



Professional Services Proposal

Section 1

Audit

Prepared for

Town of Holden Beach

February 2026

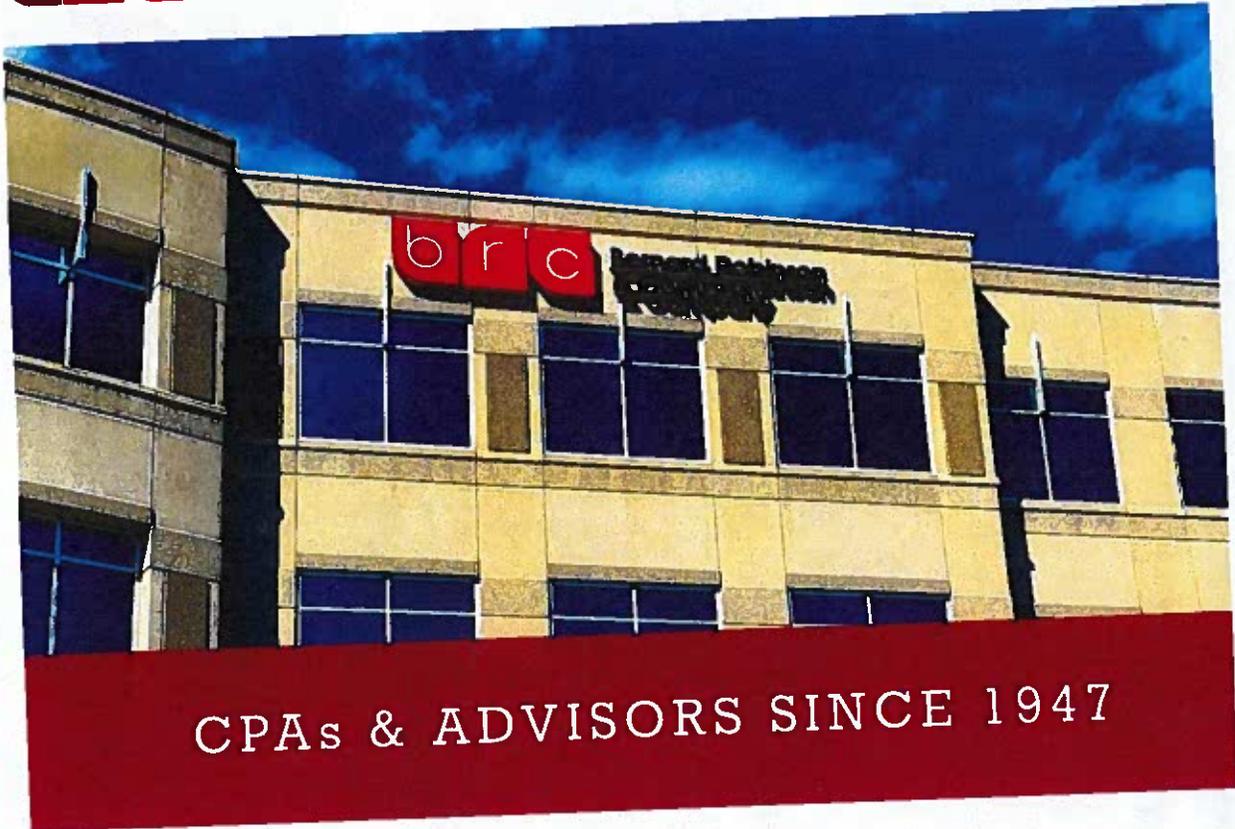


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Firm Overview

About BRC

BRC is a CPA and advisory firm serving clients and their businesses throughout the Southeast for more than 75 years. We are engaged in helping today's leading middle market companies, private companies, not-for-profit organizations, small businesses and government entities, with dedicated industry groups who also serve several key sectors. BRC also provides additional domestic and international resources when needed and beneficial for our clients. BRC's main priority is client service, not meeting budgeted hours or revenue streams.

BRC MISSION STATEMENT

To provide accurate, timely, creative, and comprehensive professional services to clients in order to assist them in realizing their objectives, to help enable the individuals in our firm to achieve their own personal goals, and to add to the well-being of our community.

Learn more about the solutions we provide for Assurance, Tax and Advisory Services [here](#).

BRC Office Locations

STRATEGICALLY LOCATED TO SERVE YOU

We have grown from a local firm to one with a strong regional presence consisting of over 200 professionals in five offices across North Carolina.

BRC has strong ties to each community in which it operates with experience and relationships within the accounting industry.



