

**THE ERWIN BOARD OF COMMISSIONERS  
MARCH 2026 REGULAR WORKSHOP  
MONDAY, MARCH 23, 2026 @ 6:00 P.M.  
ERWIN MUNICIPAL BUILDING BOARDROOM**

**AGENDA**

- 1. MEETING CALLED TO ORDER**
  - A. Invocation
  - B. Pledge of Allegiance
  
- 2. AGENDA ADJUSTMENTS /APPROVAL OF AGENDA**
  
- 3. NEW BUSINESS**
  - A. Auditor RFPs (**Page 2**)
  - B. BOA 2026-06 (**Page 131**)
  - C. Proclamation for Child Abuse Prevention Month (**Page 133**)
  - D. NCLM Board of Directors Election Process (**Page 135**)
  - E. Lots Accessible through Unimproved Roads Text Amendment (**Page 136**)
  - F. Mobile Stage (**Page 138**)
  
- 4. GOVERNING COMMENTS**
  
- 5. ADJOURNMENT**

# Erwin Board of Commissioners

## REQUEST FOR CONSIDERATION

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To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: March 23, 2026

Subject: Auditor RFPs

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The Town of Erwin issued a Request for Proposals (RFP) to solicit bids for auditing services. Pursuant to N.C. General Statute 159-34, the Town of Erwin is required to have our accounts audited each fiscal year and to submit that audit report to the Local Government Commission (LGC). Failure to submit an audit report to the LGC can lead to serious consequences. The Town received three proposals to the RFP we issued. All three proposals were reviewed by Town Staff based on the criteria that we included in the RFP that the Town issued. The three bids are summarized below:

- Bernard Robinson Company (BRC)- \$25,000\*
- Aline Accounting Partners Group (AAPG, LLP)- Total fee- \$30,500\*
- Thompson, Price, Scott, Adams & C, P.A.- Total fee- \$17,000\*

\*The Total amounts include other documents that are needed to complete the audit, such as Financial Statements and the AFIR.

\*\*Based on our current projections, the Town will not require a single audit this year but that is a possibility in future Fiscal Years. A single audit will include additional expenses, mostly additional staff time from the CPA firm.

Town Staff has evaluated each proposal and recommends selecting Thompson, Price, Scott, Adams & Co, P.A. The recommended firm provided the most detailed answers to the questions in our RFP. The recommended firm will also have the most “on-site” time during the audit process. Town Staff did place an emphasis on having “on-site” time during the audit procedures. The Town has used this firm in the past, and we have been happy with the services that they have provided. They provide this required service at a fair price.

### Attachments:

- RFP issued by Town of Erwin
- Bernard Robinson Company, (BRC) proposal
- Aline Accounting Partners Group (AAPG, LLP) proposal
- Thompson, Price, Scott, Adams & C, P.A proposal

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

BY: TOWN OF ERWIN, NORTH CAROLINA

Release Date: 01/12/2026

Proposal's Due Date: 03/17/2026 by 4:00pm

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The Governing Body of the Town of Erwin (hereinafter called the “unit”) invites qualified independent auditors (hereinafter called “auditor”) having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for the Town of Erwin to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the Town of Erwin. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Harnett County, North Carolina.

### **Type of Audit**

The audit will encompass a financial and compliance examination of the unit’s basic financial statements, supplementary information, and compliance reports, in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards, July 2018 revisions; the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the State Single Audit Implementation Act; and all other applicable laws and regulations.

The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of proposal submission. This includes, but is not limited to, the Governmental Accounting Standards Board (GASB) statements and Government Auditing Standards. Although some pronouncements will not be in effect until after the first year of the audit, estimates for future years should include pronouncements that will become effective during that contract period. The audit firm will be expected to advise appropriate Town of Erwin staff on the applicability of accounting and reporting standards as they become effective.

The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the aggregate discretely presented component units, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be

subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, the major funds, and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report. The audit will also include the following:

- A. Pre-planning conference with Finance Staff where both the auditor and Finance staff discuss their expectations of the audit.
- B. Interim audit work prior to June 30<sup>th</sup> and/or prior to final close.
- C. Attendance at the Town Council meeting within 45 days of approved audit for presentation of the financial statements by Manager or Partner of the Audit Staff with comments and potential questions from the Board as requested.

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

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

The Town of Erwin staff may require the auditor's guidance or input on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as inclusion in the town's financial statements. Guidance may be required for new note disclosures, all outstanding and effective authoritative standards and other reporting requirements at June 30 year-end. Cost for providing these services should be included in the auditor's base fee quote and will not be considered extra for additional billings. In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the governing board and forwarded to the staff of the LGC for approval.

## Period

The unit intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first-year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. The Town of Erwin reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year one being the only obligated year:

July 1, 2025 to June 30, 2026

July 1, 2026 to June 30, 2027

July 1, 2027 to June 30, 2028

The required current revision of the form “Contract to Audit Accounts” (form LGC-205) is required to be executed as the contract document; however, the auditor and the town may also execute an engagement letter and/or a unit contract to include additional terms not addressed in the LGC-205. The entire audit contract package must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC prior to payment by the town. Interim or progress billings for services rendered marked approved by the LGC will be paid up to 75% of the total fee prior to submission of the final audited financial statements to the staff of the Local Government Commission. The final 25% of the Audit fees (final invoice) will be paid when the financial statements, single audit (if applicable), management letter and amended contract (if applicable) have been reviewed or approved by the LGC.

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

## Requirements

The audit must be conducted in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards, the latest revision issued by the Comptroller General of the United States; Office of Management and Budget’s (OMB) Uniform Guidance and , if applicable, the State Single Audit Implementation Act, and any other applicable procedures for the audit of a local government’s financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). By accepting this engagement, the Auditor warrants that they have met the requirements for a peer review and continuing education as specified in Government Auditing Standards. **The Auditor must provide a copy of their most recent peer review report with their proposal.**

The Auditor will prepare most year-end adjusting journal entries. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information, and compliance reports. The Town of Erwin's Finance Director will be actively involved in the MD&A, and other schedules section preparation. The auditor will submit a draft of the Financial Statement to be reviewed in detail by the Finance Director. This draft should be submitted to the Town of Erwin in time to allow ample review and corrections. **The timing of this should ensure final completion of the Financial Statements no later than the annual December 31<sup>st</sup> deadline.**

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

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

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

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

### **Other Services**

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

### **Description of Selection Process**

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

Proposals will be submitted in two sections. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits.

