

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

January 10, 2023

Town of Holden Beach
Attn: David Hewett, Town Manager
110 Rothschild Street
Holden Beach, NC 28462

Dear David:

Thank you for the opportunity to propose on the audit of the financial statements of the Town of Holden Beach. We appreciate the confidence that you have shown in our firm by asking us to bid on the audit.

Our proposal is built on proven, success-based methodologies for providing a quality audit. We value the efforts and expertise put into the audit by your staff and ours.

Enclosed is a detailed proposal regarding the audit and a brief history of our firm. Also, please be sure to view our enclosed "MSA Profile" for additional information regarding our firm.

Please call me at (828) 327-2727, ext. 308, or email me at mspivey@msa.cpa if you need additional information.

Sincerely,



Marcela J. Spivey, CPA
Audit Partner

Enclosures

**TOWN OF HOLDEN BEACH
NORTH CAROLINA**

**SECTION I
AUDIT PROPOSAL
2023 – 2025**

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.

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Town of Holden Beach, NC

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Town of Holden Beach, NC

Executive Summary/Scope

Firm Name:

Martin Starnes & Associates, CPAs, P.A.
730 13th Avenue Drive SE
Hickory, NC 28602

Request for Proposal – Auditing Services

Executive Summary/Scope:

It is our understanding that we will be engaged to perform an audit of the financial statements for the Town of Holden Beach, as required by auditing standards generally accepted in the United States of America. We will also audit the Town's compliance with the specific requirements of its major federal and state programs under the guidelines 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) and the State Single Audit Implementation Act (as required) and its compliance with laws and regulations, and the design of its internal control system as required by Generally Accepted Government Auditing Standards (GAGAS "Yellow Book"). Our audit opinion will include an "in relation to" paragraph specifically covering the Schedule of Expenditures of Federal and State Awards (if required).

We will conduct the audit in a timely manner such that all necessary financial and compliance information for all funds is completed and the audit report, management letter, and other applicable reports are presented to the Finance Director in a timely manner as outlined in the RFP each engagement year. We will work with the Town of Holden Beach to develop a mutually agreed-upon audit calendar that meets the completion dates requested. We will conduct periodic conferences during the audit as well as an exit conference prior to the completion of fieldwork. We will present the financial statements to the Town Council at a mutually agreed-upon time during each engagement year.

Our fees include technical assistance and guidance related to new note disclosures and GASB pronouncements during our audit relationship. The audit contract will conform to the North Carolina Local Government Commission (LGC) and be approved by the Secretary of the Commission or his designee prior to audit commencement. We will submit our invoices to the LGC for approval prior to submitting our invoices to the Town of Holden Beach for payment.

Our firm is best qualified to perform the audit of the Town of Holden Beach based on our:

- *Experience serving as the Town's auditors for the past 3 years*
- *Experience in auditing governments in North Carolina*
- *Commitment to the governmental industry*
- *Availability to our clients throughout the year*
- *Record of providing non-traditional services to our governmental audit clients*
- *Commitment to continued education and training, specifically in the governmental arena*



Town of Holden Beach, NC

Section I - Audit Proposal

❖ *REQUIREMENT 1 – TEAM ASSIGNED TO AUDIT*

Your audit team will consist of the following roles in varying degrees depending on the audit issues that arise during the engagement. We view each engagement as a client of the *firm*, not a client of a specific partner or manager; therefore, if expertise is needed from within the firm, it is utilized.

Partners, Supervisors, and Staff

Four members of our firm will conduct the audit engagement. Members to be assigned to the engagement are as follows:

Engagement Partner – The Audit Partner’s role ends with signing the opinion letters and approving the issuance of the audited financial statements. It begins with the staff planning meeting, the client planning meeting, approving the assessment of risk in the engagement, and approving the audit plan. At our firm, the Partners are not figureheads! Since our auditors primarily serve governmental clients, the Partners are actively involved in the scheduling, staffing, and review of the audit engagement. The Partner will also have significant contact with the Town’s Finance Director should there be any concerns regarding the audit, findings that must be addressed, the service level of our staff, and conflicts of any kind. When a decision needs to be made, the client is one contact away from a decision maker.

An Audit Partner will perform the technical review of the audited financial statements. Since the Partners are not directly involved with the day-to-day audit procedures, this functions as an unbiased “forest for the trees” review of the report. Unusual relationships and fluctuations are sometimes overlooked by the team members directly involved in the engagement due to the magnitude of data they must analyze. The Audit Partners are charged with the responsibility of pre-issuance review and LGC compliance.

Manager – The Manager’s role is to manage every aspect of the engagement which includes: supervising the staff, staying in close contact with the client, monitoring the time budget, monitoring compliance with “on-time” delivery, and resolving differences of opinion within our staff and between our team and the unit. The Managers review our audit workpapers and agree the financial statements to the workpapers. The Town will know the face and voice of the Manager as he/she will be intricately involved in the day-to-day management of the client relationship and the audit process.

Senior Accountant (1) – The Senior is responsible for conducting the audit from scheduling fieldwork to delivery of the audit opinions. They are also responsible for the first review of the audit workpapers and supervising the staff. The Senior will work directly with your Finance Department personnel.

Staff Accountant (1) – Our staff accountants are all full-time employees and perform the support function of the engagement. Each of our staff accountants is dedicated to our governmental auditing niche, and staff are trained from the moment we hire them regarding Yellow Book standards, GASB standards, and our governmental audit approach.



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We have not submitted specific names for your proposed audit team for two reasons: (1) the quality of our staff is interchangeable at each level, and (2) we will design the remainder of the audit team based on our mutual schedules and our evaluation of the “best fit” for your staff and your engagement complexities. The resumes of our Audit Partners and Managers are at Attachment B.

We are required by our auditing standards to maintain our independence, and we can assure the Town that Martin Starnes & Associates takes compliance with the independence standards seriously. We rotate our audit teams and audit partners as a normal course of business due to staff growth. We reinvent the audit process each year during the planning stage to make sure we are addressing the pertinent risk areas of the entity’s audit. Therefore, a long audit relationship, if managed properly, is a great benefit to the Town.

Continuity Is King

Typically, there are at least three people in our firm that are keenly aware of the operations of any one particular client (a Partner, a Senior Manager or Manager, and a Senior Accountant). This structure ensures the Town continuity of key staff. An unexpected illness or departure from the firm of any one member does not affect the engagement continuity you will come to expect from Martin Starnes & Associates. Also, a wider breadth of people working on the Town’s audit offers a wider perspective from which to draw audit conclusions and offer suggestions for improvement. Approximately 85% of our audit hours are spent serving local governments in North Carolina. We understand the importance of staff continuity; and since we primarily serve one industry, we do not suffer from having two “busy seasons”.

We experience low turnover of our professional staff compared to the public accounting industry, locally and nationally. We are extremely proud to be recognized with the following awards:

- #1 “Great Employers to Work for in North Carolina 2022” for medium-sized companies by *Best Companies Group*
- #31 “Best Accounting Firms to Work for 2022” for mid-sized firms by *Accounting Today*. We claimed the #1 ranking in 2020 and the #2 ranking in 2021. We have been recognized as a “Best Accounting Firms to Work For” in 2009, 2010, 2012, 2013, 2014, 2019, 2020, 2021 and 2022.
- *Best Employers in North Carolina* - 2014, 2015, 2017, 2018, 2019, 2020 and 2021, with a 1st place ranking among medium-sized companies in 2020 and 2021
- *Great Employers to Work for in North Carolina* –1st place ranking among medium-sized businesses of all types throughout the state in 2022
- 2022 IPA Top 500 Firm by *INSIDE Public Accounting*
- #7 “2021 Best Accounting Firms for Women” by *Accounting Today*
- Top 400 Firm by *Inside Public Accounting (IPA)* during 2021
- *LiveWell at Work* (formally *WellBusiness*) - each year from 2015 to 2021
- *When Work Works* - 2016
- *Bloom Award* - 2021

In addition, Martin Starnes & Associates will soon be recognized as a Women-Owned Small Business (WOSB). Our application to participate in the WOSB federal contract program is currently awaiting review by the SBA and is expected to be complete during the first quarter of 2023.



Town of Holden Beach, NC

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❖ REQUIREMENTS 2 AND 9 – EXPERIENCE AND REFERENCES

Please see Attachment A for a listing of our current audit references of North Carolina counties and municipalities, as well as a listing of prior governmental client references. For the fiscal year ended June 30, 2022, we audited 25 counties, 46 municipalities, and numerous other governmental units (99 total governmental units). We have over **1,200 years** of continuous service with our current clients. We are able to maintain our audit relationships by great service, expertise in the governmental accounting field, low turnover of our staff, internal rotation of staff assigned to continuing engagements, and exceptional value-based fees.

In addition, we have an impeccable relationship and reputation with the Local Government Commission and the UNC School of Government and encourage you to contact Sharon Edmundson or Jim Burke at the LGC, or Greg Allison at the School of Government, to verify our reputation.

❖ REQUIREMENT 3 – ADDITIONAL SERVICES

Martin Starnes & Associates, CPAs, P.A. has been serving clients since 1987. We provide auditing services throughout North Carolina. Our services include: annual audits, cost reporting, preparation of various financial reports required by the Office of Management and Budget and the Local Government Commission, mid-year reviews of financial condition, agreed-upon procedure engagements over specific financial and control functions, and facilitating training, when needed, on new GASB pronouncements. We have been conducting Single Audits and Yellow Book Audits since 1992.

Our firm is equipped to provide management consulting services and additional services to our governmental audit clients as needed.

Please see our management consulting and additional services provided to clients at Attachment A.

❖ REQUIREMENT 4 – FIRM QUALITY STANDARDS/PEER REVIEW

Our professionals are members of the American Institute of Certified Public Accountants and the North Carolina Association of Certified Public Accountants. Our firm participates in the Quality Review Program sponsored by the American Institute of Certified Public Accountants. Membership in the division requires that we be subjected to a peer review by an independent CPA firm. Such a review assures that the services our clients receive meet the highest standards of the accounting profession. Due to the large number of governmental audits our firm performs, we have numerous governmental clients reviewed during each of our quality reviews. We received an unqualified opinion (pass) with no letter of comments, which is the best review result issued since our first peer review in 1993 and that includes our most recent review for the year ended December 31, 2020. See the copy of our most recent peer review letter at Attachment C.

We have had several engagements submitted for desk review by a cognizant agency, and the reports were approved without any exceptions or modifications.



Town of Holden Beach, NC

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AICPA Governmental Audit Quality Center – The AICPA has developed the Governmental Audit Quality Center (GAQC). It is a voluntary membership Center designed to help CPAs meet the challenges of performing quality governmental audits. Martin Starnes & Associates, CPAs, P.A. was a charter member of the Center. Our membership in the Center has improved our audit quality through improved training and membership accountability. The GAQC's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. We strive for excellence in the governmental audit industry, and membership in the Center is an example of our efforts to "stay ahead of the curve" in the industry.

❖ **REQUIREMENT 5 – PROFESSIONAL EXPERIENCE**

As the Town evaluates the qualifications and experience of Martin Starnes & Associates and compares us to other firms, we would like to remind the Town of the unique composition of our firm's audit practice. Our audit practice is comprised of approximately 85% government auditing hours; therefore, a year of experience with MSA is the equivalent to 2-3 years with the typical firm. Why? The typical auditing firm audits clients from a variety of industries and with a variety of risks and reporting issues, one of which is governments. At MSA, our staff is working on a government, completing a government, planning for a government, or training for a government 85 of every 100 hours they work. What does this mean to the Town of Holden Beach? It means excellence, timeliness, quality at all levels of work, efficient design of procedures, effective evaluation of results, minimal staff turnover, and the highest quality of audit work with the most cost-effective fee.

As mentioned previously, we have not submitted specific names for your proposed audit team. We will design the audit team based on our mutual schedules and our evaluation of the "best fit" for your staff and your engagement complexities. Until the audit team is assigned, your primary contact is Marcie Spivey, Audit Partner. Once the team is assembled, the Manager and the Senior will be your contacts. We understand the importance of our staff understanding your entity. This is accomplished through training, supervision, and continuity.