Awards



Affiliation



BRC is a member of DFK International/USA Inc. ("DFK"). DFK is an association of independent, full-service public accounting and consulting firms with offices serving major markets throughout the United States and globally. DFK facilitates the interchange of ideas, knowledge and information in over 80 countries. Through this association, the Firm has access to specific skills and expertise on various accounting, assurance and tax issues that may impact our clients.



Section 1 – Firm’s Prior Experience and Qualifications of Personnel

1. Indicate the number of people (by level) located within the local office that will handle the audit.

The number of people (by level) located within the local office that will handle the audit are:

Partner	1	Greensboro
Senior Manager	1	Charlotte
Supervisor/Senior Accountant	1	Charlotte
Staff Accountant/Intern	2	Charlotte

2. 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.

Our Firm currently serves the following governmental audit clients and more:

Governmental Unit	Services
Town of Kure Beach, North Carolina	Annual financial and compliance audits and drafting of the unit’s financial statement for management’s review and approval since 2011.
Town of Carolina Beach, North Carolina	Annual financial and compliance audits and drafting of the unit’s financial statement for management’s review and approval since 2015.
City of Randleman, North Carolina	Annual financial and compliance audits and drafting of the unit’s financial statement for management’s review and approval since 2013.
Town of Candor, North Carolina	Annual financial audits and drafting of the unit’s financial statement for management’s review and approval since 2013.
Town of Pleasant Garden, North Carolina	Annual financial audits and drafting of the unit’s financial statement for management’s review and approval since 2010.
Town of Jonesville, North Carolina	Annual financial audits and drafting of the unit’s financial statement for management’s review and approval since 2020.
Town of Ronda, North Carolina	Annual financial audits and drafting of the unit’s financial statement for management’s review and approval since 2021.



3. 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.

To complement our accounting and auditing services noted above, the Firm offers assistance to its local governmental clients in general management and administration.

A listing of recent consulting services provided by personnel available to the Town of Holden Beach includes:

- Accounting Policies and Procedures Manuals
- Internal Control Evaluations
- Budget Preparation Assistance
- Operational and Performance Reviews
- Accounting Assistance
- Bond Related Agreed Upon Procedures
- Comprehensive Long-Range Information Systems and Telecommunications Study Involving Offices and Functions
- Forensic Accounting Related to Embezzlements or Allegations of Misappropriated Funds

4. Describe your audit organization's participation in the AICPA-sponsored or comparable quality control programs (peer review).

Our Firm complies with the AICPA Peer Review Program and has a peer review performed on our accounting and auditing practice every three years. In addition, several members of the Firm (including the Partner who would be working with the Town) perform peer reviews of other CPA firms in and outside the State of NC. Through knowledge gained in performing these peer reviews; we have been able to identify "best practices" from other firms' experiences and resources about accounting and reporting issues.

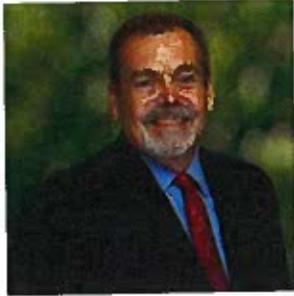
Our most recent published peer review report is exhibited below, and we are pleased to report BRC received a pass rating with no matters, findings, or deficiencies noted. **See Exhibit A.**

5. Describe the professional experience in governmental audits of each senior and higher level person assigned to the audit, the years on the job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be onsite.

Below are the main contacts that you will have in our firm. Each member of your engagement team has extensive knowledge in performing audits with unique accounting and reporting issues impacting programs, activities and functions of the Town of Holden Beach.



Victor Blackburn, CPA, Assurance Partner | Greensboro, NC



Victor is a partner in our assurance area with more than 34 years of experience in public accounting. Over those years of experience, Victor has worked on many nonprofit entities, including those with federal and state funding that require compliance and/or Government Auditing Standard audits. Victor's responsibilities will include the planning, supervision and review of the engagement to ensure that the engagement has met professional standards. He has worked extensively with clients to implement new accounting and reporting requirements, internal control suggestions and overall operational efficiencies. Victor has current CPA licenses in both North Carolina and Virginia. He is a member of the American Institute of Certified Public Accountants (AICPA) and the North Carolina Association of Certified Public Accountants (NCACPA) and conducts peer reviews.