The proposals will be reviewed and evaluated based on the auditor's/firm's educational and technical qualifications. The top three firms from the first section will have their second section opened and evaluated. The firm that best meets the Town of Erwin's expectations for experience, audit approach, and cost requirements will be selected.

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

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

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

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

### **First Section**

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

1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.
2. Indicate the number of people (by level) located within the local office that will handle the audit.
3. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each. Responsive firms should include any relevant information regarding audits performed on financial statements prepared under the new reporting model.
4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
5. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit.

Indicate the percentages of time each senior and higher-level personnel will be on site. Again, relevant experience with the new GASB reporting requirements should be clearly communicated.

7. Describe the relevant educational background of each person assigned to the audit, senior level and higher including the new GASB reporting requirements. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., solid waste, grants, enterprise funds, bonds and capital projects).
9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.
11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.
14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill.

## **Second Section**

Proposals should include completed cost estimate sheets and any other necessary cost information in a *separate, sealed* envelope marked – “Cost Estimate.” The Town plans to evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

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

1. Type of audit program used (tailor-made, standard government, or standard commercial).
2. Use of statistical sampling.

3. Use of automated processes and internal control testing methods.
4. Use of computer audit specialists.
5. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
6. Information that will be contained in the management letter.
7. Assistance expected from the town's staff, if other than outlined in the RFP.
8. Tentative schedule for completing the audit within the specified deadlines of the RFP.
9. Use of internal audit staff (if applicable).
10. Specify costs using the format below for the audit year July 1, 2025, to June 30, 2026. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2026, is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.
  - A. Personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
    - 1) Estimated hours – categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor's office.
    - 2) Rate per hour.
    - 3) Total cost for each category of personnel and for all personnel costs in total.
  - B. Travel – itemize transportation and other travel costs separately.
  - C. Cost of supplies and materials – itemize.
  - D. Other costs – completely identify and itemize.
  - E. If applicable, note your method of determining increases in audit costs on a year-to-year basis
10. Please list any other information the firm may wish to provide.
11. Please include the Summary of Audit Costs Sheet with your proposal.

### **Time Schedule for Awarding the Contract**

RFP Release Date	<i>January 12, 2026</i>
Deadline for RFP Questions *	<i>February 20th, 2026 by 4:00 pm</i>
Questions to be Answered No Later Than	<i>March 5th, 2026 by 5pm</i>
Deadline for Receipt of Proposals **	<i>March 17th, 2026 by 4:00 pm</i> Town of Erwin, Finance Department Attn: Linda P. Williams, Finance Director 100 West F Street PO Box 459 Erwin, NC 28339
Notice of Recommended Firm	<i>March 24th, 2026</i>
Council Approval ***	<i>April 9th, 2026</i>

Any questions should be directed to Linda P. Williams, Finance Director, at [lpwilliams@erwin-nc.org](mailto:lpwilliams@erwin-nc.org). All questions and answers will be shared with each firm that has signed and returned an acknowledgement of receipt and intent to respond to the proposal. Appointments may be scheduled to discuss further any specific matters necessary in preparing your proposal.

\*\* Proposals can either be submitted electronically (email) to [lpwilliams@erwin-nc.org](mailto:lpwilliams@erwin-nc.org) or on paper by March 17<sup>th</sup>, 2026. Envelopes containing proposals on paper should be clearly identified on the front with the words “RESPONSE TO RFP FOR AUDIT SERVICES”.

- Please note your email should include two separate pdf attachments for sections 1 and 2
- Envelopes should include Three copies of the bound proposal (clearly separating section 1 and 2) should be delivered to: PO Box 459, Erwin, NC 288839. Attn: Linda P. Williams

Town of Erwin reserves the right to request additional information deemed necessary to aid in the selection process.

\*\*\* The Finance Office will review the proposals and make a recommendation to Town Council on March 23, 2026.

## **Description of the Governmental Entity and Its Accounting System**

### **Entity**

Town of Erwin is a Municipality in North Carolina with a population of approximately 4,500. The town operates a Stormwater Fund. This is our only propriety fund. The Town of Erwin does not provide water or sewer to our residents therefore we do not have a water and/or sewer fund. Water and sewer are provided by Harnett Regional Water. Other funds the Town currently uses:

General Fund  
Capital Management Trust  
Powell Bill Fund  
Priebe Fund  
Capital Reserve Fund(s)  
ARPA Special Revenue Fund  
Miscellaneous grants  
NC SCIF Grant Capital Improvement Special Revenue Fund

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

### **Grants, Entitlements, and Shared Revenues**

A copy of the Schedule of Expenditures of Federal and State Awards for the year ended June 30, 2025, is included in this RFP. Also included is a Summary of Auditor's Results showing the major programs for the prior year. At least five years of Financials can be reviewed online at [www.erwin-nc.org](http://www.erwin-nc.org) in the Finance Department.

### **Budgets**

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

### **Accounting Records**

The Town of Erwin maintains all its accounting records at the finance office located at 100 West F Street, Erwin, NC, 28339. All accounting journals and subsidiary ledgers are maintained on Harris ICS software.

### **Assistance Available to Auditor**

The town has designed the Finance Director as a person with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. The town will make available to the auditor sufficient help to pull and re-file records and prepare necessary confirmations. An electronic version of the trial balance with budgeted amounts will be made available via Excel or PDF on date TBD. The following accounting procedures will be completed, and documents prepared by the unit's staff no later than date TBD.

The books of accounts will be fully balanced. All subsidiary ledgers will be reconciled to control accounts. All bank account reconciliations for each month will be completed.