Please see Attachment B for the resumes of our audit partners and managers, including recent client experience.

The Senior Accountant will be on site 100% of the time, with the Manager also on site approximately 100% of the time, and the Audit Partner on site approximately 5% of the time. An Audit Partner will provide technical review of the financial statements.

❖ **REQUIREMENT 6 – EDUCATION**

Staff quality is assured by our commitment to continuing education in the field of governmental accounting. All of our professional staff receives a minimum of 40 hours per year in continuing education. Governmental audit staff members average 32 hours **per year in governmental auditing and accounting seminars**. We receive our training from the NCGFOA, Governmental Audit Quality Center, Institute of Government at UNC-Chapel Hill, NCACPA, AICPA, self-study courses from the AICPA or other recognized vendors, and in-house developed training. We attend the State Treasurer's Auditing, Reporting & Review Conference and the Local Government Conference annually. In addition, our Audit Partners and Managers attend NCGFOA conferences annually.



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We develop in-house training courses that are government industry specific as well as training on all new audit pronouncements, FASB, and GASB pronouncements. The Audit Partners and the Managers keep the professional staff apprised of all exposure drafts and prepare responses as deemed necessary.

Continuing education courses completed annually by our governmental auditing staff include single audit updates, accounting and auditing updates, governmental accounting and auditing updates, and quarterly yellow book updates. We did not include a list of all the classes attended in the prior years, as the list is lengthy. However, if you would like a sample, please contact us, and we will be glad to provide it.

Please see information on the educational background of our audit partners and managers in the resumes at Attachment B.

❖ *REQUIREMENT 7 – RELEVANT PROFESSIONAL EXPERIENCE*

Each of our senior accountants, managers, and audit partners have extensive experience in auditing governmental organizations, programs, activities, and functions that are relevant to the Town, including water/sewer utilities and federal & state grant compliance. Our ability to maintain our client relationships for a long period of time enables our staff to work on a breadth and depth of governmental clients with varying fund structures and complexities.

Experience with Federal and State Single Audit Acts, including “Yellow Book”

Martin Starnes & Associates has been conducting Single Audits and Yellow Book audits since 1992. We began with one municipal audit and have grown the practice to one of the largest government auditing practices in North Carolina. Virtually all of our government clients are subject to the *Government Auditing Standards* contained in the “Yellow Book.” Approximately 80% of our government audit hours in 2022 were on engagements under the provisions of the Federal and State Single Audit Acts.

❖ *REQUIREMENT 8 – SPECIALIZED SKILLS*

Paula Hodges, Marcie Spivey, and Erica Brown, Audit Partners, have been reviewers for the GFOA Certificate of Achievement for Excellence in Financial Reporting Program. Paula, Marcie and Erica also participate in the Government Resource Group of the NCACPA. Paula has also been a speaker at the NCGFOA conference.

Throughout the years, our firm has supported and participated in the following governmental associations:

- **NC Government Finance Officers' Association (GFOA)**
- **National GFOA**
- **NC City and County Management Association**
- **NC League of Municipalities**
- **NC Association of County Commissioners**

The governmental industry has been good to Martin Starnes & Associates, and we are committed to supporting the industry any way we can.



Town of Holden Beach, NC

Section I - Audit Proposal

❖ *REQUIREMENT 10 – INDEPENDENCE*

The firm monitors compliance with professional independence standards in accordance with the firm's quality control document (see Attachment C). This document requires all employees to notify management of any potential independence violations and to review the client list annually for possible independence violations. The firm's independence policy also requires a determination of independence for each new and recurring audit client as a part of the audit planning stage.

Furthermore, the 2018 revision of *Government Auditing Standards* ("The Yellow Book") requires auditors to assess independence and how it is affected by the performance of certain non-attest services such as drafting financial statements. Threats to independence that arise from performing certain non-attest services must be evaluated and safeguards must be applied to reduce these threats to an acceptable level. An assessment of these threats will be performed during the planning stage of the annual audit.

We are also required by the Yellow Book to determine that management of the governmental entity has designated an individual who possesses suitable skill, knowledge or experience (SKE) to sufficiently oversee any non-attest services that we might provide.

In all matters relating to the audit of the Town of Holden Beach, North Carolina, Martin Starnes & Associates, CPAs, P.A. is independent, in fact and appearance.

❖ *REQUIREMENT 11 – PROFESSIONAL LIABILITY INSURANCE*

We presently carry professional liability insurance with Continental Casualty Company. Our policy limits are \$4,000,000 per claim and \$4,000,000 in the aggregate.

❖ *REQUIREMENT 12 – REGULATORY ACTION*

There has never been any regulatory action taken by an oversight body against our firm. Our firm is not currently involved in litigation of any kind.

ATTACHMENT A
(References and Additional Services Provided)

Current References - Municipalities

Our firm is currently performing audits for the following municipalities:

Municipality	Client Contact	E-Mail Address	Address	Phone	Years Served
City of Albemarle	Mr. Jacob Weavil	jweavil@ci.albemarle.nc.us	144 North Second Street, Albemarle, NC 28001	(704) 984-9450	4
City of Archdale	Ms. Lori Nurse	lnurse@archdale-nc.gov	307 Balfour Drive, Archdale, NC 27263	(336) 434-7345	3
City of Belmont	Mr. Jared Pyles	jpyles@cityofbelmont.org	PO Box 431, Belmont, NC 28012	(704) 825-5586	14
City of Claremont	Ms. Valerie McKenna	vmckenna@cityofclaremont.org	PO Box 446, Claremont, NC 28610	(828) 466-7255	3
City of Concord	Ms. Jessica Jones	JonesJ@concordnc.gov	PO Box 308, Concord, NC 28026	(704) 920-5220	3
City of Gastonia	Ms. Crystal Certain	crystalc@cityofgastonia.com	186 S. South Street, Gastonia, NC 28052	(704) 866-6708	22
City of Havelock	Ms. Lee Tillman	ltillman@havelocknc.us	1 Governmental Avenue, Havelock, NC 28532	(252) 444-6403	24
City of Hickory	Ms. Melissa Miller	mmiller@hickorync.gov	76 N. Center Street, Hickory, NC 28601	(828) 323-7417	14
City of Kannapolis	Mr. Brian Roberts	broberts@kannapolisnc.gov	PO Box 1199, Kannapolis, NC 28082	(704) 920-4306	19
City of Kings Mountain	Mr. Chris Costner	chris.costner@cityofkfm.com	PO Box 429, Kings Mountain, NC 28086	(704) 734-4611	14
City of Lexington	Mr. John Overton	joverton@lexingtonnc.gov	28 West Center Street, Lexington, NC 27292	(336) 248-3925	23
City of Monroe	Ms. Lisa Strickland	lstrickland@monroenc.org	300 West Crowell Street, Monroe, NC 28112	(704) 282-4500	9
City of Mount Airy	Ms. Pam Stone	pstone@mountairy.org	PO Box 70, Mount Airy, NC 27030	(336) 786-3514	12
City of Mount Holly	Ms. Michelle Wood	michelle.wood@motholly.us	400 E. Central Avenue, Mount Holly, NC 28120	(704) 951-3002	12
City of Newton	Ms. Kim Robinson	krobinson@newtonnc.gov	PO Box 550, Newton, NC 28658	(828) 695-4258	12
City of Rocky Mount	Mr. Abdul Baloch	abdui.baloch@rockymountnc.gov	PO Box 1180, Rocky Mount, NC 27802	(252) 972-1201	16
City of Shelby	Ms. Beth Beam	beth.beam@cityofshelby.com	PO Box 207, Shelby, NC 28150	(704) 669-6581	12
City of Statesville	Ms. Michelle Holman	mholman@statesvillenc.net	PO Box 1111, Statesville, NC 28687	(704) 878-3592	7
City of Thomasville	Mr. Thomas Avant	thomas.avant@thomasville-nc.gov	10 Salem Street, Thomasville, NC 27360	(336) 475-4233	16
City of Washington	Ms. Tammy Swindell	tswindell@washingtonnc.gov	102 East Second Street, Washington, NC 27889	(252) 975-9360	17
City of Wilson	Ms. Amy Staton	astaton@wilsonnc.org	PO Box 10, Wilson, NC 27894	(252) 399-2140	16
Town of Beaufort	Ms. Christi Wood	c.wood@beaufortnc.org	PO Box 390, Beaufort, NC 28516	(252) 728-2141	5
Town of Calabash	Mr. Chuck Nance	tacalabash@atmc.net	882 Persimmon Road, Calabash NC 28467	(910) 579-6747	11
Town of Chapel Hill	Ms. Amy Oland	aoland@townofchapelhill.org	405 Martin Luther King Jr. Blvd. Chapel Hill, NC 27514	(919) 968-2712	15
Town of Cornelius	Ms. Julie Niswonger	jniswonger@cornelius.org	PO Box 399, Cornelius, NC 28031	(704) 892-6031	13
Town of Cramerton	Mr. Jeff Wilkins	finance@crampton.org	155 North Main Street, Cramerton, NC 28032	(704) 824-4337	3
Town of Elkin	Ms. Dina Reavis	dreavis@elkinnc.org	PO Box 857, Elkin, NC 28621	(336) 835-8900	15
Town of Franklin	Ms. Sarah Bishop	sbishop@franklinnc.com	95 East Main Street, Franklin, NC 28734	(828) 524-2516	15
Town of Granite Falls	Mr. Jerry Church	church@granitefallsnc.com	30 Park Square, Granite Falls, NC 28630	(828) 396-3131	26
Town of Huntersville	Ms. Pattie McGinnis	pmcginnis@huntersville.org	PO Box 664, Huntersville, NC 28070	(704) 875-6541	17
Town of Lake Lure	Mr. Stephen Ford	SFord@townoflake lure.com	PO Box 255, Lake Lure, NC 28746	(828) 625-9983	11
Town of Landis	Mr. Phil Conrad	townmanager@townoflandisnc.gov	PO Box 8165, Landis, NC 28088	(704) 857-2411	2
Town of Maggie Valley	Ms. Autumn Lyvers	alyvers@maggievalleynnc.gov	3987 Soco Road, Maggie Valley, NC 28751	(828) 926-0866	15
Town of Matthews	Ms. Teresa Fulk	tfulk@matthewsnc.gov	232 Matthews Street Station, Matthews, NC 28105	(704) 708-1225	16
Town of Newport	Ms. Linda Modlin	lmodlin@townofnewport.com	PO Box 1869, Newport, NC 28570	(252) 223-4749	17
Town of Pine Knoll Shores	Ms. Julie Anderson	janderson@townofpkps.com	100 Municipal Circle, Pine Knoll Shores, NC 28512	(252) 247-4353	15
Town of Pineville	Mr. Chris Tucker	ctucker@pinevillenc.gov	PO Box 249, Pineville, NC 28134	(704) 889-1722	13
Town of Rutherfordton	Mr. Doug Barrick	dbarrick@rutherfordton.net	129 North Main Street, Rutherfordton, NC 28139	(828) 287-3520	6
Town of Taylorsville	Mr. David Odom	townmanager@taylorsvillenc.com	67 Main Avenue Drive, Taylorsville, NC 28681	(828) 632-2218	31
Town of Wrightsville Beach	Mr. Brian Murray	bmurray@towwb.org	321 Causeway Dr., Wrightsville Beach NC 28480	(910) 256-7900	11

Current References - Counties

Our firm is currently performing audits for the following counties:

County	Client Contact	E-Mail Address	Address	Phone	Years Served
Alamance County	Ms. Susan Evans	susan.evans@alamance-nc.com	124 West Elm Street, Graham, NC 27253	(336) 570-4025	12
Alexander County	Ms. Jennifer Herman	jherman@alexandercountync.gov	621 Liledoun Road, Box 1, Taylorsville, NC 28681	(828) 632-4591	28
Brunswick County	Mr. Aaron Smith	aaron.smith@brunswickcountync.gov	PO Box 249, Bolivia, NC 28422	(910) 253-2070	19
Cabarrus County	Mr. Jim Howden	jimhowden@cabarruscounty.us	65 Church Street SE, Concord, NC 28025	(704) 920-2894	3
Caldwell County	Mr. Tony Helton	thelton@caldwellcountync.org	905 West Avenue NW, Lenoir, NC 28645	(828) 757-1302	16
Catawba County	Ms. Mary Morrison	mmorrison@catawbacountync.gov	100-A Southwest Blvd, Newton, NC 28658	(828) 465-8219	22
Chatham County	Mr. Roy Lynch	roy.lynch@chathamcountync.gov	PO Box 608, Pitsboro, NC 27312	(919) 542-8213	17
Davidson County	Ms. Christy Stilwell	christy.stilwell@davidsoncountync.gov	PO Box 1067, Lexington, NC 27293	(336) 242-2029	18
Davie County	Ms. Robin West	rwest@daviecountync.gov	123 South Main Street, Mocksville, NC 27028	(336) 753-6020	15
Gaston County	Ms. Tiffany Murray	tiffany.murray@gastongov.com	128 West Main Avenue, Gastonia, NC 28052	(704) 866-3032	17
Harnett County	Ms. Kimberly Honeycutt	khoneycutt@harnett.org	PO Box 760, Lillington, NC 27546	(910) 893-7557	13
Hoke County	Mr. Ellis Prevatte	eprevatte@hokecounty.org	227 North Main Street, Raeford, NC 28376	(910) 875-8751	16
Iredell County	Ms. Debra Check	debra.check@co.iredell.nc.us	PO Box 788, Statesville, NC 28677	(704) 878-3040	18
Jackson County	Ms. Darlene Fox	darlenefox@jacksonnc.org	401 Grindstaff Cove Road, Sylva, NC 28779	(828) 631-2249	3
Lincoln County	Ms. Deanna Rios	drios@lincolncounty.org	353 N. Generals Boulevard, Lincolnton, NC 28092	(704) 736-8487	19
Macon County	Ms. Lori Carpenter	lhall@macconnc.org	5 West Main Street, Franklin, NC 28734	(828) 349-2000	23
Pender County	Ms. Margaret Blue	mblue@pendercountync.gov	PO Box 1578, Burgaw, NC 28425	(910) 259-1407	2
Pitt County	Mr. Sam Croom	sam.croom@pittcountync.gov	1717 West Fifth Street, Greenville, NC 27834	(252) 902-3000	24
Polk County	Ms. Sandra Hughes	shughes@polknc.org	40 Courthouse Street, Columbus, NC 28722	(828) 894-3302	2
Rowan County	Ms. Anna Bumgarner	anna.bumgarner@rowancountync.gov	130 West Innes Street, Salisbury, NC 28144	(704) 216-8174	14
Stokes County	Ms. Lisa Lankford	llankford@co.stokes.nc.us	PO Box 20, Danbury, NC 27016	(336) 593-2405	17
Transylvania County	Mr. Jonathan Griffin	jonathan.griffin@transylvaniacounty.org	101 South Broad Street, Brevard, NC 28712	(828) 884-3104	13
Wilkes County	Mr. Chris Huffman	chuffman@wilkescounty.net	110 North Street, Wilkesboro, NC 28697	(336) 651-7315	15
Wilson County	Mr. Angel Landrau	alandrau@wilson-co.com	2201 Miller Road South, Wilson, NC 27893	(252) 399-2950	10

Current References - Other Governmental Units

Our firm is currently performing audits for the following other governmental units:

Governmental Agency	Client Contact	E-Mail Address	Address	Phone	Years Served
Alamance County Tourism Development Authority	Ms. Susan Evans	susan.evans@alamance-nc.com	124 West Elm Street, Graham, NC 27253	(336) 570-4025	7
Brunswick County Airport Commission	Mr. Howie Franklin	hfranklin@ec.rr.com	4019 Long Beach Road, Oak Island, NC 28461	(910) 253-2070	12
Brunswick County Tourism Development Authority	Ms. Mitzi York	myork@ncbrunswick.com	PO Box 1186, Shallotte, NC 28470	(910) 755-5517	13
City of Belmont Tourism Development Authority	Mr. Jared Pyles	jpyles@cityofbelmont.org	115 North Main Street, Belmont, NC 28012	(704) 825-5586	9
City of Kings Mountain Tourism Development Authority	Mr. Chris Costner	chris.costner@cityofkm.com	PO Box 429, Kings Mountain, NC 28086	(704) 734-4611	9
City of Monroe Tourism Development Authority	Ms. Lisa Strickland	lsrickland@monroenc.org	300 West Crowell Street, Monroe, NC 28112	(704) 282-4500	9
City of Mount Holly Tourism Development Authority	Ms. Michelle Wood	michelle.wood@mhholly.us	400 E. Central Avenue, Mount Holly, NC 28120	(704) 951-3002	9
City of Washington Tourism Development Authority	Mr. Matt Rauschenbach	mrauschenbach@washingtonnc.gov	102 East Second Street, Washington, NC 27889	(252) 957-9312	3
Davidson County Airport Authority	Ms. Christy Stilwell	christy.stilwell@davidsoncountync.gov	PO Box 1067, Lexington, NC 27293	(336) 242-2029	6
Gastonia Tourism Development Authority	Ms. Crystal Certain	crystalc@cityofgastonia.com	181 S South Street, Gastonia, NC 28052	(704) 866-6708	19
Greater Asheville Regional Airport Authority	Ms. Janet Burnette	jburnette@flyavl.com	61 Terminal Drive, Suite 1, Fletcher, NC 28732	(828) 684-2226	2
Jackson County Airport Authority	Ms. Darlene Fox	darlenefox@jacksonnc.org	401 Grindstaff Cove Road, Sylva, NC 28779	(828) 631-2249	3
Jackson County Tourism Development Authority	Ms. Darlene Fox	darlenefox@jacksonnc.org	401 Grindstaff Cove Road, Jackson, NC 28779	(828) 631-2249	3
Lexington Tourism Authority	Mr. John Overton	jmoverton@lexingtonnc.net	28 West Center Street, Lexington, NC 27292	(336) 248-3925	22
Lincoln County Airport Authority	Ms. Deanna Rios	drios@lincolncounty.org	353 N. Generals Blvd, Lincoln, NC 28092	(704) 736-8487	19
Macon County Airport Authority	Ms. Lori Carpenter	lhall@maconnc.org	5 West Main Street, Franklin, NC 28734	(828) 349-2000	23
Mount Airy Tourism Development Authority	Ms. Pam Stone	psstone@mountairy.org	PO Box 70, Mount Airy, NC 27030	(336) 786-3514	12
Orange County Water & Sewer Authority	Mr. Stephen Winters	swinters@owasa.org	400 Jones Ferry Road, Carboro, NC 27510	(919) 537-4230	12
Pender County Tourism Development Authority	Ms. Margaret Blue	mblue@pendercountync.gov	PO Box 1578, Burgaw, NC 28425	(910) 259-1407	1
Pitt-Greenville Airport Authority	Mr. Bill Hopper	bill.hopper@pittcountync.net	400 Airport Road, Greenville, NC 27834	(252) 902-2026	4
Statesville Convention & Visitors Bureau	Ms. Michelle Holman	mholman@statesvillenc.net	PO Box 1111, Statesville, NC 28687	(704) 878-3592	7
Stokes County Water & Sewer Authority	Ms. Lisa Lankford	llankford@co.stokes.nc.us	PO Box 20, Danbury, NC 27016	(336) 593-2405	16
Thomasville Tourism Commission	Ms. Cameron Marsden	cmarsden@visitthomasvillenc.com	44 West Main Street, Thomasville, NC 27360	(336) 472-4422	15
Tourism Partnership of Surry County	Ms. Jessica Roberts	jroberts@visitmayberry.com	200 N. Main Street, Mount Airy, NC 27030	(336) 786-6116	12
Town of Franklin Tourism Development Authority	Ms. Sarah Bishop	sbishop@franklinnc.com	95 East Main Street, Franklin, NC 28744	(828) 524-2516	9
Transylvania County Tourism Development Authority	Mr. Jonathan Griffin	jonathan.griffin@transylvaniacounty.org	21 East Main Street, Brevard, NC 28712	(828) 884-3104	9
Western Piedmont Regional Transit Authority	Mr. Scott Cook	scook@wprta.org	1515 4th Street SW, Conover, NC 28613	(828) 465-7644	2

Prior Client References

Our firm previously performed audits for the following governmental units:

Prior Client	Contact	E-Mail Address	Address	Phone	Years Served
Halifax County	Ms. Mary Duncan	duncamm@halifaxnc.com	PO Box 38, Halifax, NC 27839	(252) 583-3771	17
Henderson County	Ms. Sanantha Reynolds	sreynolds@hendersoncountync.gov	113 North Main Street, Hendersonville, NC 28793	(828) 697-4821	15
Lee County	Ms. Lisa Minter	lminter@leecountync.gov	106 Hillcrest Drive, Sanford, NC 27331	(919) 718-4600	10
Moore County	Ms. Caroline Xiong	cxiong@moorecountync.gov	PO Box 905, Carthage, NC 28327	(910) 947-7119	10
Stanly County	Mr. Toby Hinson	thinson@stanlycountync.gov	1000 North First Street, Suite 10B, Albemarle, NC 28001	(704) 986-3611	16
Water & Sewer Authority of Cabarrus County	Ms. Shelley Farris	sfarris@wsacc.org	PO Box 428, Concord, NC 28027	(704) 786-1783	6

Additional Services Provided To Governmental Clients

In addition to the client services listed below, we have also performed the following:

- 22 agreed-upon procedures engagements as required by the Office of the State Auditor related to County eligibility processes over certain major programs (2018)
- Annual pension attest examination engagements for the Local Governmental Employees' Retirement System (LGERS) for our governmental audit clients based on an annual sample selected by the Office of the State Auditor
- Annual agreed-upon procedures engagements on the electronic submission of audited financial data within the U.S. Department of Housing and Urban Development's (HUD) REAC system as required for our governmental audit clients
- Agreed-upon procedures engagements related to requirements of the Federal Transit Administration (FTA) as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA) as required for our governmental audit clients

Pitt County:

- Conducted "Agreed Upon Procedures" internal audit engagement on various departments (2 years)
- Assisted client with internal audit function on an annual basis (2 years)
- Performed a working capital analysis of local ABC Board to determine ability of local Board to increase distributions to the County (1 year)
- Performed "Agreed Upon Procedures" for ancillary units (19 years)

City of Lexington:

- Conducted "Agreed Upon Procedures" engagement on central warehouse inventory procedures (2 years)
- Taught a 4-hour seminar on the implementation issues related to GASB 34

Alexander County:

- Conducted "Agreed Upon Procedures" engagement on Landfill and Convenience Centers (1 year)
- Assisted finance department with monthly closing process during extended illness of Finance Officer (1 year)
- Performed mid-year review of financial condition and recommended a plan of action to address budget shortfalls (1 year)

Surry County:

- Taught a leadership training course (1 year)
- Assisted client with posting all property tax revenues for entire year after data conversion from old accounting system failed (2 years)
- Conducted "Agreed Upon Procedures" internal audit engagement on various departments (1 year)
- Performed "Agreed Upon Procedures" for ancillary units (15 years)

Northampton County:

- Performed mid-year review of financial condition and recommended a plan of action to address budget shortfalls (10 years)

Brunswick County:

- Assisted client with implementation of new audit software (1 year)

Bessemer City:

- Bookkeeping & Audit Preparation Assistance (1 year)

Catawba County:

- Performed "Agreed Upon Procedures" for ancillary units (15 years)

Davie County:

- Performed "Agreed Upon Procedures" for ancillary units (6 years)

Additional Services Provided To Governmental Clients (continued)

Gaston County:

- Performed "Agreed Upon Procedures" for ancillary units (9 years)

Harnett County:

- Conducted "Agreed Upon Procedures" engagement related to capital assets (1 year)

Lincoln County:

- Performed "Agreed Upon Procedures" for ancillary units (6 years)

Cleveland County Board of Education:

- Conducted "Agreed Upon Procedures" engagement on credit card transactions (1 year)

We have prepared the AFIR for submission to the Local Government Commission for the following clients:

Caldwell County	14 years
City of Albemarle	4 years
City of Claremont	3 years
City of Gastonia	19 years
City of Hickory	11 years
City of Kings Mountain	12 years
City of Lexington	4 years
City of Mount Holly	12 years
City of Newton	1 year
City of Shelby	12 years
Harnett County	10 years
Hoke County	10 years
Jackson County	3 years
Lincoln County	4 years
Macon County	14 years
Pender County	2 years
Pitt County	21 years
Polk County	2 years
Rowan County	1 year
Town of Chapel Hill	2 years
Town of Cramerton	3 years
Town of Franklin	8 years
Town of Holden Beach	3 years
Town of Lake Lure	7 years
Town of Newport	12 years
Town of Pine Knoll Shores	12 years
Town of Pineville	11 years
Town of Rutherfordton	6 years
Town of Taylorsville	27 years
Town of Wrightsville Beach	11 years
Wilkes County	13 years
Wilson County	9 years

We have been asked on numerous occasions to perform agreed-upon procedures engagements, in-depth internal control reviews, and litigation support procedures for various sundry purposes. Our twelve-months-a-year service model allows us to assist you in virtually any manner you may request as long as our independence standards are met.