Victor has had experience with a variety of different counties, cities, towns, boards of education and authorities. Below are some of those North Carolina-based Governmental clients:

- **Boards of Education** - Caswell, New Hanover, Brunswick, Carteret and Wake
- **Towns and Cities** - Carolina Beach, Kure Beach, Pleasant Garden, Randleman, Candor, Pilot Mountain, Concord, Sanford, Reidsville, Fuquay-Varina, High Point, Chapel Hill and Salisbury
- **Counties** - Cleveland and Mecklenburg
- **Authorities** - Orange County Water & Sewer Authority, Housing Authority of the Towns of Beaufort and Salisbury

Examples of Victor's diverse expertise include the following:

Performance and review of financial statement audits and compliance audits for Governmental clients that have programs, activities and functions, analyzing accounting and internal control system in order to consolidate accounting functions while retaining adequate internal control, assisting clients with their initial and continued Annual Comprehensive Financial Reports ("ACFRs") submission to the Association of School Business Officials ("ASBO") and Government Finance Officers Association ("GFOA"), assessment and development of procedures to assist entity's personnel with budget preparation, assisting in the development and implementation of an internal audit department, operational and performance efficiency study for functions and programs, cost of services study, assessment of accounting policies and procedures manuals, forensic accounting, accounting assistance, and training and implementation of GASB 34 reporting model.

Victor is a member of GFOA. He was appointed to their Special Review Committee to review ACFRs submitted by governmental entities throughout the United States in hopes of being awarded the Certificate of Achievement for Excellence in Financial Reporting.

Rachel Clupper, Assurance Senior Manager | Charlotte, NC

Rachel is a Senior Manager in our Firm's assurance area with more than 19 years of assurance experience in national and regional CPA firms. Rachel works extensively with clients involved in the non-profit and governmental industries. She is experienced in all phases of accounting, auditing, and regulatory compliance related to these clients, including engagements requiring government auditing standards "Yellow Book" and Uniform Guidance "single audit" considerations. Rachel has served in Uniform Guidance quality assurance roles in national firms for many years and has developed and conducted training in respect to UG compliance and it's changing landscape both internally and externally. She is a member of the American Institute of Certified Public Accountants (AICPA), the North Carolina Association of Certified Public Accountants (NCACPA), and the Indiana Certified Public Society (INCPA). Additionally, Rachel serves on both the NCACPA Government Resource group with various members of the Institute of Government for the State of North Carolina ("LGC") and other state government officials and the NCACPA Nonprofit Resource group. She is on the NCACPA planning committee for the Nonprofit Spring conference. She is a member of GFOA and served as Board member for the Central Indiana AGA chapter.

Rachel has had extensive experience with a variety of different states, counties, cities, towns, school districts, higher education institutes, and authorities. Below are some of those clients:

- **Towns and Cities** – City of Indianapolis, Indiana; City of Randleman, NC; Town of Ronda, NC
- **Counties** – Elkhart County, Indiana; Johnson County, Indiana; Marion County, Indiana; Sarasota County, Florida
- **Authorities** - Housing Authority of Salisbury, NC
- **Lottery Commission** – The State Lottery Commission of Indiana
- **State Agencies** – MS Department of Public Works; MS Department of Public Health; KS Department of Transportation
- **School Districts** – led 18 biennial audits of various public school districts in Indiana, multiple Charter school and private school clients
- **Higher Education** – Jackson State University, MS; Alcorn State University, MS; University of South Carolina, SC; Mississippi Institute of Higher Learning university wide Uniform Guidance audit
- **Agreed Upon Procedures** – Indiana Public Employees Retirement Fund

As a matter of policy at BRC, we attempt to provide continuity of service to our clients to the greatest extent possible. Where changes in engagement team members at the partner, senior manager, or manager level are occasionally necessary, we will discuss these matters with you and determine the appropriate new individual(s) to be assigned to the engagement based on particular experience, expertise, and engagement needs.



6. 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.

Each senior member of your engagement team is a certified public accountant in the State of North Carolina and a member of the AICPA. All professional members comply with the State's and AICPA's requirements for continuing professional education in the performance of audits.

Both Victor and Rachel have experience in providing various continuing professional education classes to staff members and clients. Annually, the Firm reviews each member's continuing professional education classes taken and compares those to the standards applicable for performing Governmental Audits to ensure full compliance with those standards. During this time, the Firm will identify specific training programs or classes that comply with those standards to ensure professional members are signed up to participate and address specialized accounting and auditing issues impacting governmental clients. Additionally, Victor and Rachel both attend various local and national GFOA and AICPA conferences to ensure they are up to date with the ever-changing regulatory landscape to get ahead of their clients' needs. Direct governmental accounting and audit continuing professional education seminars and courses attended by some of your engagement team members for the past three years include the annual conferences put on by the LGC and the GFOA and yearly Firm sponsored classes for governmental clients exceeding 16 hours or more for each year and includes various topics such as accounting and reporting, fraud, and compliance that directly impact governmental clients.