The unit's personnel will prepare the following items:

### **General**

1. Working Balance Sheet for each fund.
2. Working Statement of Revenues, Expenditures, and Transfers for each fund.
3. General Ledger transaction detail report for each account. (List any exceptions)
4. A copy of the original budget, all amendments, and the final budget as of June 30, 2026.
5. A copy of all project ordinances and all amendments for active projects during the audit period.
6. A copy of board policies, including travel policies, investment policies, debt policies, fund balance policies, and purchasing policies including how the pre-audit process is performed.
7. Copies of all signed Board meeting minutes.
8. Copies of all correspondence with the staff of the Local Government Commission, including semiannual Cash and Investment Reports (LGC-203), unit letters, letters regarding the audited financial statements and compliance reports for the previous year.
9. Management's Discussion and Analysis
10. Required supplementary information.

### **Cash and Investments**

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

### **Receivables**

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

4. Schedule of miscellaneous receivables booked as of the fiscal year end.

#### **Other Assets**

1. Schedule of insurance coverage.

#### **Capital Assets**

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

#### **Current Liabilities**

1. Schedule of accounts payable including batch printouts.

#### **Long-Term Debt**

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

#### **Grants**

The following will be compiled for each grant:

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

### Size and Complexity of Unit

Personnel/Payroll

Number of employees	Approx. 55
Frequency of payroll	Semi-monthly
Number of payroll direct deposits (typical payroll)	48
Number of payroll paper checks (typical payroll)	3

Property Tax (collected by Harnett Couty)

Stormwater Billing (collected by Harnett County monthly on Harnett Regional Water bill)

Solid Waste fees (collected by Harnett County monthly on Harnett Regional Water bill)

Purchasing

Average (monthly) purchase orders issued	15
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Bank Accounts

Number of bank accounts	12
Number of investment accounts (NCCMT)	1
Average monthly activity in main accounts	\$440,000
Average Number (month) of deposits General Fund	25
Average Number (month) of Account Payable checks issued	80

Financial Accounting Software  
(Harris ICS)

- Payroll
- General Ledger
- Accounts Payable
- Cash Receipts
- Purchase Order

The following financial application is on a separate computer system:

- None

Contact information:

Name: Linda P. Williams  
Title: Finance Director  
Town of Erwin  
100 West F Street  
P. O. Box 459  
Erwin, NC 28339

Phone: 910-591-4203

Email: [lpwilliams@erwin-nc.org](mailto:lpwilliams@erwin-nc.org)

**SUMMARY OF AUDIT COSTS SHEET**

- 1. Base Audit  
Includes Personnel costs, travel, and on-site work      \$ \_\_\_\_\_
  
- 2. Extra Audit Services  
\$ \_\_\_\_\_ Per hour      \$ \_\_\_\_\_
  
- 3. Other (explain)  
\_\_\_\_\_ \$ \_\_\_\_\_
  
- 4. Other (explain)  
\_\_\_\_\_ \$ \_\_\_\_\_
  
- TOTAL**      \$ \_\_\_\_\_

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

PROPOSAL CERTIFICATION

**Proposers**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

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

BY (Printed): \_\_\_\_\_

TITLE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

EMAIL: \_\_\_\_\_



# **Professional Services Proposal**

## **Section 1**

### **Audit**

**Prepared for**

**Town of Erwin**

March 2026



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## Firm Overview

### About BRC

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

#### BRC MISSION STATEMENT

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

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

### BRC Office Locations

#### STRATEGICALLY LOCATED TO SERVE YOU

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

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



### Awards



### Affiliation



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



## Section 1 – Profile of the Firm

### 1. Indicate the Audit firm’s North Carolina office location(s) that will handle the audit.

The office handling your engagement is the BRC Charlotte office located at 10700 Sikes Place, Suite 260, Charlotte, NC 28277.

### 2. Indicate the number of people (by level) located within the Audit firm’s local office that will handle the audit.

The proposed engagement team that will perform the Town of Erwin’s audit (by level) consists of the following:

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

### 3. Provide a list of the local office’s current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each. Responsive firms should include any relevant information regarding audits performed on financial statements prepared under the new reporting model.

Our Firm currently serves the following governmental audit clients:

Governmental Unit	Services
City of Randleman, North Carolina	Annual financial and compliance audits and drafting of the unit’s financial statement for management’s review and approval since 2013.
Town of Candor, North Carolina	Annual financial audits and drafting of the unit’s financial statement for management’s review and approval since 2013.
Town of Pleasant Garden, North Carolina	Annual financial audits and drafting of the unit’s financial statement for management’s review and approval since 2010.
Town of Kure Beach, North Carolina	Annual financial and compliance audits and drafting of the unit’s financial statement for management’s review and approval since 2011.
Town of Carolina Beach, North Carolina	Annual financial and compliance audits and drafting of the unit’s financial statement for management’s review and approval since 2015.
Town of Pilot Mountain, North Carolina	Annual financial audits and drafting of the unit’s financial statement for management’s review and approval since 2018.



Town of Jonesville, North Carolina	Annual financial audits and drafting of the unit's financial statement for management's review and approval since 2020.
Town of Ronda, North Carolina	Annual financial audits and drafting of the unit's financial statement for management's review and approval since 2021.

**4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.**

To complement our accounting and auditing services noted above, the Firm offers assistance to its local governmental clients in general management and administration. A listing of recent consulting services provided by personnel available to the Town of Erwin includes:

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

**5. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review report.**

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

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

**6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and their position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Again, relevant experience with the new GASB reporting requirements should be clearly communicated.**

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

**Victor Blackburn, CPA, Assurance Partner** | Greensboro, NC

Victor is a partner in our assurance area with more than 34 years of experience in public accounting. Over those years of experience, Victor has worked on many governmental and nonprofit entities, including those with federal and state funding that require compliance and/or Government Auditing Standard audits.

Victor's responsibilities will include the planning, supervision and review of the engagement to ensure that the engagement has met professional standards. He has worked extensively with clients to implement new accounting and reporting requirements, internal control suggestions and overall operational efficiencies.

Victor has current CPA licenses in both North Carolina and Virginia. He is a member of the American Institute of Certified Public Accountants (AICPA) and the North Carolina Association of Certified Public Accountants (NCACPA) and conducts peer reviews.