As you can see, we are more than the firm who provides your annual audit report; we are your financial consultants year-round.

ATTACHMENT B
(Resumes of Senior Audit Staff)

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Paula Hodges, Audit Partner

Years in Public Accounting:	30
Years with Current Firm:	23
Education Background:	North Carolina State University Bachelor of Arts in Accounting Certified Public Accountant in North Carolina
Continuing Education:	Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing
Specialized Training and Other Information:	Member of the Special Review Committee of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program Member of the NCACPA Government Auditing and Accounting Committee Speaker at the North Carolina Government Finance Officers Association conferences Member of the AICPA and NCACPA Graduate of Leadership Catawba
Work Experience:	Paula was named Audit Partner in 2011. Served as Audit Director on all of our governmental audit engagements from 2002-2010 Technical review responsibility for various types of audit clients Served as an Audit Senior on counties, municipalities, and public authorities prior to assuming management responsibility in 2002 Responsibilities include oversight of audit managers, seniors, staff accountants, and technical review of workpapers.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Marcie Spivey, Audit Partner

Years in Public Accounting:	26
Years with Current Firm:	23
Education Background:	Lenoir-Rhyne College Bachelor of Arts in Accounting Certified Public Accountant in North Carolina
Continuing Education:	Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing
Specialized Training and Other Information:	Member of the Special Review Committee of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program Member of the NCACPA Government Auditing and Accounting Committee Member of the Executive Board of Directors of the Women's Resource Center Actively serving on the Board of Advisors for the Hickory Young Professionals Actively involved in Catawba County Chamber of Commerce Member of the AICPA and NCACPA
Work Experience:	Marcie was promoted to Audit Partner in 2013. Served as Audit Director for 50% of our governmental audit engagements from 2011-2012 Technical review responsibility for various types of audit clients Served as Audit Manager from 2005-2010 with management responsibility for approximately half of our audit clients Responsibilities include oversight of audit managers, seniors, staff accountants, and technical review of workpapers.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Erica Brown, Audit Partner

Years in Public Accounting:	21
Years with Current Firm:	15
Education Background:	Salisbury University Bachelor of Science in Business Administration in Accounting, Magna Cum Laude Certified Public Accountant in North Carolina
Continuing Education:	Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing
Specialized Training and Other Information:	Member of the Special Review Committee of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program Member of the AICPA and NCACPA Member of NCACPA Professional Development Advisory Council (PDAC) Previous NCACPA Young CPA Cabinet Member Previous Advisory Board Member for Catawba County Chamber of Commerce Leadership Catawba Program Graduate of Leadership Catawba Recipient of Top 40 Under 40 for 2015 by CPA Practice Advisor Recipient of Hickory Young Professionals Top 10 Under 40 for 2013 Recipient of 2018 NCACPA Taking it to the Max Award
Work Experience:	Erica was named Audit Partner in 2017. Served as Manager and Senior Manager on several counties and municipalities from 2007-2016 Technical review responsibility for various types of audit clients Responsibilities include oversight of audit managers, seniors, staff accountants, and technical review of workpapers.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Amber McGhinnis, Senior Manager

Years in Public Accounting: 20

Years with Current Firm: 20

Education Background: Appalachian State University
Bachelor of Science in Business Administration in Accounting,
Magna Cum Laude
Master of Science in Accounting

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in
governmental accounting and auditing

**Specialized Training and
Other Information:** Member of the AICPA and NCACPA

Previous Advisory Board Member for the Chamber of Catawba
County Leadership Catawba Program

Graduate of Leadership Catawba

Recipient of Hickory Young Professionals Top 10 Under 40 for 2013

Recipient of Top 40 Under 40 for 2018 by CPA Practice Advisor

Work Experience: Amber currently serves as the project manager for our audit
department.

Technical review responsibility for government audit clients

Additional responsibilities include oversight of audit managers, seniors,
staff accountants, and pre-issuance review of financial statements.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Ko Tang Cha-Moses, Senior Manager

Years in Public Accounting: 15

Years with Current Firm: 15

Education Background: Gardner-Webb University
Bachelor of Science in Accounting
Masters of Accountancy

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing

Specialized Training and Other Information: Member of the AICPA and NCACPA

Graduate of Leadership Catawba

True Life Alliance Church Audit Committee since 2018

WPCC Accounting and Finance Program Advisory Committee since 2018

Western Piedmont Foundation – Finance Committee since 2021

Work Experience: Ko Tang is currently the Manager for several counties and municipalities, in addition to a few non-profit entities.

Responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

<u>Client Name</u>	<u>Position Held</u>	<u>Years Served</u>
Alexander County	Manager	8
Davidson County & Airport Authority	Manager	4
Hoke County	Manager	13
Town of Pineville	Manager	10
Wilson County	Manager	6

Please contact us if you would like to see a list of additional prior client experience.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Matt Braswell, Senior Manager

Years in Public Accounting: 14

Years with Current Firm: 14

Education Background: Montreat College
Bachelor of Science in Business Administration
Concentration in Accounting, Magna Cum Laude

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing

Specialized Training and Other Information: Member of the AICPA and NCACPA

Work Experience: Matt is currently the Manager for several counties and municipalities.

Responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

<u>Client Name</u>	<u>Position Held</u>	<u>Years Served</u>
Brunswick County & Airport Authority	Manager	8
Cabarrus County	Manager	3
City of Havelock	Manager	10
City of Kings Mountain	Manager	7
City of Wilson	Manager	6

Please contact us if you would like to see a list of additional prior client experience.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Cassie Wilson, Senior Manager

Years in Public Accounting: 17

Years with Current Firm: 10

Education Background: Appalachian State University
Bachelor of Science in Accounting

Gardner-Webb University
Masters of Accountancy

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing

Specialized Training and Other Information: Member of the AICPA and NCACPA

Work Experience: Cassie is currently the Manager for several municipalities and counties.

Responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Previously served as Audit Senior for a regional firm

<u>Client Name</u>	<u>Position Held</u>	<u>Years Served</u>
City of Lexington	Manager	2
Iredell County	Senior Accountant/Manager	11
Town of Huntersville	Senior Accountant/Manager	7
Wilkes County	Senior Accountant/Manager	5
Davie County	Manager	1

Please contact us if you would like to see a list of additional prior client experience.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Kari Dunlap, Senior Manager

Years in Public Accounting: 10

Years with Current Firm: 10

Education Background: UNC Chapel Hill
Bachelor of Science in Management and Sociology
Master of Science in Accounting

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing

Specialized Training and Other Information: Member of the AICPA and NCACPA

NCACPA Young CPA Cabinet Alumni

Recipient of Hickory Young Professionals Top 10 Under 40 for 2021

Work Experience: Kari is currently the Manager for several counties and municipalities.

Responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

<u>Client Name</u>	<u>Position Held</u>	<u>Years Served</u>
City of Hickory	Manager	7
Chatham County	Manager	5
City of Kannapolis	Manager	7
Gaston County	Manager	6
Town of Chapel Hill	Manager	7

Please contact us if you would like to see a list of additional prior client experience.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Elsa Watts, Senior Manager

Years in Public Accounting: 11

Years with Current Firm: 11

Education Background: East Carolina University
Bachelor of Science in Accounting,
Magna Cum Laude
Master of Science in Accounting

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing

Specialized Training and Other Information: Member of the AICPA, NCACPA, and the Young CPA Cabinet

Work Experience: Elsa is currently the Manager for several counties and municipalities.

Responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

<u>Client Name</u>	<u>Position Held</u>	<u>Years Served</u>
Alamance County	Manager	5
Catawba County	Manager	7
City of Newton	Manager	4
City of Monroe	Manager	7
Lincoln County	Manager	7

Please contact us if you would like to see a list of additional prior client experience.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Kelly Gooderham, Senior Manager

Years in Public Accounting: 9

Years with Current Firm: 9

Education Background: Appalachian State University
Bachelor of Science in Accounting

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing

Specialized Training and Other Information: Member of the AICPA and NCACPA

Advanced Single Audit Certification (AICPA)

Work Experience: Kelly is currently the Manager for several municipalities and counties.

Responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Previously served as Audit Senior for MSA

<u>Client Name</u>	<u>Position Held</u>	<u>Years Served</u>
Stokes County	Manager	4
Transylvania County & TDA	Manager	4
Town of Franklin	Senior Accountant/Manager	9
City of Washington	Manager	4

Please contact us if you would like to see a list of additional prior client experience.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Tonya Thompson, Senior Manager

Years in Public Accounting: 18

Years with Current Firm: 2

Education Background: Appalachian State University
Bachelor of Science in Business Administration in Accounting

Appalachian State University
Master of Science in Accounting

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing

Specialized Training and Other Information: Member of the AICPA and NCACPA

AICPA Not-for-Profit Certificate Holder

Work Experience: Tonya is currently the Manager for several municipalities and counties.

Responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Previously served as Senior Audit Manager for a local firm

<u>Client Name</u>	<u>Position Held</u>	<u>Years Served</u>
Pitt County	Manager	2
City of Gastonia	Manager	2
City of Rocky Mount	Manager	1
City of Shelby	Manager	2
Town of Landis	Manager	2

Please contact us if you would like to see a list of additional prior client experience.

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

Jill Vang, Manager

Years in Public Accounting: 13

Years with Current Firm: 10

Education Background: Walsh College
Bachelor of Accountancy
Master of Science in Finance

Certified Public Accountant in North Carolina

Continuing Education: Minimum of 40 hours per year with an average of 32 hours in governmental accounting and auditing

Specialized Training and Other Information: Member of the AICPA and NCACPA

Work Experience: Jill is currently the Manager for several municipalities, counties, and non-profit organizations, as well as several component units.

<u>Client Name</u>	<u>Position Held</u>	<u>Years Served</u>
City of Albemarle	Senior Accountant/Manager	4
City of Concord	Senior Accountant/Manager	3
City of Thomasville	Senior Accountant/Manager	3
Macon County	Senior Accountant/Manager	7
Town of Cornelius	Senior Accountant/Manager	4

Please contact us if you would like to see a list of additional prior client experience.

ATTACHMENT C
(Independence Document and Peer Review Letter)

Martin Starnes & Associates, CPAs, P.A.

Statement of Policies & Procedures

INDEPENDENCE

It is the firm's policy that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the Code of Professional Conduct, the State of North Carolina Board of Accountancy and the State of North Carolina CPA Society in discharging their professional responsibilities. Furthermore, it is the policy of the firm that, for engagements subject to Government Auditing Standards and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards, including any that may be more restrictive. Any transaction, event, circumstance, or action that would impair independence or violate the firm's relevant ethical requirements policy on an audit, attestation, review, compilation engagement, or other service subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee as required under the General Standards and Compliance with Standards Rules is prohibited. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats, but such situations are not specifically addressed by the independence rules of the AICPA Code of Professional Conduct, the situations will be evaluated by referring to the Conceptual Framework for AICPA Independence Standards and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach.

