



TWO PART REQUEST FOR PROPOSAL FOR AUDITING SERVICES
AND SELECTION OF AN INDEPENDENT AUDIT FIRM

BY

-TOWN OF INDIAN TRAIL-

NORTH CAROLINA

Proposal Due Date: 01/21/2022 by 3:00pm

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The Governing Body of the Town of Indian Trail (hereinafter called the “unit”) invites qualified independent auditors (hereinafter called “auditor”) having sufficient governmental accounting and auditing experience in performing 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 Indian Trail 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 shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the Town of Indian Trail. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Union County, North Carolina.

Type of Audit

The audit will encompass a financial and compliance examination of the unit’s basic financial statements, supplementary information, and compliance reports, 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.

The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of proposal submission. This includes, but not limited to, the Governmental Accounting Standards Board (GASB) statements 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 of Indian Trail staff on the applicability of accounting and reporting standards as they become effective.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the aggregate discretely presented component units, each major fund, and the remaining fund information, which collectively 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 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 also 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. 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 the Town Council meeting in late October for presentation of the financial statements by Manager or Partner of the Audit Staff with comments and potential questions from the Board as requested.

The audit should encompass all funds and entity-wide activities as reported in the unit's audit report and any additional funds or entity-wide activities that may be added after that date.

If required, the audit firm will issue a management letter to the town council after completion of the audit and assist management in implementing recommendations, as in practical. Town of Indian Trail staff also request that an informal letter be addressed to the Finance Director with an efficiency, internal control or accounting improvements that could be made based on the audit staff's observation during their fieldwork. All content must be discussed with the Finance Director prior to issuance. The audit firm is encouraged to discuss the content while management letter is in draft form to ensure that all parties fully understand the circumstances that lead to auditor comments.

The Town of Indian Trail 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 at 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. If 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.

Period

The unit intends to continue the relationship with the auditor for no less than three years based on annual negotiation after the completion of the first-year contract. Each year after negotiation has taken place an annual 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 approval. The Town of Indian Trail reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year one being the only obligated year:

July 1, 2021 to June 30, 2022

July 1, 2022 to June 30, 2023

July 1, 2023 to June 30, 2024

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 and/or a unit contract 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 prior to 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 prior to 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.

The LGC only approves invoices for audit related work. Requests for payment related to any additional agreed upon procedures or AFIR work do not require LGC approval. Final invoices for these services will be paid after the final report results and findings have been reviewed and deemed satisfactory by town staff.

Requirements

The audit must be conducted in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards, the latest revision issued by the Comptroller General of the United States; Office of Management and Budget's (OMB) Uniform Guidance and , if applicable, the State Single Audit Implementation Act, and any other applicable procedures for the audit of a local government's financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). By accepting this engagement, the Auditor warrants that they have 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 Auditor will prepare most year-end adjusting journal entries. The auditor will be responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information, and compliance reports. The Town of Indian Trail's Finance Director will be actively involved in the MD&A, and other schedules section preparation. The auditor will submit a draft of the Financial Statement to be reviewed in detail by the Finance Director. This draft should be submitted to the Town of Indian Trail in time to allow ample review and corrections. **The timing of this should ensure final completion of the Financial Statements no later than the annual October 31st deadline.**

The Town of Indian Trail prefers interim fieldwork be completed in early June. Year-end fieldwork should begin in August and be completed by September 15th. **An agreed upon post-closing trial balance must exist by September 30th.** The Finance Director will expect a listing of requested information needed for the audit, PBC list during the month of June, prior to the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

The audit must be completed, and reports rendered four months following the fiscal year end (October 31).

A preliminary draft of the audit and required journal entries must be submitted to the Finance Director by October 1 for proofing and reconciliation to the unit's records. Along with a detail listing of general ledger accounts used when grouping numbers together.

