3. Provide a list of the current and prior government audit clients, indicating the type(s) of services performed and the number of years served.
4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
5. Describe your audit organization's participation in AICPA-sponsored or comparable quality control (peer review). Provide a copy of the firm's current peer review.
6. Describe the professional experience in governmental audits of each senior and higherlevel person assigned to the audit, the years on each job, and his/her position during each audit. Indicate the percentage of time each senior and higher-level personnel will be on site. Relevant experience and education with the new GASB reporting requirements should be communicated.
7. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (Municipal Water Utilities, Building Inspections, Stormwater, etc.).
9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for reference.
11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book) July 2011 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.

13. Describe any regulatory action any oversight body took against the proposing audit organization or local office.
14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill

Second Section - Cost Estimate

Provide total costs using the Summary of Audit Costs Sheet for each audit year July 1, 2023, to June 30, 2024, July 1, 2024, to June 30, 2025, July 1, 2025, to June 30, 2026. The cost for the listed audit years ending June 30, 2024, June 30, 2025, June 30, 2026, is binding, Cost estimates must indicate the basis for the charges and whether the amount is a “not-to-exceed” amount.

Time Schedule for Awarding the Contract

The RFP package will also be posted on the Town website No pre-proposal conference will be held. Proposals can be submitted electronically (email) manager@townofnewland.org or on paper by July 8th, 2026. Envelopes containing proposals on paper should be identified on the front with the words “**RESPONSE TO RFP FOR AUDIT SERVICES.**”

Please note your email should include two separate PDF attachments for sections 1 and 2 Envelopes should include two copies of the bound proposal (clearly separating sections 1 and 2) and should be delivered to: **Town of Newland Attention: Town Manager Dave Epley, 301 Cranberry Street, Newland, NC 28657.**

Proposal Due Date: July 8, 2026, at 5:00 PM

The Town Manager will review the proposals and make a recommendation to the Town Council. Description of The Town & Accounting System Reference should be made to the most recent Annual Audited Financial Report for a general overview of the Town.

A PDF copy of the most recent Annual Audited Financial Report is available by emailing manager@townofnewland.org

In government, much more than business, the budget is an integral part of a unit’s accounting system and daily operations. North Carolina General Statutes require that all governmental units in the State to adopt a balanced budget by July 1 of each year. An annual or project budget ordinance, as adopted and amended by the governing body, creates the legal limit on spending authorizations. The annual budget is the foundation for the Town’s financial planning and control. The Town of Newland annual budget is adopted for the General and Water/Sewer Funds. The budget is prepared by fund, and department (e.g., police, public works). Transfers within the same fund between different departments require approval from the Town Manager or designee. Transfers of appropriations between funds require approval of the Town Council.

Accounting Records

The town maintains all its accounting records at the Town Hall located at 301 Cranberry Street, Newland, North Carolina, 28657.

Assistance Available to Auditor

The Town has designated the Finance Officer as the person with the suitable skills, knowledge and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the Auditor. The Town will make available to the Auditor sufficient help to provide requested information and prepare necessary confirmations.

The following accounting procedures will be complete, and supporting documents will be prepared by the Town staff no later than September 1. The Town does make one “late” journal entry to accrue the utility franchise tax distribution for the previous June quarter on September 15.

General

1. Balance sheets for all funds.
2. Statement of Revenues, Expenditures, and Transfers (compared to budget) for all funds.
3. General ledger transaction details for all accounts available upon request.
4. A copy of the original budget, all amendments and a supporting Excel worksheet which reconciles original adopted budget to final amended budget.
5. A copy of all project ordinances and all amendments for active projects during the audit period.
6. A copy of all board policies with any relevance to finance including contracts with vendors, travel policy, investment policy, fund balance policy, purchasing policy, internal control policy, allowable cost policy, conflict of interest policy, non-discrimination policy, record retention and uniform guidance policies.
7. Copies of all board meeting minutes.
8. Copies of all correspondence with the Local Government Commission including semiannual Cash and Investment Reports (LGC-203), unit letters, letters regarding the audited financial statements and compliance reports where applicable.

Cash and Investments

1. Bank statements and reconciliations for all bank and investment accounts at June 30 including outstanding check details and deposits in transit (reports available for all months).
2. Bank confirmation for North Carolina Capital Management Trust at June 30 (bank accounts typically require electronic confirmation via Auditor).
3. Schedule of cash and investment balances at June 30 (showing applicable FDIC insurance coverage)

Payroll and Retirement

1. Schedule of accrued but unpaid payroll at June 30 – reconciled to general ledger
2. Schedule of accrued vacation, compensatory time and accrued sick leave at June 30.
3. Summary of retirement expenses (LGERS and 401K) by month.
4. Support for all payroll liabilities on balance sheet at June 30.
5. Reconciliation of salaries paid in fiscal year – salaries in general ledger are reconciled to Forms 941 and retirement wages. A comparison of general ledger salaries to the prior year is prepared with an explanation for any significant variances.
6. Actuarial valuation for Law Enforcement Officers Separation Allowance (LEOSSA).

7. Actuarial valuation for Other Post-Employment Benefits (retiree health).
8. LGERS template completed for reporting actuarial data.

Revenues

1. NC shared revenues are reconciled to North Carolina confirmation report.
2. Avery County shared revenues and taxes collected are reconciled to Avery County revenue report.
3. Property taxes for the Town of Newland – annual tax scroll and all year-end tax reports are available.
4. Schedule of taxes receivable.
5. Analysis of tax levy prepared for town-wide tax and municipal service district taxes.
6. Schedule of due from other governments at June 30.
7. Schedule of other miscellaneous receivables at June 30.

Capital Assets

1. Schedule of all capital asset acquisitions made during the audit year.
2. Schedule of all capital asset dispositions made during the audit year.
3. Listing of all capital assets on June 30 sorted by group and function.
4. Schedule of depreciation expense for the audit year.

Current Liabilities

1. Schedule of accounts payable by fund at June 30.
2. Schedule of any other current liabilities applicable.

Long-term Debt (in addition to vacation, compensatory time, LGERS, LEOSSA and OPEB)

1. Summary of long-term debt showing beginning balance, additions, principal, and interest payments and ending balance.
2. Copies of debt agreements for any new debt or debt outstanding at June 30.

Reserves

1. Restricted by state statute calculation. A separate schedule of open purchase orders on June 30
2. Schedule of Federal and State funds reserved for drug enforcement.
3. Copy of Powell Bill report for the fiscal year showing any reserved portion on June 30.

Grants

1. Grant agreement.
2. Grant budget.
3. All financial reports.
4. Correspondence with grantor agency including reimbursement requests and any monitoring reports.

Please email manager@townofnewland.org for the *Size and Complexity of the Town*.

The Town's financial applications are on the Southern Software with the exception of Payroll. The Town's payroll application is Howard Simon – Strong Pay.

Other Information: The Town's fiscal year ending June 30, 2023, audit has been submitted to the LGC. The Town does not maintain an internal audit function.

Notification of Award:

The successful respondent will be notified of the award of contract following the favorable decision made by Town Board. No other proposers will be personally contacted.

Proposal Due Date: July 8, 2026, at 5:00 PM

PROPOSAL CERTIFICATION

Authorized Representative Name: _____ Title: _____
(Please Print)

Address: _____

Telephone: _____ E-mail: _____

Signature _____ **Date** _____

By Signing above, I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

It is understood by the Offer that The Town of Newland reserves the right to reject all Proposals, to waive formalities, technicalities, and to recover and rebid this RFP. This RFP for Audit Services is submitted by: _____

Firm Name