Although not necessarily all-inclusive, the following are considered to be prohibited transactions and relationships:

- Investments by any partner or professional employee in a client's (or affiliate of a financial statement attest client's) business during the period of a professional engagement, including a commitment to acquire any direct or material indirect financial interest in a client.
- An investment in an entity or property by any of the following individuals and the attest client or the attest client's officers or directors, an affiliate or any member of firm management who has the ability to exercise significant influence over the client that enables them to control, as defined by GAAP for consolidation purposes, the entity or property:
 - An individual on an attest engagement team
 - An individual in a position to influence the attest engagement by doing any of the following:
 - Evaluating the performance or recommending the compensation of the attest engagement partner.
 - Directly supervising or managing the attest engagement partner and all of that partner's superiors.
 - Consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or
 - Participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement.

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- A member of firm management who provides nonattest services to the attest client beginning once he or she provides ten or more hours of nonattest services to the client within any fiscal year and ending on the later of the date:
- The firm signs the report on the financial statements for the fiscal year during which those services were provided, or he or she no longer expects to provide ten or more hours of nonattest services to the attest client on a recurring basis
- A partner in the office in which the lead attest engagement partner primarily practices with respect to the attest engagement.
- The firm and its employee benefit plans.
- Borrowing from or loans to an attest client, an affiliate, or attest client's personnel during the period of a professional engagement by any of the individuals listed in item 2, except as grandfathered or permitted.
- Accepting or offering gifts or entertainment from or to an attest client unless reasonable in the circumstances and approved by the firm management.
- Certain family relationships between professional personnel and attest client personnel. The firm management will be consulted for a ruling on such relationships.

Notwithstanding the preceding policy and list of prohibited transactions and relationships, at the partners' discretion, certain prohibitions can be waived if it is deemed to be in the best interest of the firm. However, in so doing, the engagement service performed for the client must be limited to that allowed by AICPA professional standards.

The firm ensures compliance with this policy by implementing the following procedures:

All personnel have ready access to the relevant ethical requirements to which the firm is subject. Those requirements include the AICPA Code of Professional Conduct, the State of North Carolina Board of Accountancy, and the State of North Carolina CPA Society ethical requirements. The firm personnel have online access to those ethical requirements. The firm expects its personnel to be familiar with those relevant ethical requirements.

The firm's management emphasizes the concepts of independence, integrity, and objectivity in firm training sessions, in the acceptance and continuance of clients and engagements, and in the performance of engagements. Because the firm has a concentration of governmental clients and ERISA clients, this also includes discussing the independence requirements for engagements subject to Governmental Auditing Standards and Department of Labor. In addition, all professional personnel are required to sign a representation letter when hired and annually thereafter that acknowledges their familiarity with the firm's relevant ethical requirements policy and procedures, particularly with regard to independence. The representation also lists known circumstances and relationships, if any that may create a potential threat to independence or violate the firm's relevant ethical requirements policy. Such signed representation letters are also required from part-time, seasonal, and contract professionals and any other individuals who work on accounting and auditing engagements and are required to be independent. Ethics training is provided for professional personnel periodically in firm training sessions. Ethics training is provided to certified firm personnel annually as required by the State of North Carolina Board of Accountancy. Additional

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training is provided as needed which covers the firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators. Professional standards, including the AICPA's Conceptual Framework for Independence, Governmental Auditing Standards, Department of Labor independence requirements and advice of the quality partner are consulted if an employee is unsure if a threat to independence should be reported to firm management.

All professional personnel review the firm's current client list in conjunction with completing the representation letter for identification of threats to, or breaches of independence. The current client list is maintained in Practice CS by the firm administrator and changes to that list are communicated to all personnel via e-mail on a timely basis from the firm administrator. When hired and annually thereafter, all professional personnel are required to sign a representation that confirms this responsibility.

To ensure that independence is properly addressed at the engagement level, the firm management will consider relevant information about client engagements and evaluate the overall effect, if any, on independence requirements as part of the engagement and acceptance decision. In addition, for audit engagements, the engagement partner forms a conclusion on compliance with independence requirements. In making this determination, any familiarity threat related to senior personnel recurring on an audit or attest engagement for a long period of time, five years or more, will be considered, including any other specific rotation requirements of regulatory agencies or other authorities. Additionally, the work programs and forms in the accounting and auditing manuals used by the firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, those manuals contain reporting guidance for the types of engagements where a lack of independence is allowed.

All professional personnel remain alert for any evidence of noncompliance with relevant ethical requirements during the engagement and are required to promptly notify the audit partner of any circumstances or relationships that may create a potential threat to independence such as a potential prohibited transaction or an independence breach, so that appropriate action can be taken.

If a potential threat to independence is identified, firm management accumulates and communicates relevant information to appropriate personnel so firm management and the engagement partner can determine whether they satisfy independence requirements, the engagement partner can take appropriate action to address identified threats to independence, and current independence information can be maintained. For clients of whom the firm is not independent, only compilation services are performed, and the firm discloses the lack of independence in its accountant's report for those clients.

If performing a group audit, the firm is required to obtain a written representation regarding the significant component auditor's independence with respect to the client. The auditing manuals used by the firm contain examples of representation letters to use in such situations. Furthermore, in a review or attestation engagement, if another firm performs work on a segment of the engagement, a representation regarding the other firm's independence is required. The engagement programs in the accounting and auditing manuals used by the firm contain steps to ensure compliance with this procedure.

The Manager and/or the accountant in charge under the manager's supervision has the primary responsibility for determining if there are unpaid fees on any of his or her clients that would impair the firm's independence. The engagement work programs and standard forms used by the firm contain steps to ensure compliance with this procedure. The firm's client accounts receivable information in the billing software and the engagement partner's and manager's knowledge of unbilled fees should be considered in making this determination. In addition, the managing partner has secondary responsibility to review the firm's accounts receivable listing on a periodic basis to identify potential independence problems.

Martin Starnes & Associates, CPAs, P.A.

Statement of Policies & Procedures

The engagement partner has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services, individually or in the aggregate, impair independence with respect to that client. Reviewing nonattest services performed for attest clients includes obtaining and documenting an understanding with the client regarding the client's responsibilities for the nonattest services performed by the firm. The firm will only provide nonattest services to an attest client when the client accepts its responsibilities. Where applicable, this includes determining whether such nonattest services impair independence under the independence rules in Government Auditing Standards or Department of Labor. Firm engagement work programs for all attest and compilation engagements include steps to ensure compliance with this procedure.

The engagement partner has the primary responsibility for determining whether actual or threatened litigation has an effect on the firm's independence with respect to the client. The firm's independence could be impaired by litigation between the client and the firm, with the client company's security holders, and from other third parties.

If the firm is engaged as principal auditor to report on the basic financial statements of a financial reporting entity, all professional personnel must be independent of the financial reporting entity. If the firm is engaged as principal auditor to report on a major fund, nonmajor fund, internal service fund, fiduciary fund, or blended component unit of the financial reporting entity, all professional personnel must be independent of the fund or entity the firm reports on. The engagement partner has the primary responsibility for determining whether the firm's relationship with entities in the governmental financial statements has an effect on independence.

The managing partner has the primary responsibility for determining whether the firm was a party to a cooperative arrangement with a client that was material to the firm or the client.

The Senior Manager and the accountant in charge under the supervision of senior management are responsible for obtaining the representation letters, reviewing them for completeness, and accumulating relevant information relating to identified threats to relevant ethical requirements matters including questions from the representation letters and those from other sources. In determining a resolution, firm management should consider the AICPA's Code of Professional Conduct, AICPA's Conceptual Framework for AICPA Independence Standards, and when necessary, consult the AICPA or the NCACPA for assistance in interpreting independence, integrity, and objectivity rules. Documentation of the resolution of a relevant ethical requirement matter should be filed in the client's permanent workpaper file. Firm management is also responsible for determining actions to be taken when professional personnel violate firm independence policies and procedures. The action for each incident is determined based on its unique circumstances and may include eliminating a personal impairment, requiring additional training, drafting a reprimand letter, or even termination.

The partners are responsible for monitoring the firm's independence of attest clients at which partners or other senior personnel have been offered management positions or have accepted offers of employment. The independence, integrity, and objectivity questionnaire used by the firm and the client acceptance checklists used by the firm in attest engagements include questions to help ensure compliance with this requirement.

Martin Starnes & Associates, CPAs, P.A.

Statement of Policies & Procedures

If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to the engagement partner, who along with the firm has the responsibility to address the breach and other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action, and those charged with governance at the attest client. The engagement partner confirms to the firm when required corrective actions related to the breach and noncompliance with these policies and procedures has been taken.

At least annually, firm management reviews the firm's ethical requirement policy and procedures to determine if they are appropriate and operating effectively.



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the
Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. 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 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 a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with 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 in conformity with 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 the system of quality control and the firm's compliance therewith 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 and an audit of an employee benefit plan.

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.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2020, 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*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000

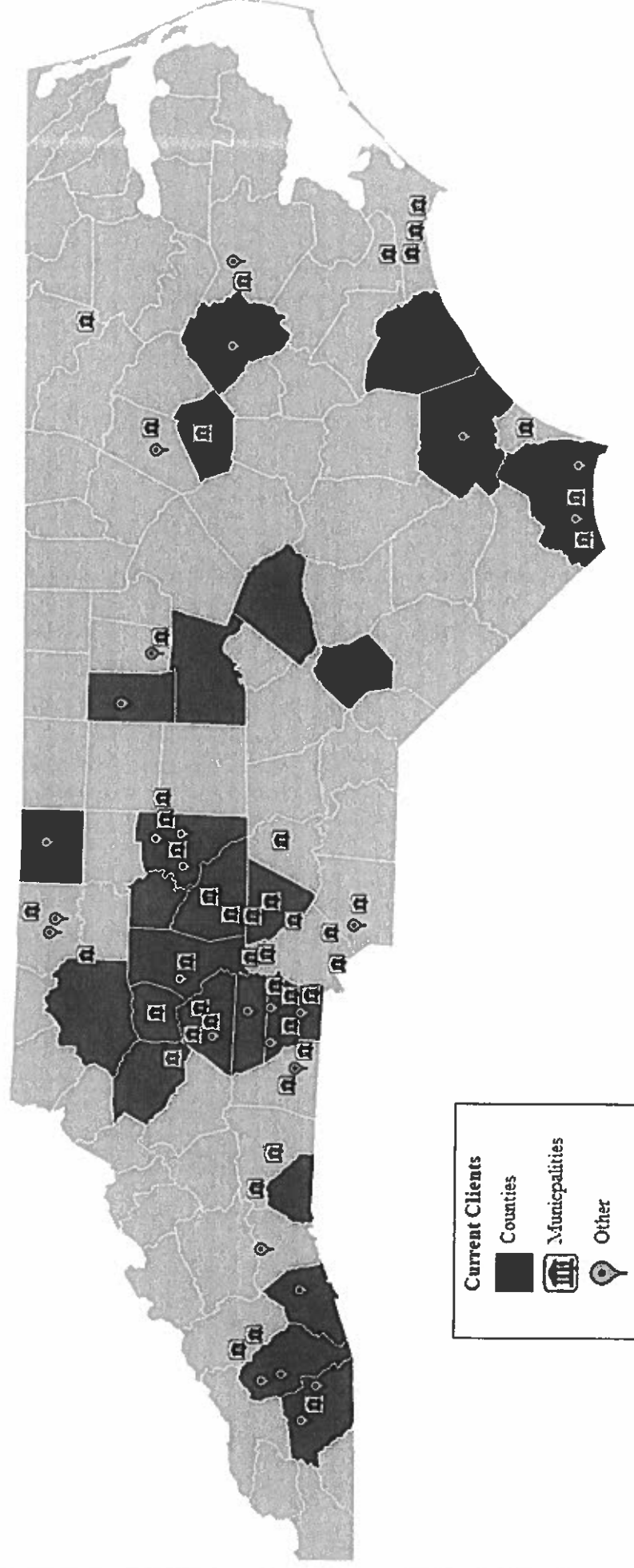
Smithfield
212 East Church Street
Post Office Box 2348
Smithfield, North Carolina 27577

919 934 1121

SUPPLEMENTAL INFORMATION

North Carolina Is Our Neighborhood

Governmental Entities We Currently Audit



**Map as of June 30, 2022

**TOWN OF HOLDEN BEACH
NORTH CAROLINA**

**SECTION II
COST ESTIMATE
2023 – 2025**

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"



Town of Holden Beach, NC

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Town of Holden Beach, NC

Section II – Cost Estimate

❖ REQUIREMENT 1 – AUDIT PROGRAMS

We use an intuitive audit software, developed by CCH, a Wolters Kluwer subsidiary, an industry leader in accounting and tax software. The program is called “Knowledge Coach” and is integrated into CCH’s “Knowledge Based Audit Approach”. Knowledge Coach is the only integrated audit planning, risk assessment, and audit program workflow and management system that has been approved by the AICPA’s National Peer Review Committee. Please see the following excerpt from a press release about Knowledge Coach:

“Developed from the ground up by auditors, for auditors, ProSystem fx Knowledge Coach combines the industry-specific content and guidance of ProSystem fx Knowledge Tools with a dynamic audit workflow engine that dramatically streamlines the audit planning process and helps users efficiently manage an audit from beginning to end.