Continuing Professional Education hours for each leading engagement team member for the past three years are as follows:

	2023	2024	2025
Victor Blackburn	64.5	50	53.5
Rachel Clupper	30.6	89.9	53.6

7. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities or functions (e.g., utilities, solid waste)

As evidenced in this proposal, members of your engagement team have extensive knowledge in performing financial and compliance audits on various federal and state financial assistance programs.

Victor Blackburn, CPA, Partner, has been working with governmental clients in audit and consulting capacities since 1990, with experience in a variety of counties, cities, towns, boards of education, and authorities. His experience includes performance and review of financial statement audits and compliance audits for governmental clients with programs, activities, and functions; analyzing accounting and internal control systems; assisting clients with ACFR submission to ASBO and GFOA; budget preparation; development and implementation of internal audit departments; operational and performance efficiency studies; cost of services studies; assessment of accounting policies and procedures manuals; forensic accounting; accounting assistance; and training and implementation of GASB 34 reporting model. Victor is a member of GFOA, the AICPA, and the NCACPA.



Rachel Clupper has been working with governmental clients in audit and consulting capacities since 2006, with experience in a variety of counties, cities, towns, state departments, lottery commissions, school districts, higher education institutes and various authorities. Her experience includes performance and review of financial statement audits and compliance audits for governmental clients with programs, activities, and functions; analyzing accounting and internal control systems; assisting clients with ACFR submission; assessment of accounting policies and procedures manuals; forensic accounting; accounting assistance; federal grant internal control opportunity assessments; and training and implementation of various GASB standards. Rachel is a member of GFOA, the AICPA, INCPA, and the NCACPA.

8. 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.

Members of the engagement team have helped counties, cities, towns, boards of education and other local governmental organizations review or prepare draft reports that applied for and received the GFOA's Certificate of Achievement for Excellence in Financial Reporting and/or ASBO Certificate of Excellence.

As noted previously, Victor Blackburn has also served as instructor for Continuing Professional Education Courses for staff members and clients and serves as a member of the GFOA's Special Review Committee to review ACFRs submitted by governmental entities wishing to be awarded the Certificate of Achievement for Excellence in Financial Reporting.

Additional noted previously, Rachel Clupper has developed internal and external training for multiple top ten CPA firms related to Uniform Guidance. She also was a speaker to the AGA Central Indiana Chapter regarding Uniform Guidance changes in March 2024. She also has spoken on board member engagement, and the "Insomnia of Nonprofits" locally in Charlotte, NC.

9. Provide names, addresses, telephone numbers and email addresses of personnel of current and prior audit clients who may be contacted for a reference.

Below are governmental clients serviced by your engagement team and whose reports were approved by the LGC that you can contact for any detailed questions about our engagement team services and approaches:

<p>Town of Kure Beach Mr. Arlen Copenhaver 117 Settlers Lane Kure Beach, North Carolina 910-458-8216</p>	<p>City of Randleman Beth Smith 204 South Main Street Randleman, North Carolina 336-495-7500</p>
<p>Town of Pleasant Garden Mr. Bobbie Hatley P.O. Box 307 Pleasant Garden, North Carolina 336-674-3002</p>	<p>Town of Carolina Beach Mrs. Debbie Hall 1121 N. Lake Park Blvd Carolina Beach, North Carolina 910-458-5495</p>



10. Describe how the firm meets professional independence standards.

Each year, members of the Firm are required to have ethics continuing professional education training, no matter whether they are CPAs or not. From this training, members are reminded of their obligations to comply with independence issues impacting the Firm and our clients. Firm members are asked yearly about their knowledge of any independence issues related to our clients, which is reported to the Firm's Human Resource Director. Any independence issues are communicated to the Firm's partners for evaluation and resolution.

A copy of the Firm's independence policy is included as follows:

Independence

All Firm members are required to adhere to the independence rules, regulations, interpretations and rulings of the AICPA, the State Board of Accountancy, and the state CPA Society. The interpretations and rulings are contained in ET Section 101 of the AICPA Professional Standards Service and should be consulted when issues of independence arise.

The Firm's current client list is available to all staff for their review to ensure they are aware of those entities to which the Firm's independence policies and procedures apply. During the year, the staff will be informed of any changes in the client list.

We assure you that we take our Firm's (and staff's) independence very seriously and will take any steps necessary to remain independent of Town of Holden Beach.

11. Describe liability insurance coverage arrangements.

From prior knowledge of performing governmental audits, the Firm notes that minimum insurance coverage required for contractors providing services to the Town of Holden Beach are within the Firm's current coverage for worker's compensation, commercial general liability and automobile.

12. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

No known regulatory action by any oversight body has been filed against the Firm.