Fifteen copies of each audit report, management letter, and other applicable reports must be supplied to the Finance Director within the time frame cited above. In addition, the auditor is responsible for submitting the required copies to the staff of the Local Government Commission (LGC). Any other copies required will be charged on an as needed basis in addition to the quoted fee. The Town also requires a digital copy of the audit and all applicable reports.

Other Services

The auditor will prepare, type, and print the audited financial statements. The auditor will submit a draft for review by the Finance Director. The Finance Director will return the draft with proposed revisions as quickly as possible.

Description of Selection Process

Three copies of each section of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract" along with a digital copy of the proposal.

Proposals will be submitted in two sections. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The proposals will be reviewed and evaluated based on the auditor's/firm's educational and technical qualifications. The top three firms from the first section will have their second section opened and evaluated. The firm that best meets the Town of Indian Trail's expectations for experience, audit approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor, will not be a sole determining factor. unusually low bids that are obviously out of line with other bidders or are significantly lower than our current fees will raise concern. the lowest bid will not automatically be awarded preferential consideration.

The Town of Indian Trail requests that no Town of Indian Trail elected officials or town staff be contacted during this process. However, the Finance Director may be contacted only to clarify questions concerning the RFP.

The Town reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve 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 North Carolina State Board of CPA Examiners.

First Section

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) located within the local office that will manage the audit.
3. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each. Responsive firms should include any relevant information regarding audits performed on financial statements prepared under the new reporting model.
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 programs (peer review). Provide a copy of the firm's current peer review.
6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Again, relevant experience with the new GASB reporting requirements should be clearly communicated.
7. Describe the relevant educational background of each person assigned to the audit, senior level and higher including the new GASB reporting requirements. 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 (e.g., solid waste, grants, enterprise funds, bonds, and capital projects).
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 contracted for a reference.
11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
12. Is the firm insured to cover claims? Describe liability insurance coverage arrangements.
13. Describe any regulatory action taken by any oversight body 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

Proposals should include completed cost estimate sheets and any other necessary cost information in a *separate, sealed* envelope marked – "Cost Estimate." The Town plans to

evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

This second section should consist of completed cost estimate sheets, which will include the following information:

1. Type of audit program used (tailor-made, standard government, or standard commercial).
2. Use of statistical sampling.
3. Use of automated processes and internal control testing methods.
4. Use of computer audit specialists.
5. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
6. Information that will be contained in the management letter.
7. Assistance expected from the town's staff, if other than outlined in the RFP.
8. Tentative schedule for completing the audit within the specified deadlines of the RFP.
9. Use of internal audit staff (if applicable).
10. Specify costs using the format below for the audit year July 1, 2021 to June 30, 2022. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2022, is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.
 - A. Personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
 - 1) Estimated hours – categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor's office.
 - 2) Rate per hour.
 - 3) Total cost for each category of personnel and for all personnel costs in total.
 - B. Travel – itemize transportation and other travel costs separately.

- C. Cost of supplies and materials – itemize.
- D. Other costs – completely identify and itemize.
- E. If applicable, note your method of determining increases in audit costs on a year-to-year basis

10. Please list any other information the firm may wish to provide.

11. Please include the Summary of Audit Costs Sheet with your proposal.

Time Schedule for Awarding the Contract

RFP Release Date	<i>December 1, 2021</i>
Deadline for RFP Questions *	<i>January 4, 2022 by 5:00 pm</i>
Questions to be Answered No Later Than	<i>January 14, 2022 by 5pm</i>
Deadline for Receipt of Proposals **	<i>January 21, 2022 by 3:00 pm</i> Town of Indian Trail, Finance Department Attn: Jim Wojtowicz, CPA, Finance Director 315 Matthews-Indian Trail Road Indian Trail, NC 28079
Notice of Recommended Firm	<i>February 22, 2022</i>
Council Approval ***	<i>February 22, 2022</i>

Any questions should be directed to Jim Wojtowicz, CPA, Finance Director, at jmw@indiantrail.org. All questions and answers will be shared with each firm that has signed and returned an acknowledgement of receipt and intent to respond to the proposal. Appointments may be scheduled to discuss further any specific matters necessary in preparing your proposal.