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

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

Examples of Victor's diverse expertise include the following:

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

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

**Rachel Clupper, Assurance Senior Manager | Charlotte, NC**



Rachel is a Senior Manager in our Firm’s assurance area with more than 20 years of assurance experience in national and regional CPA firms. She is the Firm’s Government and Non-Profit liaison on the Internal Quality Management Team. Rachel has served in Uniform Guidance quality assurance roles in national firms for many years and has developed and conducted training in respect to UG compliance and it’s changing landscape both internally and externally.

She works exclusively with clients in the governmental and non-profit industries and is experienced in all phases of accounting, auditing, and regulatory compliance related to these clients, including engagements requiring government auditing standards “Yellow Book” and Uniform Guidance “single audit” considerations.

She is a member of the AICPA, NCACPA, GFOA, and the Indiana CPA Society (INCPA). Additionally, Rachel serves on the NCACPA Government Resource group with various League of Government Commission (“LGC”) members and other state government officials.

Rachel serves on the NCACPA planning committee for the Nonprofit Spring conference and will be a featured speaker at the event. She recently served as a Board member for the Association of Government Accountants (“AGA”) Central Indiana chapter.

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

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

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

**Indicate the percentages of time each senior and higher-level personnel will be on site.**

At BRC, we tailor our on-site time to meet the needs of our clients. We commit to being on site as much or as little as you prefer. The proposal includes time both at Planning/Interim and Fieldwork for the leaders to be on-site with the engagement team.



**7. Describe the relevant educational background of each person assigned to the audit, senior level and higher including the new GASB reporting requirements. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.**

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

Both Victor and Rachel have experience in providing various CPE classes to staff members and clients. Annually, the Firm reviews each member's CPE classes taken and compares those to the standards applicable for performing Governmental Audits to ensure full compliance with those standards. During this time, the Firm will identify specific training programs or classes that comply with those standards to ensure team members are signed up to participate and address specialized accounting and auditing issues impacting governmental clients.

Additionally, Victor and Rachel both attend various local and national GFOA and AICPA conferences to ensure they are up to date with the ever-changing regulatory landscape to get ahead of their clients' needs. Direct governmental accounting and audit CPE seminars and courses attended by some of your engagement team members for the past three years include the annual conferences put on by the LGC and the GFOA and yearly Firm sponsored classes for governmental clients exceeding 16 hours or more for each year and includes various topics such as accounting and reporting, fraud, and compliance that directly impact governmental clients.

CPE hours for each engagement team leader for the past three years are as follows:

	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Victor Blackburn</b>	64.5	50.0	53.5
<b>Rachel Clupper</b>	30.6	89.9	53.6

**8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., solid waste, grants, enterprise funds, bonds and capital projects).**

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

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



Rachel Clupper has been working with governmental clients in audit and consulting capacities since 2005, with experience in a variety of counties, cities, towns, school districts, authorities, state departments, and lottery commissions. Her experience includes performance and review of financial statement audits and compliance audits for governmental clients with programs, activities, and functions; analyzing accounting and internal control systems; assisting clients with ACFR submission; assessment of accounting policies and procedures manuals; forensic accounting; accounting assistance; federal grant internal control opportunity assessments; and training and implementation of various GASB standards.

**9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.**

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

Victor Blackburn has served as instructor for CPE Courses for staff members and clients and serves as a member of the GFOA’s Special Review Committee to review ACFRs submitted by governmental entities wishing to be awarded the Certificate of Achievement for Excellence in Financial Reporting.

Additionally, Rachel Clupper has developed internal and external training for multiple top ten CPA firms related to Uniform Guidance. She is slated to speak at the NCACPA Spring Conference on June 10<sup>th</sup> regarding *Federal and State Single Audits*. She also was a speaker to the AGA Central Indiana Chapter regarding Uniform Guidance changes in March 2024. She also has spoken on board member engagement, and the “Insomnia of Nonprofits” locally in Charlotte, NC.

**10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.**

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

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



**11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.**

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

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

Independence

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

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

We assure you that we take our Firm's independence very seriously and will take any steps necessary to remain independent of the Town of Erwin.

**12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.**

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

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

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

**14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill.**

We are very familiar with the NC LGC and UNC School of Government through our experience with other governmental organizations in NC and by our attendance at the CPE classes that the NCACPA and School of Government provides on an annual basis. Additionally, Rachel Clupper serves on the NCACPA Government Resource group with various members of LGC and other state government officials.



## **Client Satisfaction and Responsiveness**

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

It is our Firm’s policy not to charge our clients for minor consultations or discussions, because we want you to feel comfortable to call us anytime and it helps to keep us informed on what is going on. Regular updates from you also allow technical considerations to be a part of your decision-making process. If a consultation or discussion is deemed major, the engagement team will discuss with management and agree to a fee quote before any time is charged to you.

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

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

## **Closing**

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

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



## Exhibit A



### Report on the Firm's System of Quality Control

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

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

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

#### **Firm's Responsibility**

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

#### **Peer Reviewer's Responsibility**

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

#### **Required Selections and Considerations**

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

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

---

*Your Success is Our Focus*

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**Opinion**

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
November 30, 2023



brc.cpa



# **Professional Services Proposal**

## **Section 2**

### **Audit**

**Prepared for**

**Town of Erwin**

March 2026



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## **Section 2 – Audit Approach**

### **1. Type of audit program used (tailor-made, standard government, or standard commercial).**

Our audit approach complies with the auditing standards that require us to obtain an understanding of the Town's significant financial statement account balances and classes of transactions, as well as those associated with compliance requirements associated with federal and state award programs (if applicable). We are required to identify potential risks of material misstatements that could affect each area, as well as the overall financial statements, assess those risks, select an audit approach that appropriately tailors our response to each risk impacting the audit, and link each assessed risk to audit procedures that appropriately address those risks.

Your risk assessment will take into account the Town's materiality of significant account balances or classes of transaction, results of preliminary analytical procedures, information obtained from the engagement team about the Town and its environment which includes internal controls, consideration of potential fraudulent activities, and other relevant information necessary to identify and assess risks.