“Peer review is an important milestone for Knowledge Coach, because it confirms that not only is our content compliant with AICPA risk-based audit standards, but our processes for developing, presenting and utilizing this content in the Knowledge Coach application maintains and enhances this compliance,” said CCH Product Manager Mike Ritchie. “Knowledge Coach is the first product of its kind – making the same kind of breakthrough in the audit realm that the first computer-based programs did for tax. As a result, we wanted to have it subjected to peer review, and we’re very gratified that it has been validated through that process,” Ritchie said.

After we have completed the planning, risk assessment, and internal control portion of the engagement, Knowledge Coach will intuitively guide the substantive portion of the audit through suggested audit steps. This process will eliminate unnecessary procedures due to SALY (same as last year) and highlight audit areas that, based on our planning and risk assessment, require and deserve the brunt of our audit effort. Our approach is a combination of a balance sheet approach, substantive analytic review, and detail testing of specific general ledger accounts. Our substantive analytic review procedures are designed specifically for the Town of Holden Beach and are approved by the senior management of the engagement during the planning stages of the audit. Every procedure we perform will have a specific purpose and audit objective in mind.

❖ REQUIREMENT 2 – STATISTICAL SAMPLING

We do not use statistical sampling in our financial statement audit approach. Our audit approach uses haphazard or random sampling in order to test the contents of the audit area rather than the attributes of the audit area. We obtain our audit assurance from a combination of detail testing (sampling) and analytic review. Detail testing (sampling) is the process of testing 100% of all individually significant items based on materiality and risk assessment and then evaluate the remaining population to determine whether the sample is sufficient or additional transactions need to be tested to fulfill the sample requirement based on our risk assessment. Analytic review is the process of comparing our expectations of a particular audit area to the actual results and analyzing the differences. We believe this approach is more effective in detecting material errors and is less time consuming on our staff and the governmental unit's staff.



Town of Holden Beach, NC

Section II – Cost Estimate

❖ REQUIREMENT 3 – COMPUTER AUDIT SPECIALISTS

Our Technology Manager is available to either conduct the Town's MIS controls assessment or review the assessment performed by our Senior Accountant. Our audit process includes documenting our understanding of the internal control systems, including the computer system's controls, assessing risk, and identifying potential security issues that would have a direct and material impact on the financial statements taken as a whole. Our staff is qualified to analyze the computer controls and make any necessary recommendations.

❖ REQUIREMENT 4 – AUDIT TEAM ORGANIZATION

<u>Staff Assigned</u>	<u>Percentage of Time</u>
Senior Management Team (2)	35%
Senior Accountant (1)	35%
Staff Accountant (1)	30%

The Manager will supervise the on-site fieldwork with assistance from the Senior Accountant.

❖ REQUIREMENT 5 – MANAGEMENT LETTER

Audit standards have significantly changed the content of the Yellow Book and the Single Audit opinion letters. Consequently, a management letter would only report minor internal control weaknesses, suggestions for improving operational procedures, cost-saving ideas, and any other suggestions for improving the overall operation of the Town. There will be no surprises! If we have detected an issue during our audit procedures, management will be informed immediately. Any issues disclosed in the management letter or the compliance letters will have been fully discussed with management during the engagement.

❖ REQUIREMENT 6 – ASSISTANCE EXPECTED FROM TOWN STAFF

To expedite the audit, we need the final trial balance in electronic format (preferably Excel) one week before final fieldwork is scheduled to begin. This allows us to import your trial balance into our audit software and begin identifying our risk areas before fieldwork actually begins. We may also download your interim trial balance for risk assessment and planning purposes as of 12/31, 3/31, and 6/30 (unadjusted).

We prefer all of the client assistance outlined in the RFP to be provided in electronic format wherever possible. The Town can expedite the audit process by minimizing immaterial post-final AJE's and providing all items on the "Prepared by Client" (PBC) list before fieldwork begins. PBC list management will be handled via Suralink, an audit request list technology and electronic document management system.

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Town of Holden Beach, NC

Section II – Cost Estimate

❖ REQUIREMENT 7 – TENTATIVE AUDIT SCHEDULE

Note: MSA is committed to working with our clients through the COVID-19 pandemic. Due to any existing COVID restrictions, we have the ability to perform audit procedures and audit presentations remotely to the extent required by the Town, utilizing secure electronic sharing of files and virtual meetings through Zoom, Microsoft Teams or other online platforms. Such requirements can be discussed during the planning stage of the audit.

Audit Planning

We work on our government engagements year-round. We begin by downloading an interim trial balance in January or February of each year. We use this data to assess audit risk, plan our interim procedures, perform preliminary analytic review, and gather data about new projects, funds, and departments. We also stay current with the Town by reading the minutes of the Town Council's meetings each month. We will meet with the appropriate members of the Finance Department to plan the engagement each year. At this meeting, timetables for our responsibilities and the Town's responsibilities will be agreed upon.

Interim and Final Fieldwork

Generally, we will perform interim fieldwork at a mutually agreed-upon week from March–June of each year. During interim, we will update our understanding of internal controls, test compliance (Federal and State programs, as required), and audit transactions in capital project funds, special revenue funds, and capital outlay, as applicable. Our team will be on site for up to one week. We are planned and prepared when we arrive; therefore, once we come on site, we will stay until our objectives are completed. If we have internal control or compliance findings, we will discuss those with management at the completion of our interim procedures.

In a typical year, we will perform final fieldwork in July-August. Final fieldwork will last approximately one week on site and several weeks in the office. Before we begin the on-site portion of the fieldwork, we will have imported final trial balances, planned our procedures, and coordinated with the finance staff any data needed for our procedures. Our staff will hit the ground running and complete our procedures timely, efficiently, and with minimal interruption of your staff. We will provide any audit adjustments, compliance findings, and internal control findings at the completion of final fieldwork.

Our typical timeline for the Town will be as follows:

- March-April – Download interim trial balance and perform preliminary analytic procedures. This procedure allows us to keep informed of changes at the Town before the audit commences.
- March-April – Planning meeting with the Finance Director. At the planning meeting, we will mutually agree on the fieldwork timetable, client prepared schedules, etc. The purpose of this meeting is to get your staff and our staff on the same page.
- Mutually agreed-upon time between March and June – Interim fieldwork (test internal controls and grant compliance, as required)
- July-August – Import final trial balance; perform analytical procedures; perform compliance testing; perform final risk assessment; perform final fieldwork
- October – Submission of report to Local Government Commission
- Mutually agreed-upon time between October and December – Presentation to the Town Council

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

AUDIT FIRM NAME:

Martin Starnes & Associates, CPAs, P.A.

FY 2022 – 2023

1. Base Audit	<u>\$ 31,925</u>
2. Financial Statement Preparation (includes cost of printing 20 bound copies)	<u>\$ 3,550</u>
3. AFIR	<u>\$ 1,500</u>
4. Other (use additional pages to explain, if necessary)	<u>\$ see below*</u>
Total	<u>\$ 36,975*</u>

FY 2023 – 2024

5. Base Audit	<u>\$ 35,125</u>
6. Financial Statement Preparation (includes cost of printing 20 bound copies)	<u>\$ 3,900</u>
7. AFIR	<u>\$ 1,650</u>
8. Other (use additional pages to explain, if necessary)	<u>\$ see below*</u>
Total	<u>\$ 40,675*</u>

FY 2024 – 2025

9. Base Audit	<u>\$ 38,630</u>
10. Financial Statement Preparation (includes cost of printing 20 bound copies)	<u>\$ 4,300</u>
11. AFIR	<u>\$ 1,815</u>
12. Other (use additional pages to explain, if necessary)	<u>\$ see below*</u>
Total	<u>\$ 44,745*</u>

*Totals listed above exclude single audit fees. If applicable, single audit fees will be added annually at \$3,750 per year for up to 2 major programs. Major programs in excess of 2 will be billed at \$3,750 each.



Town of Holden Beach, NC

Section II – Cost Estimate

❖ REQUIREMENTS 8, 9, 10 & 12 – PROFESSIONAL FEES – AUDITING SERVICES (CONTINUED)

Please refer to the Summary of Costs Sheet on the previous page. Additional cost information follows below.

Audit contracts must be approved annually by the Local Government Commission. For your planning purposes, our estimated fees to provide our services to you in the future are shown in the Summary of Costs sheet on the previous page. These are estimated fees only. Governmental and rule-making boards may add or change their requirements related to our services which may change these estimates. The actual fee agreement will be set forth in the annual contract signed for the relevant year.

Basis/Methodology of Cost Estimate:

At Martin Starnes & Associates:

- Estimated fees presented are generally on a “fixed-fee” basis. If a situation occurs that would cause additional fees, we will discuss the changes with the Finance Director before the additional fees are incurred by the Town. We will specify the services to be provided and an estimate of the related fees. We do not bill for travel costs related to the audit engagement. If we are engaged to provide services outside of the audit engagement, we will negotiate the fees for those services, and they may include reimbursing our firm for travel related expenses. Our hourly rates for such services range from \$80-\$375.
- The fees proposed herein include technical assistance to the Town’s staff throughout the year. We are available to serve our government clients twelve months a year. Any assistance that would require supplemental fees will be negotiated in advance. Summary: No surprise fees!
- Our fees also include the planning meeting; submission of the report to the LGC; printing up to 20 copies of the financial statements and other applicable documents; preparation of the Data Collection Form (as required); and a presentation to the Town Council.

Basis for Determining Cost Estimate After First Year:

Our fee increases are determined on an annual basis. The volatility of the economy and many governmental and rule-making boards regularly adding or changing their requirements related to the services we provide to you also affect our average fee increases.



Town of Holden Beach, NC

Section II – Cost Estimate

❖ *REQUIREMENT 11 – ADDITIONAL INFORMATION*

We Have A Story To Tell!

We have provided the Town of Holden Beach with all of the information requested in the RFP. There is information and perspective that we would like to share about our firm that is difficult to glean from the basic questions in an RFP. Please indulge us as we explain what makes us different from other qualified firms.

History

Our firm's government client list has grown from one small town in Alexander County to one of the largest governmental audit practices in the state with a simple formula:

$$\text{Quality} + \text{Service} + \text{Value} = \text{Success}$$

We have grown one client at a time with a focus on client retention. Since 1992, we have lost very few clients during the re-proposal process. We are convinced that ***Quality + Service + Value = Success*** works!

Quality

Approximately 85% of our audit practice is dedicated to serving governments in North Carolina. We are confident no other firm in North Carolina can make that claim. Our audit staff does not have a 12/31 busy season. Therefore, they are focused on serving our government clients and only have one busy season. This structure has minimized our turnover and increased the quality of our audit product through continuity on the engagement.