Client Satisfaction and Responsiveness

Our Firm prides itself on being "client aware." This means taking a proactive approach to understanding you, our client, including entity characteristics, the environment in which you operate, your expectations and your style. At BRC we know that clear and ongoing client communication is critical in accomplishing your goals as well as giving us deeper insight into your entity's perspectives and objectives.

It is our Firm's policy not to charge our clients for minor consultations or discussions, because we want you to feel comfortable to call us anytime and it helps to keep us informed on what is going on with your entity. Regular updates from you also allow technical considerations to be a part of



your decision-making process. If a consultation or discussion is deemed major, the engagement team will discuss with management and agree to a fee quote before any time is charged to you.

If any issues arise while performing our services, they will be brought to the senior member of the engagement team and that senior member of the team will discuss the issue with management.

Each member of your engagement team is available throughout the year for consultation or discussions. We want you to trust that if someone is not available, that you can go to another team member to address your questions.

Closing

Thank you for allowing us to propose on these professional services for you. Our firm has grown proudly to serve numerous types of clients – governments, healthcare, construction, real estate entities, associations, nonprofits, and middle market corporations. We bring understanding, experience and a professional services bench to each opportunity and situation.

Our client service and communication are firm priorities and the first thing we think about when working with clients. Our communication and service are also most frequently praised when clients speak of us and give testimonials. We look forward to the start of a long-lasting relationship with you and if you have any questions about our proposal, please contact us for any further clarification.



Exhibit A



Report on the Firm's System of Quality Control

To the Partners of
Bernard Robinson & Company, LLP
and the Peer Review Committee of Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Bernard Robinson & Company, LLP (the "firm"), in effect for the year ended May 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; and examinations of service organizations (SOC 2 engagements).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Your Success is Our Focus

3906 Electric Road • Roanoke, VA 24018 • 540-345-0936 • Fax: 540-342-6181 • www.BEcpas.com



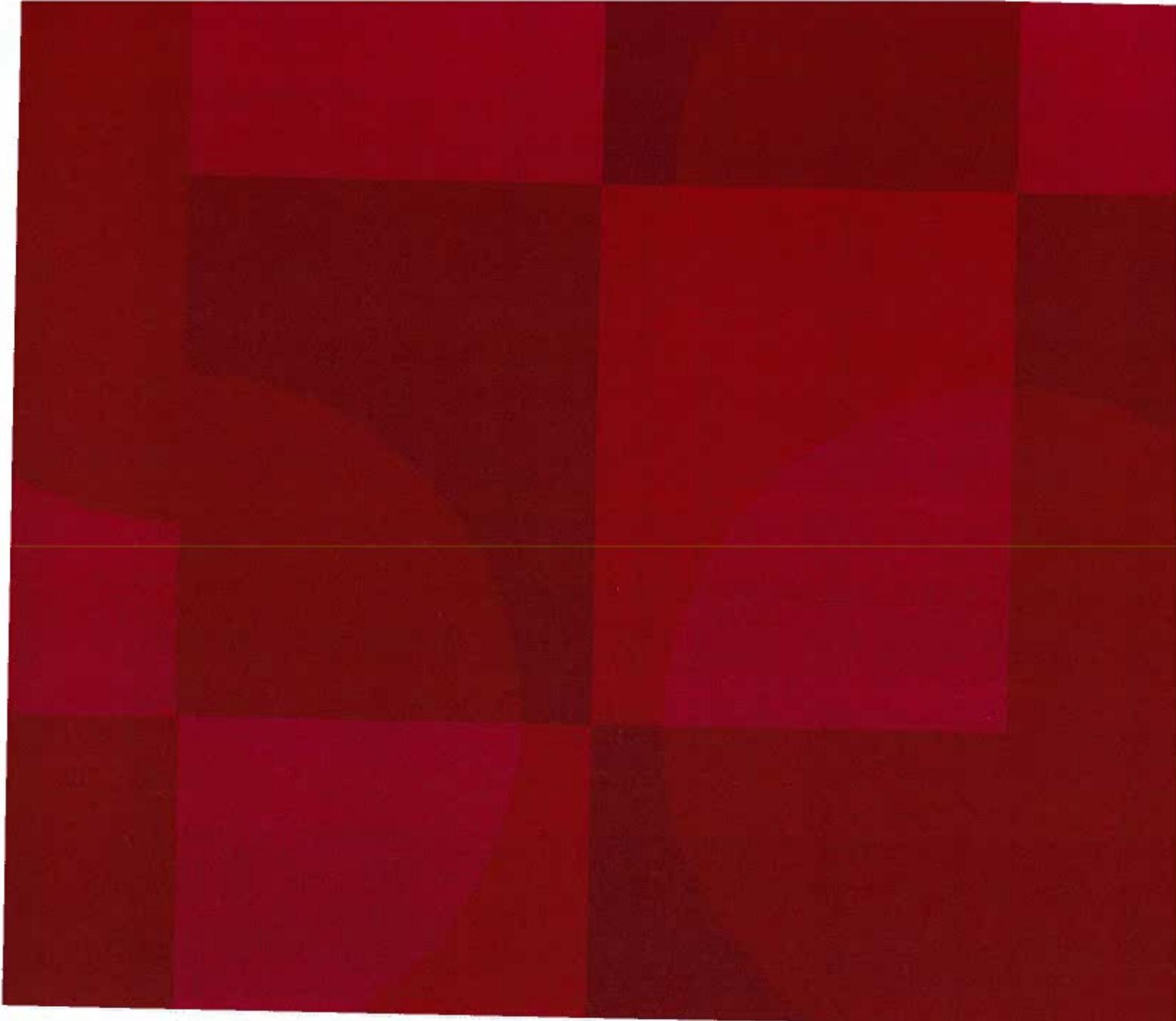
Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bernard Robinson & Company, LLP, in effect for the year ended May 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Bernard Robinson & Company, LLP has received a peer review rating of *pass*.