The purpose of any audit program and workpaper is to document the required sufficient audit evidence necessary to develop a reasonable basis for an expression of an opinion on the Town's financial statements.

The Firm uses audit programs developed by CCH ProSystem® fx® Knowledge Coach. These audit programs will be modified to match specific risks identified during planning for the Town to comply with the auditing standards related to risk assessment and are a combination of standard government audit programs and government compliance audit programs, as well as the audit programs developed by the Local Government Commission ("LGC") in conjunction with independent CPAs.

The program developed by the LGC adds other features to a financial audit and includes internal control questionnaires, which include specific references to North Carolina General Statutes' requirements associated with local government entities operating in the State of North Carolina. The LGC also provides compliance audit programs pertaining to federal and state award programs which clearly segregate audit responsibilities for specific compliance audit procedures between state auditors and local auditors. The tailoring of these audit programs will be accomplished prior to and during the preliminary phase of the audit.

The Firm is committed to data security and confidentiality, utilizing SOC 2-compliant platforms, including Suralink, for secure document exchange and audit collaboration.

### **2. Use of statistical sampling.**

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



**3. Use of automated processes and internal control testing methods.**

Internal control testing will be performed on selected financial areas of the Town that relate specifically to identified compliance requirements associated with the Town’s major federal and state award programs to reduce the risk of material misstatement and noncompliance with applicable compliance requirements below maximum. Other identified compliance requirements that are not directly associated with financial areas of the Town will also have internal testing performed to determine potential risks associated with the awards and related sample sizes.

**4. Use of computer audit specialists.**

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

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

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

	Partner	Sr. Manager	Senior	Staff	Total
Planning/Interim: Engagement planning and preliminary fieldwork	2	6	8	8	24
Fieldwork: Financial and compliance audit testing and fieldwork	2	8	16	37	63
Final: Draft of reports and financial draft review	2	15	16	-	33
Total hours	6	29	40	45	120
Total percentage	5%	23%	34%	38%	



## **6. Information that will be contained in the management letter.**

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

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

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

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

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

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

During the planning process of the engagement, the Firm will obtain a detailed understanding of the Town's internal control structure and overall accounting policies and procedures. From this understanding, the engagement team will determine the specific risks associated with the Town's financial statement audit that will be addressed during the audit.

Through the determination of these risks, the Firm will develop a Prepared by Client ("PBC") list that is unique to the Town, requesting assistance from the Town in preparing for the audit. The Firm will review and discuss the PBC list with the Town's management to ensure complete understanding of the information being requested and the availability of the information to meet the Town's reporting deadline of December 31<sup>st</sup>, as stated in the Request for Proposal ("RFP").

For the first year of the audit, the engagement team will plan on testing the opening balances of some of the most significant areas of the Town in April/May.

With the skills, qualifications and ability of the Town's staff, we will work with the Town to design workpapers to be prepared by your staff to ensure the most efficient audit possible to meet your deadlines, but only if it is determined that those schedules and reports used by the Town during their normal financial closing process would not provide the necessary audit evidence needed to opine on the Town's financial statements.

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



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

The Firm would begin planning the audit in the April/June time frame as requested. The planning would be followed by the on-site fieldwork in August/September. A post-closing trial balance will be provided by September 30. The partner or senior manager will meet with management at the conclusion of the fieldwork and will also meet with the Town Council as stated in the RFP.

**The steps for the Town of Erwin’s audit work are outlined as follows:**

Audit Steps	2026			
	April-June	August - September	October – November	December
Understand the Entity: Identify processes and controls for material accounts and significant transaction cycles. This includes meeting with those in charge of governance to discuss the audit process and potential concerns that could impact the audit process.	✓			
First year opening balance sheet work	✓			
Assess Overall Controls: Assign control and inherent risk factors to identify controls to assess risk of material misstatements.	✓			
Determine Nature and Extent of Testing: Develop overall planning for risk of material misstatements identified during planning and steps to address those risks (including development of the prepared by client (“PBC”) request list).	✓			
Substantive Testing: Perform audit testing on information provided by the Town’s personnel from the PBC requested workpapers and completion of the open compliance testing items.		✓		
Deliver agreed upon post-closing trial balance.		✓		
Prepare and review draft financial statements with note disclosures and prepare audit opinions and letters.			✓	
Release of Final Financial Statements and Opinion				✓
Presentation of the financial statements to the Council (December or January).				✓
Management Wrap-up Meeting: Meeting to discuss performance, areas for improvement, and plans for the following year.				✓



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

**9. Specify costs using the format below for the audit year July 1, 2025 to June 30, 2026. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2026 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a “not-to-exceed” amount.**

**A. Audit firm personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.**

- 1) Estimated hours – categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor’s office.**
- 2) Rate per hour.**
- 3) Total cost for each category of personnel and for all personnel costs in total.**

The following is an estimate based on our understanding of your needs via the RFP. We pride ourselves on being responsive to our clients and thus are open to changes in the following schedule, should your needs change. This would be the “not-to-exceed” amount.

Staff Member	On-Site Planning - Interim Work	On-Site Year-End Work	Work Performed Offsite	Total Hours	Average Rate Per Hour	Total Cost	
Partner	-	2	4	6	\$ 490	\$ 2,940	
Sr. Manager	8	16	5	29	\$ 390	\$ 11,310	
Senior	8	16	8	40	\$ 255	\$ 10,200	
Staff	8	16	13	45	\$ 215	\$ 9,675	
Subtotal (including time and effort for non-attest services requested in the RFP including the preparation of the financial statements and accompanying notes, limited adjusting journal entries, as well as preparation and filing of the AFIR)						\$ 34,125	
Estimated Travel and Printing Costs						\$ 4,000	
						Discount	(\$ 13,125)
						2026 Total	\$ 25,000
						Est. 2027	\$ 26,000
						Est. 2028	\$ 27,000



**B. Travel – itemize transportation and other travel costs separately.**

Travel costs are included in our pricing for one day onsite at Planning/Interim and a week during Fieldwork.

**C. Cost of supplies and materials – itemize.**

Cost of supplies and materials are included in our pricing, unless the Town requires more than ten bound copies of their financial statements. Additional bound copies are available at \$25 per copy.