** Proposals can either be submitted electronically (email) to jmw@indiantrail.org or on paper by January 21, 2022. Envelopes containing proposals on paper should be clearly 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 Three copies of the bound proposal (clearly separating section 1 and 2) should be delivered to: 315 Matthews-Indian Trail Rd, Indian Trail, NC 28079. Attn: Jim Wojtowicz.

Town of Indian Trail reserves the right to request additional information deemed necessary to aide in the selection process.

*** The Finance Office will review the proposals and make a recommendation to Town Council on February 22, 2022.

Description of the Governmental Entity and Its Accounting System

Entity

Town of Indian Trail is a Municipality in North Carolina with a population of approximately 40,000. The town operates a Stormwater Fund. This is our only propriety fund. Other funds the Town currently uses:

General Fund
Bond Capital Project Fund
Chestnut Extension Capital Project Fund
Unionville Indian Trail Sidewalk Improvements Capital Project Fund
Indian Trail Road Complete Street Project Fund
US 74 Multi-Use Path and South Fork Crooked Creek Greenway Project Fund
Capital Reserve and Debt Service Fund

Based on the criteria set forth in GASB Statement 14, the following organizations will be included in the audit:

Town of Indian Trail ABC Board (discrete component)

Funds

The Town of Indian Trail maintains the following funds: (the following are examples)

Governmental Funds
General Fund, including Debt Service Fund

Capital Reserve and Debt Service Fund
Capital Projects Funds:
Bond Capital Project Fund
Unionville Indian Trail Sidewalk Improvements Capital Project Fund
Indian Trail Road Complete Street Project Fund
US 74 Multi-Use Path and South Fork Crooked Creek Greenway Project Fund
Chestnut Extension Capital Project Fund
Proprietary Funds
Enterprise Funds:
Stormwater Fund

Grants, Entitlements, and Shared Revenues

A copy of the Schedule of Expenditures of Federal and State Awards for the year ended June 30, 2021, can be reviewed online at www.indiantrail.org, in the Finance Department. Also included is a Summary of Auditor's Results showing the major programs for the prior year. At least five years of Financials can be reviewed online at www.indiantrail.org, in the Finance Department.

Budgets

The unit budgets all funds on the modified accrual basis of accounting as required by North Carolina law. Appropriations are made at the departmental level and the budget is adopted at this level. The unit also maintains an encumbrance system. Both the budgetary and encumbrance systems are integrated with the accounting system to provide easy comparison with actual expenditures. At least five years of budgets can be reviewed online at www.indiantrail.org, in the Finance Department

Accounting Records

The Town of Indian Trail maintains all its accounting records at the finance office located at 315 Matthews-Indian Trail Rd, Indian Trail, NC, 28079. All accounting journals and subsidiary ledgers are maintained on Edmunds MCSJ software. The ABC Board will provide our auditors with a copy of their audited financial statements by their independent auditors as part of the town's audit.

Assistance Available to Auditor

The town has designed the Finance Director as a person with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. The town will make available to the auditor sufficient help to pull and re-file records and prepare necessary confirmations. An electronic version of the trial balance with budgeted amounts will be made available via Excel or PDF on date TBD. The

following accounting procedures will be completed, and documents prepared by the unit's staff no later than date TBD.

The books of account will be fully balanced.

All subsidiary ledgers will be reconciled to control accounts.

All bank account reconciliations for each month will be completed.

The unit's personnel will prepare the following items:

General

1. Working Balance Sheet for each fund.
2. Working Statement of Revenues, Expenditures, and Transfers for each fund.
3. General Ledger transaction detail report for each account. (List any exceptions)
4. A copy of the original budget, all amendments, and the final budget as of June 30, 2022.
5. A copy of all project ordinances and all amendments for active projects during the audit period.
6. A copy of board policies, including travel policies, investment policies, debt policies, fund balance policies, and purchasing policies including how the pre-audit process is performed.
7. Copies of all signed Board meeting minutes.
8. Copies of all correspondence with the staff of the Local Government Commission, including semiannual Cash and Investment Reports (LGC-203), unit letters, letters regarding the audited financial statements and compliance reports for the previous year.
9. Management's Discussion and Analysis
10. Required supplementary information.