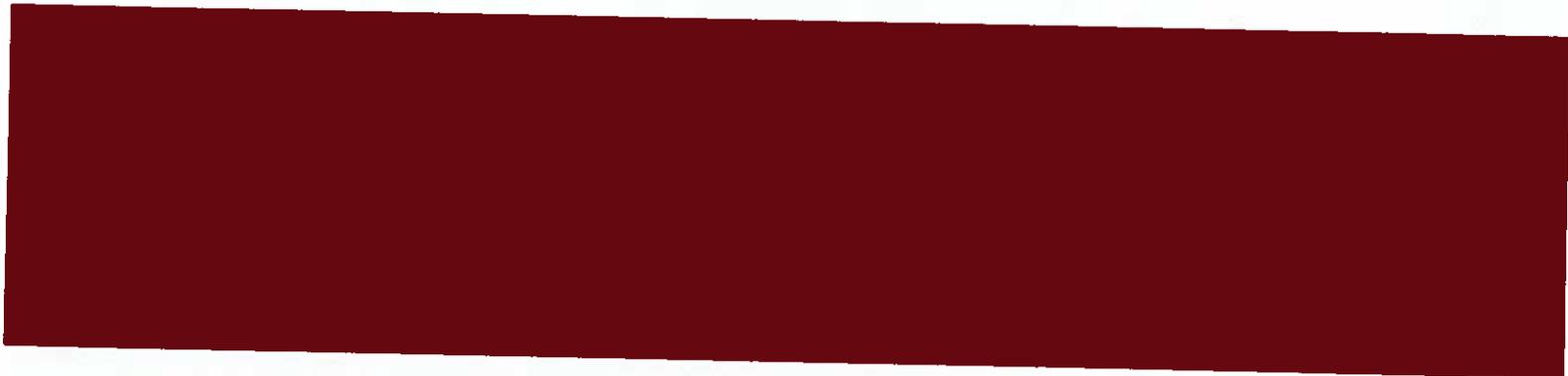
Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 30, 2023



brc.cpa





Professional Services Proposal

Section 2

Audit

Prepared for

Town of Holden Beach

February 2026



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Section 2

1. Explanation of the type of audit program used (tailor-made, standard government or standard commercial).

The Firm uses audit programs developed by CCH ProSystem® fx® Knowledge Coach. These audit programs will be modified to match specific risks identified during planning for the Town of Holden Beach to comply with the auditing standards related to risk assessment and are a combination of standard government audit programs and government compliance audit programs, as well as the audit programs developed by the Local Government Commission ("LGC") in conjunction with independent CPA's. The program developed by the LGC adds other features to a financial audit and includes internal control questionnaires, which include specific references to North Carolina General Statutes' requirements associated with local government entities operating in the State of North Carolina. The LGC also provides compliance audit programs pertaining to federal and State award programs which clearly segregate audit responsibilities for specific compliance audit procedures between state auditors and local auditors. The tailoring of these audit programs will be accomplished prior to and during the preliminary phase of the audit.