We have three Partners who have been reviewers for the GFOA Certificate of Excellence Program. We serve on the NCACPA's Government Auditing and Accounting Task Force. We have been members of the AICPA's Government Audit Quality Center since its inception. We are 100% committed to providing the absolute best quality government audit available in North Carolina. Our audit practice has been subjected to quality reviews since 1992 without a blemish. *In fact, during a recent review, the Peer Reviewer asked us to provide his firm with training.*

Service

"If you fail to plan, you plan to fail". Each of our engagements start with a plan that is mutually agreed upon by our staff and the client's staff. This includes dates of fieldwork, dates client prepared schedules are due to us, and dates documents are due from us to the client.

We have a state-of-the-art technology system that successfully eliminates geography as a constraint on service. Your staff will never notice that our firm is in Hickory, and you are in Holden Beach. Our most recent enhancement to service is our "Suralink" PBC request list technology and electronic document management system. Suralink uses dynamic request lists that place all client requests in one place and is updated in real time by everyone working on your audit engagement. Requests are quickly and easily managed and organized using this technology. Our clients save time fulfilling audit requests while streamlining processes using Suralink.

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Town of Holden Beach, NC

Section II – Cost Estimate

Value

Fees do not always reflect value. Our business model from the very beginning was to provide quality service with a highly trained staff. Our model also includes maintaining state-of-the-art hardware and software in our audit practice. An example of this commitment was the conversion to ***Knowledge Coach***, as discussed herein. We are focused on efficiency and effectiveness in every step of the audit process. The end result - we offer much more to the Town than an audit. We add VALUE to the financial reporting process.

Our firm is “lean” in regard to overhead. Each member of management has client responsibilities as well as management responsibilities. This results in lower standard hourly billing rates. Finally, integrity is the ultimate source of our value-based firm.

How Do We Complete the Volume of Governmental Audits On Time?

- We plan our engagements starting January 2nd of each year so that we can efficiently perform the engagement and minimize the final fieldwork time required.
- We use state-of-the-art technology and use it to the fullest extent.
- We hire and retain the best staff.
- We spend more hours auditing your unit from January–July than our competition. Therefore, we are rarely surprised by what we find at final fieldwork from August–October.
- Our audit staff is leveraged so that we have a balanced ratio of senior leadership, senior accountants, and staff accountants. Each senior accountant manages approximately 10 engagements and has the entire staff accountant pool, as well as our firm leadership, at his or her disposal. Any time an engagement incurs problems, it is handed off “up the ladder” to a manager, rather than drowning the senior accountant.
- Finally, we view our audit practice with a “team” approach. When all of our engagements are completed, then *WE* are finished. “All hands on deck” takes on a whole new meaning at Martin Starnes & Associates.

We have grown our audit practice from the ground up, one client at a time, and one staff member at a time. Therefore, our growth has been planned for and managed. Every engagement has a staffing plan that anticipates when the staff will be ready to supervise the engagement, when the senior will be ready for a promotion to audit manager, and when the audit manager will be ready for more complex management requirements. This allows for continuity on the job, continuity with your staff, and maximum efficiency in our procedures. How do we manage turnover? We have made staff retention a number one priority of the firm.



Town of Holden Beach, NC

Section II – Cost Estimate

FINAL CONSIDERATIONS

Quote from J. Michael Barham, NC Board of CPA Examiners at the 2009 Local Government Update

"If you want to improve the quality of Yellow Book and OMB audits, select your auditors based on the following criteria: experience, references, contact the firm's current audit clients, evaluate professional qualifications, evaluate the firm's commitment to CPE, the firm's peer review results, and contact the LGC about the firm's quality and timeliness; but most importantly, do not let the price be the driving force."

Excerpt from article: Better Understanding the Financial Statement Audit

By Stephen J. Gauthier - Author of Governmental Accounting, Auditing and Financial Reporting ("Blue Book") and Director of the Technical Services Center of the Government Finance Officers Association of the United States and Canada

... Mandatory auditor rotation may pose special risks in the public sector (do not force yourself into a bad decision). Many people believe that periodically changing audit firms offers real advantages such as a fresh outlook and greater independence from management ...

... The potential benefits of auditor rotation depend on the presence of a sufficient number of qualified firms being interested in performing the audit. ... Accordingly, a policy of mandatory auditor rotation, when applied to state and local governments, could force a government into the position of hiring a less than fully qualified replacement for its current independent auditor.

... Furthermore, many of the potential benefits of auditor rotation could be achieved by rotating the personnel assigned to the engagement within the current auditing firm.

Excerpt from "Suggested Good Practices" Document by the AICPA

Audit firm rotation is an idea that has been around for some time but has consistently failed to gain support from the SEC, GAO, private organizations, academics, and others as constituting sound public policy. The reasons for the lack of acceptance of the idea are easily identified:

- The costs of audit firm rotation far exceed the potential benefits.*
- The linkage between auditor tenure and auditor competence is real; studies have shown that audit failures are three times more likely in the first two years of an audit engagement.*

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& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

OUR MISSION STATEMENT

*"We guide our clients
in realizing their goals
through mutual trust
and our personal
commitment."*

MARTIN STARNIS
& ASSOCIATES, CPAs, P.A.



WHAT DO YOU GET FROM MSA OTHER THAN TAX & AUDIT SERVICES?

- ❖ Year-round availability for technical assistance
- ❖ Help desk resource
- ❖ Legislative updates
- ❖ Access to “Best Practices”



MARTIN STARNES
& ASSOCIATES, CPAs, P.A.

WE ARE COMMITTED TO:

- ❖ Providing a service where value always exceeds cost
- ❖ Completing every engagement in an efficient and timely manner
- ❖ Continuity of engagement teams
- ❖ Developing relationships based upon professionalism, trust, and respect



HISTORY OF OUR FIRM

- ❖ Formed in 1987 by Vickie Martin
- ❖ Six employees in 1992 – One municipality audit
- ❖ Approximately 65 employees in 2022 – Auditing 25 counties, 46 municipalities, and numerous other governmental agencies (99 total governmental units)
- ❖ Governmental Audit Partners:
 - One in 1992
 - Three since 2017

TYPES OF AUDITS & OTHER SERVICES

- ❖ **Audits:**
 - Governmental entities
 - Non-profit entities
 - For-profit entities
 - 401(k)
- ❖ **Reviews**
- ❖ **Compilations**
- ❖ **Examination Attestations**
- ❖ **Agreed-Upon Procedures**
- ❖ **Consulting**



MEET OUR AUDIT TEAM

OUR AUDIT PARTNERS



Marcie Spivey



Paula Hodges



Erica Brown

MARTIN STARNES
& ASSOCIATES, CPAs, P.A.

OUR SENIOR MANAGERS



Amber McGhinnis



Ko Tang Cha-Moses



Matt Braswell



Cassie Wilson

MARTIN STARNES
& ASSOCIATES, CPAs, P.A.

OUR SENIOR MANAGERS



Elsa Watts



Kari Dunlap



Kelly Gooderham



Tonya Thompson

MARTIN STARNES
& ASSOCIATES, CPAs, P.A.

OUR MANAGER



Jill Vang

MARTIN STARNES
& ASSOCIATES, CPAs, P.A.

OUR SENIOR ACCOUNTANTS



Brandi
Fesperman



Cameron
Lackey



Claire
Chase



Beau
Hildebrand



Morgan
Coley

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OUR SENIOR ACCOUNTANTS



Lutchia
Johnson



Jonas
Watts



Kang
Moua



Kamila
Cleveland

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& ASSOCIATES, CPAs, P.A.

OUR STAFF ACCOUNTANTS



Kimberly Whittington



Chris Turpin



Leslie Watts



Ethan Bumgarner

MARTIN STARNES
& ASSOCIATES, CPAs, P.A.

OUR STAFF ACCOUNTANTS



Bao Thao



Lindsay Turner



Jesse Belvin



Nicole Silvera Andrade

MARTIN STARNES
& ASSOCIATES, CPAs, P.A.

OUR ACCOUNTING TECHNICIANS



Gunnar Burchett



Greg Bailes



Amanda Linder

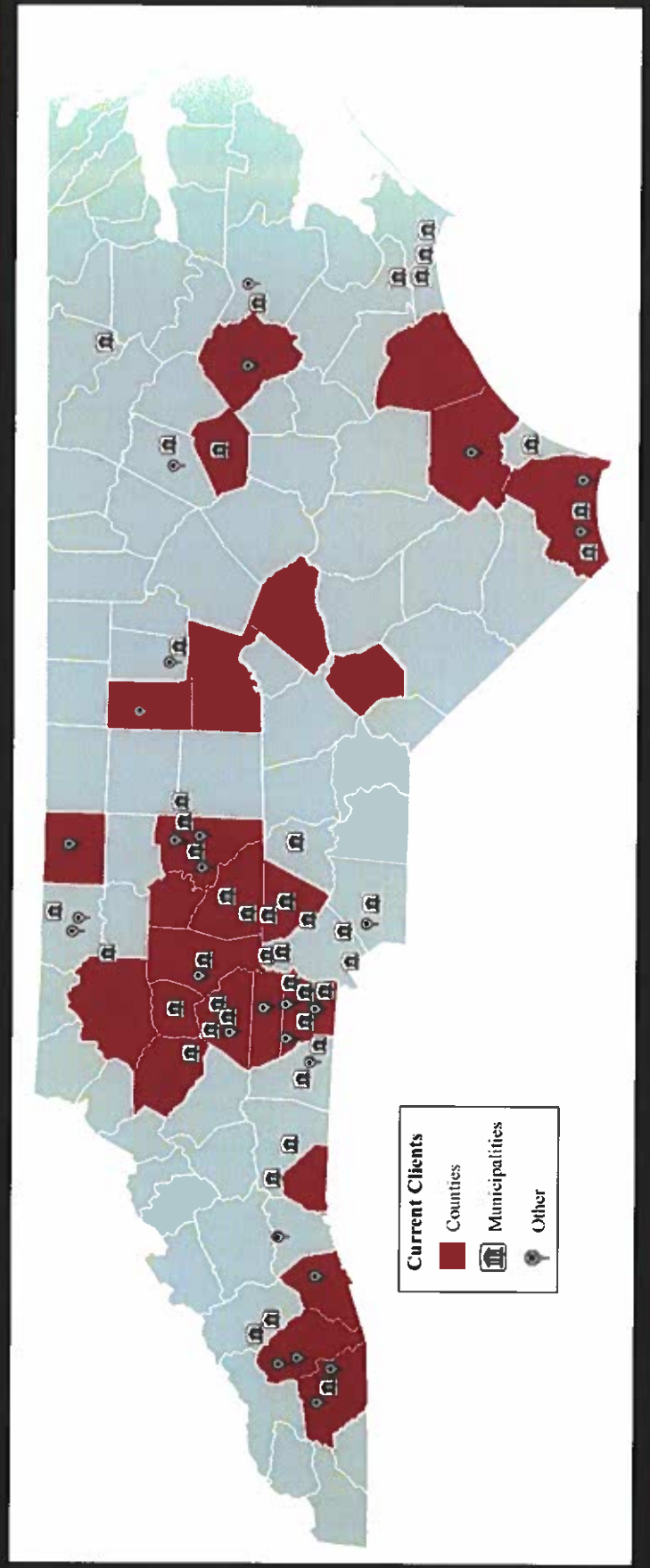
MARTIN STARNES
& ASSOCIATES, CPAs, P.A.



THE COMMUNITY WE SERVE...