Cash and Investments

1. All bank reconciliations for each month
2. List of outstanding checks by account, showing check number, date, and amount.
3. Schedule of all investments for all funds at the audit date, showing book value and estimated market value at fiscal year end.

Receivables

1. Listing of unpaid tax bills in detail totaled by year as of fiscal year end.
2. Listing of outstanding receivables by fund and general ledger as of the fiscal year end.
3. A copy of each receivable in detail as of the fiscal year end.
4. Schedule of miscellaneous receivables booked as of the fiscal year end.

Other Assets

1. Schedule of insurance coverage.

Capital Assets

1. Listing of all capital assets.
2. Printout of all capital asset acquisitions made during the audit year.
3. Printout of all capital asset dispositions made during the audit year.
4. Access to printout containing calculations used in balancing the Capital Assets subsystem to the government-wide statements.
5. Printout of depreciation expense posted for the audit year.

Current Liabilities

1. Schedule of accounts payable including batch printouts.

Long-Term Debt

1. Computation of vested vacation payable as of the audit date.
2. Debt Schedule for each debt issue and related payments.

Grants

The following will be compiled for each grant:

1. Grant agreement.
2. Budget.
3. All financial reports.
4. Correspondence with the grantor agency, including monitoring reports.
5. CFDA # and/or pass-through grant #.

Size and Complexity of Unit

Personnel/Payroll

Number of employees	Approx. 50
Frequency of payroll	Semi-monthly
Number of payroll direct deposit advises	All-No live checks
Property Tax (disclose if collected by another agency)	
Number of tax bills issued (without motor vehicles)	20,000 est.
Number of motor vehicle tax bills issued	22,000 est.
Total dollar amount of most recent year's collections	\$6,851,634
Total dollar amount of levy	\$6,878,683

Stormwater Billing

Number of statements each month	billed with property tax
Average number of delinquent accounts at month end	400-500 est.

Purchasing

Number of purchase orders issued	FY2021 1,878 issued
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Bank Accounts

Number of bank accounts	4
Number of investment accounts (NCCMT)	9
Number of escrow accounts	1
Average monthly activity in main accounts	\$2,637,114
Number of deposits Central Depository	600
Number of checks: Central Depository	123

The following financial applications are on the computer system:

- General Ledger
- Accounts Payable
- Grants/Project Accounting
- Capital Assets
- Accounts Receivable
- Taxes Receivable
- Cash Receipts

The following financial application is on a separate computer system

None

Special Conditions (list any special conditions; below are some items)

Payroll completed via third party vendor- Dominion Payroll

New Conditions (list any recent or upcoming changes):

ARPA Grant Funds allocation \$12,774,524.50 in total. Town of Indian Trail received 1st Allocation in the amount of \$6,387,262.25 on 8/20/2021.

Contact information:

Name: Jim Wojtowicz, CPA
Title: Finance Director
Town of Indian Trail
315 Matthews-Indian Trail Road
P. O. Box 2430
Indian Trail, NC 28079

Phone: 704-821-5401

Fax: 704-821-9045

Email: jmw@indiantrail.org

SUMMARY OF AUDIT COSTS SHEET

- 1. Base Audit
Includes Personnel costs, travel, and on-site work \$ _____

- 2. Extra Audit Services \$ _____ Per hour

- 3. Other (explain)
_____ \$ _____

- 4. Other (explain)
_____ \$ _____

- TOTAL** \$ _____

FIRM:	Primary Contact:
Address:	Telephone:
	Fax:
	E-mail:
	Date:

PROPOSAL CERTIFICATION

Proposers

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.

BY (Printed): _____

TITLE: _____

TELEPHONE: _____

EMAIL: _____