The purpose of any audit program and workpaper is to document the required sufficient audit evidence necessary to develop a reasonable basis for an expression of an opinion on the Town's financial statements. Our audit approach complies with the auditing standards that require us to obtain an understanding of the Town's significant financial statement account balances and classes of transactions, as well as those associated with compliance requirements associated with federal and State award programs (if applicable), to identify potential risks of material misstatements that could affect each area, as well as the overall financial statements, assess those risks, select an audit approach that appropriately tailors our response to each risk impacting the audit and linking each assessed risk to audit procedures that appropriately address those risks. Your risk assessment will take into account the Town's materiality of significant account balances or classes of transaction, results of preliminary analytical procedures, information obtained from the engagement team about the Town and its environment which includes internal controls, consideration of potential fraudulent activities, and other relevant information necessary to identify and assess risks.

2. Explanation of the use of statistical sampling.

We will use sampling methods utilized by our CCH ProSystem® fx® Knowledge Coach Practice Aids for selecting the Town of Holden Beach's documents for testing. Those methods consist of selecting a sample using individually significant items, or the haphazard, random or systemic approach. The sample sizes and selection method will be determined based on our assessment of the Town's control and inherent risk, amount and volume of transactions and complexity of obtaining documentation.



3. Explanation of the use (if any) of computer audit specialists.

We currently do not have a person designated in the firm as a computer audit specialist. Members of your engagement team have attended extensive training courses necessary to evaluate and document the unique aspects of accounting programs used by governmental entities in the state of North Carolina and have prior experience with similar programs or accounting systems through working on other North Carolina governmental entities.

4. Organization of the audit team and the approximate percentage of time spent on the audit by each member.

We anticipate that the audit of the Town of Holden Beach would be segmented by timing (Planning/interim, fieldwork and final) and team member. Our anticipated segmentation of the audit, by hours, is as follows:

	Partner	Sr. Manager	Senior	Staff	Total
Planning/Interim: Engagement planning and preliminary fieldwork	2	10	26	19	57
Fieldwork: Financial and compliance audit testing and fieldwork	5	37	70.5	97	209.5
Final: Draft of reports and financial draft review	2	11	14	4	31
Total hours	9	58	85.5	114	297.5
Total percentage	3%	20%	37%	40%	

5. Information that will be contained in the management letter.

Any material weaknesses or significant deficiencies identified for the Town of Holden Beach's internal controls over financial reporting and on compliance and other matters related to GAS audits are required to be reported in a separate letter that is issued as part of your financial audit.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.



A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Management letters issued by the Firm will include any deficiencies that do not meet the requirements of a material weakness or significant deficiency and other operational suggestions identified during the audit for management's analysis and discussion.

6. Assistance expected from the government's staff, if other than outlined in the RFP.

During the planning process of the engagement, the Firm will obtain a detailed understanding of the Town's internal control structure and overall accounting policies and procedures. From this understanding, the engagement team will determine the specific risks associated with the Town's financial statement audit that will be addressed during the audit. Through the determination of these risks, the Firm will develop a Prepared by Client ("PBC") list that is unique to the Town, requesting assistance from the Town in preparing for the audit. The Firm will review and discuss the PBC list with the Town's management to ensure complete understanding of the information being requested and the availability of the information to meet the Town's reporting deadline of December 31st, as noted in the Request for Proposal ("RFP").

For the first year of the audit, the engagement team will plan on testing the opening balances of some of the most significant areas of the Town in May or June with Planning/Interim. With the skills, qualifications and ability of the Town's staff, we will work with the Town to design workpapers to be prepared by your staff to ensure the most efficient audit possible to meet your deadlines, but only if determined that those schedules and reports used by the Town during their normal financial closing process would not provide the necessary audit evidence needed to opine on the Town's financial statements.

Based on the assistance listed within the RFP, we do not believe the Town will need to provide additional assistance. However, if additional assistance is deemed necessary, we will discuss prior to the start of the audit.

7. Tentative schedule for completing the audit within the specified deadlines of the RFP.

The tentative schedule for completing the audit within the specified deadlines of the RFP is as follows:

The Firm would begin planning the audit in the May/June time frame as scheduled well in advance. The planning/interim time would be followed by the fieldwork in August. Drafts would be provided of the financial statements, and applicable letters by early October, as agreed upon at the initial kick off meeting. The partner or manager would meet with management at the conclusion of the fieldwork and would also meet with the Board of Commissioners in either December or January, as desired by the Board and stated in the RFP.