NORTH CAROLINA IS OUR NEIGHBORHOOD

GOVERNMENTAL ENTITIES WE CURRENTLY AUDIT

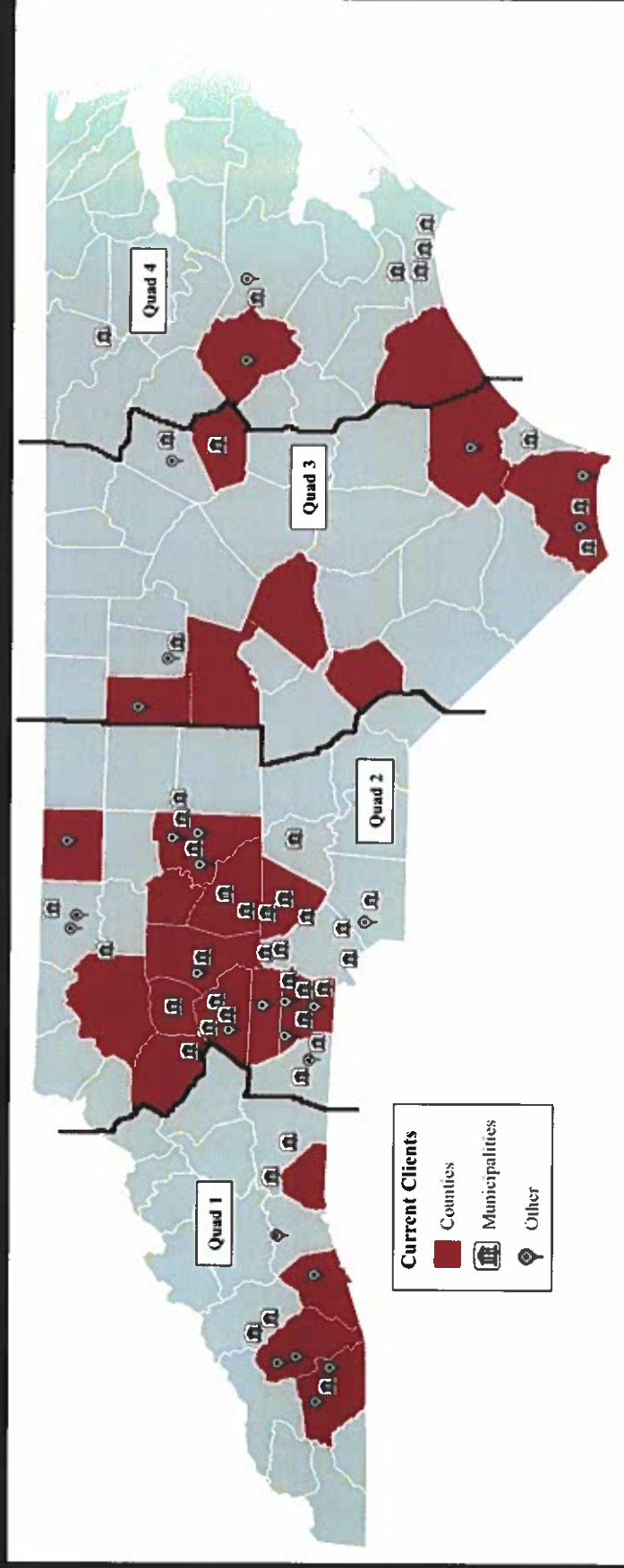


--Map as of June 30, 2022

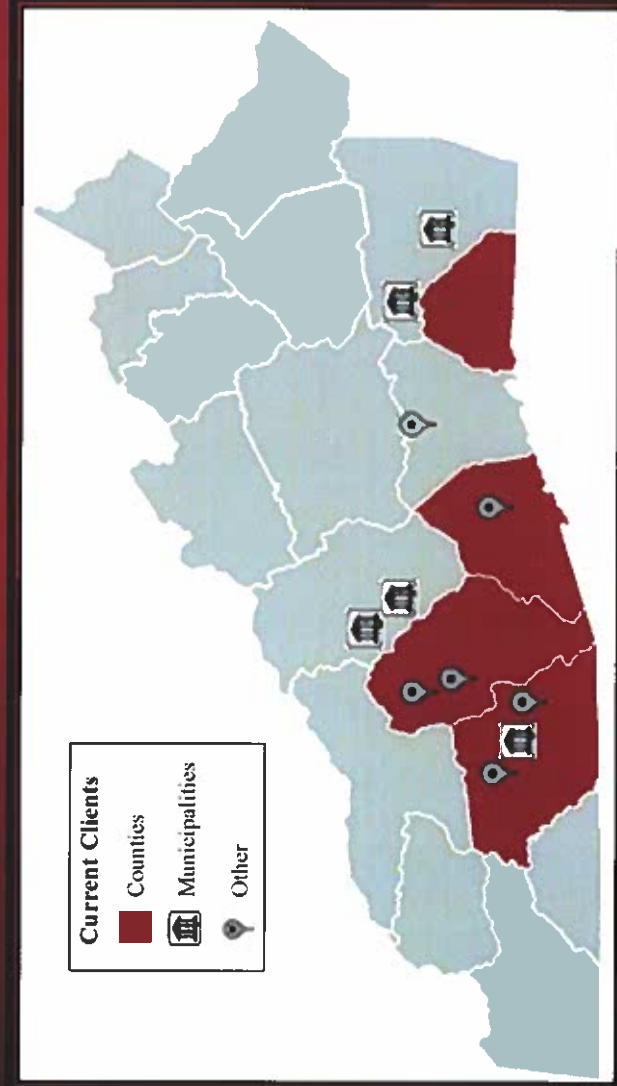
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NORTH CAROLINA IS OUR NEIGHBORHOOD

GOVERNMENTAL ENTITIES WE CURRENTLY AUDIT

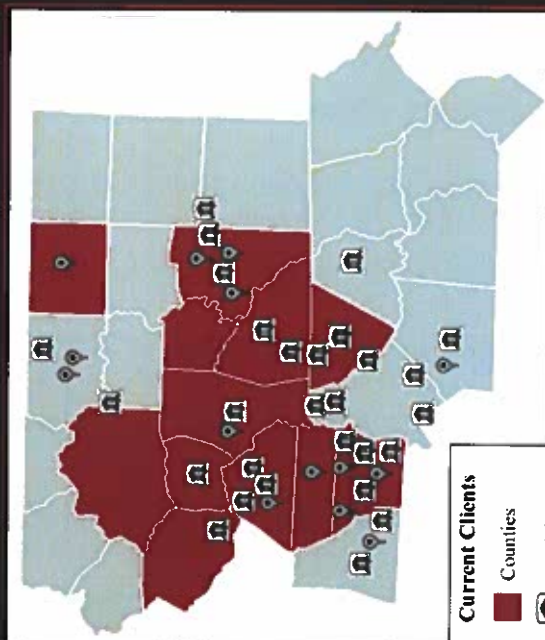


QUAD 1



Haywood County
 Town of Maggie Valley
 Town of Waynesville
 Henderson County
 Greater Asheville Regional
 Airport Authority
Jackson County
 Jackson County TDA
 Jackson County Airport Authority
Macon County
 Town of Franklin
 Town of Franklin TDA
 Macon County Airport Authority
Polk County
 Rutherford County
 Town of Lake Lure
 Town of Rutherfordton
Transylvania County
 Transylvania County TDA

QUAD 2



Current Clients

Counties

Municipalities

Other

Alexander County
Town of Taylorsville
Cabarrus County
City of Concord
City of Kannapolis
Town of Harrisburg

Caldwell County
Town of Granite Falls
Catawba County
City of Claremont
City of Hickory
City of Newton
Western Piedmont Regional Transit Authority
Cleveland County
City of Kings Mountain
City of Kings Mountain TDA
City of Shelby
Davidson County
City of Lexington
City of Thomasville
Davidson County
Airport Authority
Lexington Tourism Authority
Thomasville Tourism Commission

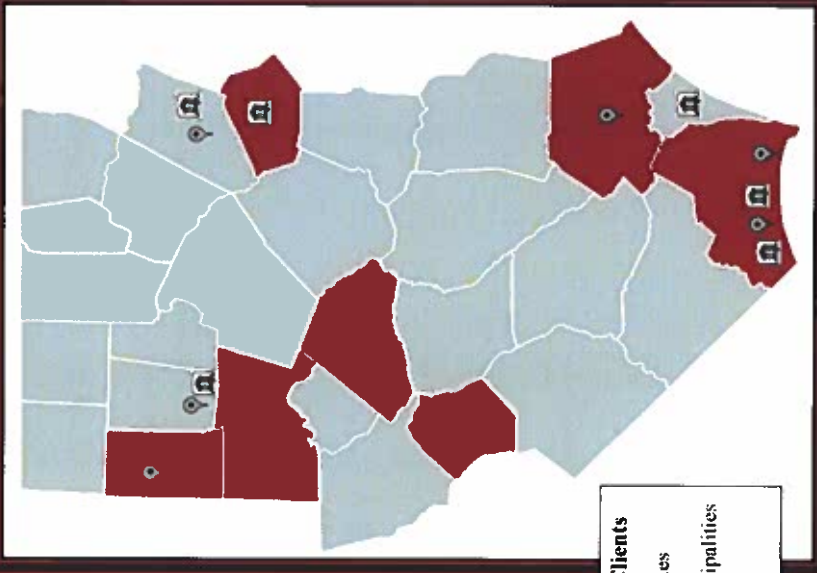
Davie County
Gaston County
City of Belmont
City of Belmont TDA
City of Gastonia
City of Gastonia TDA
City of Mount Holly
City of Mount Holly TDA
Town of Cramerton
Iredell County
City of Statesville
Statesville Convention & Visitors Bureau
Lincoln County
Lincolnton-Lincoln County
Regional Airport Authority
Mecklenburg County
Town of Cornelius
Town of Huntersville
Town of Matthews
Town of Pineville

Randolph/Guilford Counties
City of Archdale
Rowan County
City of Salisbury
Town of Landis
Stokes County
Stokes County Water & Sewer Authority
Stanly County
City of Albemarle
Surry County
City of Mount Airy
Town of Elkin
Mount Airy TDA
Tourism Partnership of Surry County
Union County
City of Monroe
City of Monroe TDA
Wilkes County

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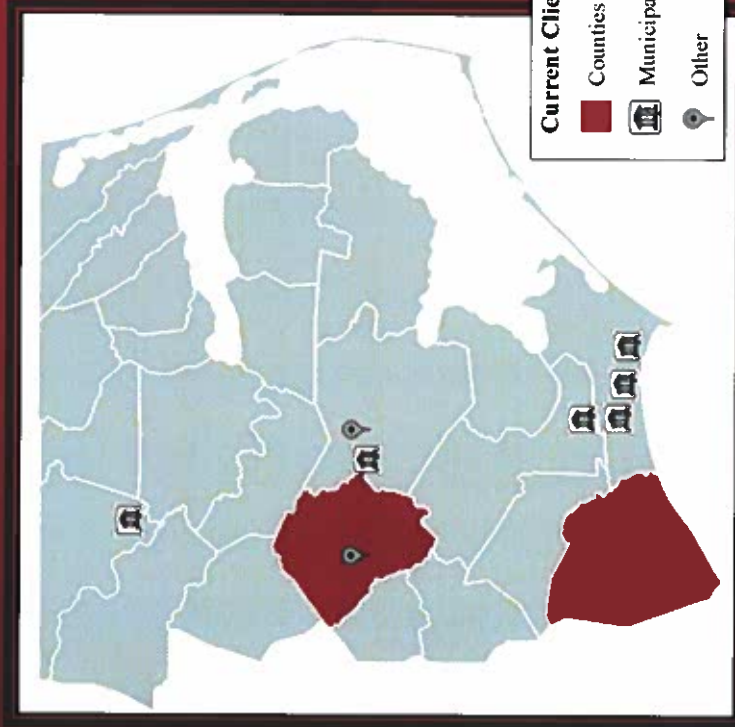
QUAD 3

Alamance County
 Alamance County TDA
Brunswick County
 Brunswick County Airport Commission
 Brunswick County TDA
 Town of Calabash
 Town of Holden Beach
Chatham County
Harnett County
Hoke County



Nash County
 City of Rocky Mount
 Rocky Mount-Wilson Airport Authority
 New Hanover County
 Town of Wrightsville Beach
 Orange County
 Orange Water and Sewer Authority
 Town of Chapel Hill
Pender County
 Pender County TDA
Wilson County
 City of Wilson

QUAD 4



Beaufort County
 City of Washington
 City of Washington TDA
 Carteret County
 Town of Beaufort
 Town of Newport
 Town of Pine Knoll Shores
 Craven County
 City of Havelock
 Onslow County
 Pitt County
 Pitt-Greenville Airport Authority

**Map as of June 30, 2022

MARTIN • STARNES
& ASSOCIATES, CPAs, P.A.

Thank you for viewing our profile!

Please call or email us for any additional information.

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