**D. Other costs – completely identify and itemize.**

The costs noted above do not include time and effort for either Uniform Guidance (“UG”) federal single audit or an audit under the State Single Audit Implementation Act (“State SA”), as changes to the thresholds and varying dollars received and expended by municipalities can vary drastically year to year.

**E. If applicable, note your method of determining increases in audit costs on a year-to-year basis**

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

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

**Government Services**

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

**Learn more about the solutions we provide for Government Services [here](#).**

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

**SUMMARY OF AUDIT COSTS SHEET**

1. Base Audit		
Includes Personnel costs, travel, and on-site work	\$ 25,000	_____
2. Extra Audit Services		
\$ 350 Per hour	\$	_____
3. Other (explain)		
_____	\$	_____
4. Other (explain)		
_____	\$	_____
<b><u>TOTAL</u></b>	\$	_____

FIRM: Bernard Robinson & Company, "BRC"	Primary Contact: Victor Blackburn or Rachel Clupper
Address: 10700 Sikes Place, Suite 260	Telephone: 980.262.6338
Charlotte, NC 28277	Fax: 704.457.5270
	E-mail: rachel.clupper@brccpa.com
	Date: 3/10/2026

PROPOSAL CERTIFICATION

Proposers  
Signature  Date 3/10/2026

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

BY (Printed): Victor Blackburn  
 TITLE: Partner  
 TELEPHONE: 336.232.4416  
 EMAIL: victor.blackburn@brccpa.com



brc.cpa



**AAPG, LLP**

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Aline Accounting Partners Group

**Audit Services and Financial Statement  
Preparation Proposal**

**Town of Erwin, NC**

March 13, 2026

**You Belong Here**





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## FIRM PROFILE

### Cover Letter

March 13, 2026

Town of Erwin  
Attn: Linda Williams, Finance Director  
100 West F Street  
Erwin, NC 28339

**Subject: Audit Services and Financial Statement Preparation for the Town of Granite Falls, North Carolina**

Dear Review Committee,

Aline Accounting Partners Group, LLP (“AAPG, LLP”) hereby expresses its strong interest in providing audit services and financial statement preparation to the Town of Erwin, North Carolina, (the “Town”) as outlined in the Request for Proposal (RFP).

We have carefully reviewed the RFP and are confident that AAPG, LLP possesses the necessary qualifications, experience, and resources to successfully prepare and conduct the financial audit of the Town’s Annual Financial Report (“AFR”). Our team has extensive experience in governmental accounting and auditing, including audits performed in accordance with generally accepted auditing standards; *Government Auditing Standards*. Should the Town ever need a single audit, we also are capable of conducting a single audit under the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the State Single Audit Implementation Act.

The opportunity to partner with the Town for the multi-year engagement as outlined in the RFP for the three-year period starting in 2026, provides us to develop a long-term relationship with the Town. Our firm is emerging into the rural local government market and the Town meets our ideal client profile. We understand the importance of timely and accurate financial reporting and are committed to meeting the Town’s deadlines and requirements.

We believe this proposal addresses all the requirements and highlights our qualifications, experience, audit approach, and cost considerations.

Thank you for your consideration.  
Sincerely,

**April Adams, CPA**  
Partner, Audit Services  
AAPG, LLP  
Office Address: 8300 Acro Corporate Drive, Suite 500  
Charlotte, NC 28273  
Phone: (919)-632-5878  
Email: April.Adams@AAPGLLP.com



## Assigned Office

1. Indicate the Audit Firm's North Carolina office location (s) that will handle the audit.

Our firm's local office is located in Charlotte, North Carolina, however the employees perform their work remotely. April Adams, the engagement partner responsible for the audit, is located in Apex, North Carolina. Victoria Barnett, the audit manager responsible for executing the established audit plan using various audit staff, is located in Orlando, Florida. Shannon Carlton, the audit senior is located in Michigan.

## Local Staff

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

We anticipate the audit team of dedicated experienced government auditors to consist of one partner, one manager, one senior and one to two staff.

## Current & Prior Government Clients

3. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.

As an emerging firm, our governmental audit experience is built upon the extensive expertise of our team members, drawing from their work with prior governmental audit clients at previous firms. April Adams brings a distinguished history of serving local governments across North Carolina, having previously been a partner at Cherry Bekaert, LLP. For a detailed overview of her client engagements, please refer to her resume (attachment B). She performed a variety of services beyond the standard financial statement audit, she has experience in both federal and state compliance audits, examinations, and agreed upon procedures.

A list of current AAPG, LLP government clients is as follows; each one is currently going through or has been through one audit:

City of King, NC	Tyrrell County, NC	Town of Ponce Inlet, FL
Town of Belhaven, NC	Town of Hemby Bridge, NC	Town of Belleair Shore, FL
Town of Teachey, NC	Town of Sims, NC	Town of Garland, NC
Aeronautics Authority of the City of Henderson, City of Oxford, County of Granville and County of Vance		

## Local Office Experience

4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.

As an emerging firm, our experience is founded on the prior governmental audit engagements of our team members at their previous firms.



**Peer Review**

- Describe your audit organization’s participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm’s current peer review.

As AAPG, LLP is an emerging firm and based on AICPA merger guidelines Kings Shores Preston’s peer review serves as AAPG, LLP’s peer review.




King Shores Preston has passed, without exception, their peer review conducted under the auspices of the AICPA. Please see as an attachment, a copy of the peer review.

**ENGAGEMENT TEAM**

**Governmental Audit Experience**

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

Please refer to the team bios for detailed information on each member’s governmental audit experience. We are actively expanding our team with qualified professionals to support the upcoming audit season and accommodate our continued growth. Our team will work remotely, except for the board meeting presentation upon audit completion or if an onsite visit becomes necessary.