The steps for Town of Holden Beach’s audit and compliance work is outlined as follows:

Audit Steps	2026			
	May – Jun	Aug – Sept	Oct – Nov	Dec – Jan
Understand each Entity and their Business: Identify processes and controls for material accounts and significant transaction cycles. This includes meeting with those in charge of governance to discuss the audit process and potential concerns that could impact the audit process.	✓			
Assess Overall Controls: Assign control and inherent risk factors to identify controls to assess risk of material misstatements.	✓			
Determine Nature and Extent of Testing: Develop overall planning for risk of material misstatements identified during planning and steps to address those risks (including development of the prepared by client (“PBC”) request list).	✓			
Substantive Testing: Perform audit testing on information provided by the Town’s personnel from the PBC requested workpapers and completion of the open compliance testing items.		✓		
Review draft financial statements with note disclosures and prepare audit reports.			✓	
Release of Final Financial Statements and Opinion: Including presentation of the financial statements to the Board.				✓
Prepare drafts of AFIR: Deliver AFIR drafts for review and approval.				✓
File AFIR with NC Department of Treasury.				✓
Management Wrap-up Meeting: Meeting to discuss performance, areas for improvement, and plans for the following year.				✓

Our Firm’s philosophy is to maintain an open line of communication with clients. We want you to feel free to contact us throughout the year as questions arise to avoid surprises for you or us during the audit. We also have significant involvement by partners and managers throughout the process.



8. Specify costs using the Summary of Audit Costs Sheet on page 10 for each of the three (3) audit years. Cost estimates must indicate the basis for charges and whether the amount is a “not-to-exceed” amount.

	FY 2025-2026	FY 2026-2027	FY 2027-2028
Base Audit	\$ 43,000	\$ 44,500	\$ 46,500
Financial Statement Preparation (includes GASB 34 entries & 20 bound copies)	4,500	4,750	5,000
AFIR	3,000	3,250	3,500
Uniform Guidance/State Single Audit Implementation Act (one major program)	7,500	8,000	8,500
Estimated Travel Costs	2,000	2,000	2,000
Total	\$ 60,000	\$ 62,500	\$ 65,000

9. Explanation of additional charges outside of the original scope of work.

Our proposed fee structure includes answering routine technical questions throughout the year that do not require extensive research or significant time commitment, and we do not charge for minor consultations or discussions. Major technical questions or discussions requiring substantial research or time will be discussed in advance, and a fee quote will be agreed upon before any charges are incurred. Services outside the engagement scope are billed at our standard hourly rates by professional level. If additional work is required due to new entities, activities, or tax laws, those services would be subject to our hourly rates, and we will communicate with you before proceeding. Our fees include all out-of-pocket expenses and travel expenses and the answering of routine questions throughout the year that do not require extensive research or time commitment. When research is required, we will discuss this with you in advance before we proceed.

10. If applicable, note the firm’s method of determining increases in audit costs on a year-to-year basis.

We anticipate a cost-of-living increase of approximately 4-5% after the first year. If the audit team encounters an issue requiring significantly more time, the partner will immediately contact management to discuss any additional costs. Engagement team will evaluate the total engagement hours associated with the audits (financials and compliance) and current billing rates to determine starting point for price negotiations. Engagement team and management then can sit down to determine how to potentially reduce engagement hours to reduce engagement fees, if deemed necessary.



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

Government Services

Governmental entities face unique challenges in an ever-changing landscape. The complex regulatory and legal requirements, tight budgetary constraints providing fewer resources, and increased public scrutiny result in a dynamic environment where the only thing certain is change.

Learn more about the solutions we provide for Government Services at brc.cpa.

12. Please include the Summary of Audit Costs Sheets with your proposal.

**TOWN OF HOLDEN BEACH
SUMMARY OF COSTS SHEET**

AUDIT FIRM NAME:

Bernard Robinson and Company LLP, "BRC"

FY 2025 - 2026

1. Base Audit	\$ <u>43,000</u>
2. Financial Statement Preparation (includes cost of printing 20 bound copies)	\$ <u>4,500</u>
3. AFIR	\$ <u>3,000</u>
4. Other (use additional pages to explain, if necessary)	\$ <u>7,500 UG/State Single 2,000 est. travel costs</u>
Total	\$ <u>60,000</u>

FY 2026 - 2027

5. Base Audit	\$ <u>44,500</u>
6. Financial Statement Preparation (includes cost of printing 20 bound copies)	\$ <u>4,750</u>
7. AFIR	\$ <u>3,250</u>
8. Other (use additional pages to explain, if necessary)	\$ <u>8,000 UG/State Single 2,000 est. travel costs</u>
Total	\$ <u>62,500</u>

FY 2027 - 2028

9. Base Audit	\$ <u>46,500</u>
10. Financial Statement Preparation (includes cost of printing 20 bound copies)	\$ <u>5,000</u>
11. AFIR	\$ <u>3,500</u>
12. Other (use additional pages to explain, if necessary)	\$ <u>8,500 UG/State Single 2,000 est. travel costs</u>
Total	\$ <u>65,000</u>



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