Team Member	Qualifications
<p><b>April Adams</b></p>  <p><b>Engagement Partner</b></p>	<p>With 20+ years of experience in governmental accounting and auditing, including North Carolina municipalities, towns, and counties, April will serve as the Town’s Engagement Partner. She will oversee scheduling, staffing, and audit coordination, ensuring timely and accurate service delivery.</p>
<p><b>Victoria Barnett</b></p>  <p><b>Audit Manager</b></p>	<p>With 10+ years of experience in governmental accounting and auditing municipalities, towns, and counties, Victoria will serve as the Town’s Audit Manager. She will be your primary point of contact and will execute the audit plan developed with the audit partner and will have direct supervision of the staff performing the testing.</p>
<p><b>Shannon Carlton</b></p>  <p><b>Senior Audit Associate</b></p>	<p>With 10+ years of experience in governmental accounting and auditing including North Carolina municipalities, Shannon will serve as the Town’s Audit Senior. Shannon and April previously worked together in North Carolina before Shannon moved to Michigan. She will be performing and directing staff in the testing of audit support and documentation work in the audit file.</p>



## Continuing Professional Development

7. Describe the relevant experience and education with the new GASB's reporting requirements, seminars and courses attended in the past three years. Courses in governmental accounting and auditing should be clearly communicated.

Please see attachments for the resumes and details of CPE attended for the past three years.

## Relevant Experience

8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions.

Team Member	Years of Experience	Government Audits & GAS	AFR Reporting requirements
April Adams	25	✓	✓
Victoria Barnett	10	✓	✓
Shannon Carlton	10	✓	✓

## Specialized Training

9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.

April Adams plays a key leadership role in the NCACPA's Governmental Accounting and Auditing Committee, including serving as a past chair. She is a regular attendee at the NCGFOA's spring and summer conferences and has contributed as a speaker and panelist.



## References

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

<b>Tyrrell County –</b>	<b>108 S Water Street PO Box 449 Columbia NC 27925</b>
Point of Contact	Karen Gerhart, Finance Officer
Phone	(252) 796-1371
Email	kgerhart@tyrrellcounty.net
<b>Town of Belhaven</b>	<b>315 East Main Street Belhaven, NC 27810</b>
Point of Contact	Lynn Davis, Town Manager or Colby Nixon, Finance Director
Phone	(252) 943-3055
Email	ldavis@townofbelhaven.com; cnixon@townofbelhaven.com
<b>City of King</b>	<b>PO Box 1132 King, NC 27021</b>
Point of Contact	Susan O'Brien, Director of Finance
Phone	(336) 983-0236
Email	sobrien@ci.king.nc.us

## Statement of Policy & Procedures

11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.

AAPG, LLP has an independence policy that was designed specifically to address the independence requirements under the *Government Auditing Standards*. Attached is a copy of the Firms' Independence Policy.

## Insurance

12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.

AAPG, LLP maintains adequate insurance coverage to meet the needs of the Town. We have placed our professional liability insurance with a national carrier and our current limits of coverage are satisfactory for this engagement. Upon selection, the Firm will provide evidence of our current insurance coverage arrangements as requested.



## **Regulatory Action**

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

There have been no complaints or regulatory actions against the Firm, key personnel or any engagement team members leveled by state regulatory bodies or professional organizations

## **Relationship with the LGC & UNC School of Government**

14. *Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill.*

April Adams has extensive experience with members of both organizations by working jointly together on the GAA committee of the NCACPA and other various projects over the years. April has been asked her advice or expertise by the LGC on a regular basis, and by the school of government to participate in webinars. Now that some of the members from the LGC have retired and resurfaced as leaders in the North Carolina League of Municipalities she is working together with them to help assist in the efforts to help small local governments in the State with catching up on their audits. April also has a experience working with the Office of State Auditor's Office, providing them staffing, when needed as well assistance with audits on a contract basis.



## ATTACHMENTS

### Attachment – Resumes



**April Adams, CPA**  
Engagement Partner  
CPA License: NC-2971

April, an Assurance Partner at AAPG, LLP's Raleigh office, has provided attestation services to governmental and nonprofit clients since 2001. She specializes in financial and compliance audits, including Uniform Grant Guidance, serving governments of all sizes across North Carolina.

Her role spans planning, performing, supervising, reporting, and wrapping up engagements, ensuring direct communication and value-added services for clients.

April is a trusted instructor and speaker for Firm-sponsored governmental updates. She is a member of AAPG, LLP's Government Services Group, NCACPA, GFOA, and AICPA, and a former Chair of the NCACPA Governmental Accounting and Auditing Committee.

#### Education

- ✓ B.S. in Accounting, North Carolina State University
- ✓ Master of Accounting, North Carolina State University

#### Areas of Expertise

- ✓ Accounting Services
- ✓ Audit & Attestation
- ✓ External Audit
- ✓ Municipal & County Governments
- ✓ Nonprofits
- ✓ Public Utilities
- ✓ Uniform Grant Guidance
- ✓ Various State Agencies

#### Professional & Civic Involvement

- ✓ American Institute of Certified Public Accountants
- ✓ North Carolina Association of Certified Public Accountants
- ✓ Governmental Accounting and Auditing Committee,
- ✓ NCACPA
- ✓ Greater Raleigh Chamber of Commerce Leadership
- ✓ Raleigh Class 26

#### Relevant Experience

- ✓ City of Raleigh
- ✓ City of Durham
- ✓ City of Greenville
- ✓ City of Reidsville
- ✓ Town of Morrisville
- ✓ Town of Fuquay-Varina
- ✓ Town of Cary
- ✓ Town of Wake Forest
- ✓ Town of Rolesville
- ✓ Town of Apex
- ✓ County of Cumberland
- ✓ Durham County
- ✓ Mecklenburg County
- ✓ New Hanover County
- ✓ Guilford County
- ✓ Randolph County
- ✓ Tyrrell County
- ✓ New Hanover County Airport Authority
- ✓ Greater Raleigh Convention & Visitors Bureau
- ✓ Greenville Utility Commission



**Victoria Barnett, CPA**  
Audit Manager  
CPA License: AC56585

Victoria is an Audit Manager providing assurance services to governmental clients since 2012. She spent the majority of the first 10 years of her career with MSL, CPA where she focused on governmental clients of all sizes. She specializes in financial and compliance audits, including Uniform Grant Guidance, serving governments of all sizes across Florida.

**Education**

- ✓ BS in Accounting University of Central Florida
- ✓ Master of Accounting, University of Central Florida

**Areas of Expertise**

- ✓ Accounting Services
- ✓ Audit & Attestation
- ✓ External Audit
- ✓ Municipal & County Governments
- ✓ Nonprofits
- ✓ Public Utilities
- ✓ Uniform Grant Guidance

**Professional & Civic Involvement**

- ✓ American Institute of Certified Public Accountants
- ✓ Florida Institute of Certified Public Accountants
- ✓ Florida Government Finance Officers Association (FGFOA)
- ✓ Government Finance Office Association (GFOA)

**Relevant Experience**

- ✓ Bradenton Downtown Development Authority
- ✓ Brevard County School Board
- ✓ Citrus County
- ✓ City of Bradenton
- ✓ City of Casselberry
- ✓ City of Cocoa
- ✓ City of Leesburg
- ✓ City of Naples
- ✓ City of Northport
- ✓ City of Palm Bay
- ✓ City of Stuart
- ✓ City of Venice
- ✓ Escambia School Board
- ✓ Florida Virtual School
- ✓ Greater Orlando Aviation Authority
- ✓ Lake County
- ✓ Lake County Soil and Water Conservation District
- ✓ Lee County School Board
- ✓ LYNX – Public Transportation in Orange, Seminole & Osceola County
- ✓ Manatee County School Board
- ✓ Osceola County
- ✓ Seminole County
- ✓ Seminole County School Board
- ✓ Town of Bellair Shore
- ✓ Town of Fort Myers Beach
- ✓ Town of Lake Placid
- ✓ Town of Ponce Inlet
- ✓ Trailer Estates Park & Recreation District



**Shannon Carlton, CPA**  
Senior Audit Associate  
CPA License: 1103042255 (MI)

Based in Perry, Michigan, Shannon has served governmental and nonprofit clients through her work in financial and compliance audits, including Uniform Grant Guidance. She brings experience working with organizations of various sizes, ensuring compliance and accountability across diverse engagements.

Her responsibilities span the full audit process—from planning and performing to supervising, reporting, and final wrap-up—while maintaining direct communication and support for each client throughout the engagement.

Shannon is a former member of the American Institute of Certified Public Accountants (AICPA) and is currently exploring renewed involvement with professional organizations.

**Education**

- ✓ Master of Science in Accountancy from Michigan State University
- ✓ Bachelor of Science in Accountancy from Michigan State University
- ✓ Michigan CPA

**Areas of Expertise**

- ✓ Audit & Attestation
- ✓ External Audit
- ✓ Municipal & County Governments
- ✓ Nonprofits
- ✓ Uniform Grant Guidance

**Professional & Civic Involvement**

- ✓ Former member of the AICPA; exploring renewed involvement

**Relevant Experience**

- ✓ City of Reidsville
- ✓ Town of Cary
- ✓ Town of Lillington
- ✓ Durham County
- ✓ Mecklenburg County
- ✓ Greater Raleigh Convention & Visitors Bureau
- ✓ Dorthea Dix Park
- ✓ Chapel Hill Training Outreach Program
- ✓ Greenville Utility Commission
- ✓ Santee Cooper



## Attachment – CPE

April Adams:

Course	Date	CEU Hours
<b>2026</b>		
From Guidance to Action: Implementing GASB 103 with Confidence	1/13/2026	1
<b>2025</b>		
2024 Accounting Standards Update	1/8/2025	1
Yellowbook and Single Audit Update	1/15/2025	2
Expectations of a preissuance and EQR reviewer	1/21/2025	1
Career Advisor - January 2025	1/28/2025	1
NCGFOA Spring Conference	2/27/2025	11.6
GFOA - No Vacation from Compensated Absences	3/10/2025	1.5
<b>Seven Must-Knows for a successful GASB 101 Implementation</b>	<b>4/9/2025</b>	<b>1</b>
<b>Florida GFOA Annual Conference</b>	<b>6/15/2025</b>	<b>19</b>
<b>NCGFOA Summer Conference</b>	<b>7/21/2025</b>	<b>9.6</b>
<b>Advancing Government Efficiency through Performance Audits</b>	<b>8/5/2025</b>	<b>1.5</b>
<b>Navigating Grants Compliance</b>	<b>8/5/2025</b>	<b>1</b>
<b>Cybersecurity Best Practices</b>	<b>8/5/2025</b>	<b>1</b>
<b>Smart Finance, Stronger Government</b>	<b>8/7/2025</b>	<b>1</b>
<b>Audit Ready Teams</b>	<b>10/16/2025</b>	<b>1</b>
<b>NCGFOA Fall Conference</b>	<b>11/16/2025</b>	<b>5.4</b>
<b>Total</b>		<b>58.6</b>
<b>2024</b>		
Strategic Impact 2024 - The Story of our People	12/5/2024	4
Strategic Impact 2024 - The Story of our Firm	12/3/2024	4
Strategic Impact 2024 - The Story of our Clients	12/4/2024	4
GASB Pensions and Other Post Employment Benefits	8/30/2024	1
Career Advisor - Accountability	8/28/2024	1
2024 GASB Update Part 2	8/15/2024	1
Managing Cyber Security Risk in the Public Sector	8/8/2024	1
Navigating the world of indirect cost and maximizing grant funds	8/8/2024	1
Trust in Government: Where are we? Where do we go from here?	8/8/2024	1
Helping New State and Local Leaders manage risk	8/7/2024	1
2024 GASB Update and implementation roadmap	8/7/2024	1
Data Analytics and the art of the possible	8/7/2024	1
Fraud, Waste and Abuse in Governmental Sector	8/7/2024	1
Career Advisor - Active listening	7/30/2024	1
2024 NCGFOA summer conference	7/23/2024	10.8
preventing discrimination and harassment fundamentals	7/15/2024	1.2
Leading with Intentionality: The Emerging Trends in NFP	7/10/2024	1
Career Advisor - Powerful Questions	6/27/2024	1
2024 Compliance Supplement and Single Audit Update	6/13/2024	2
Career Advisor - Effective 1 on 1s	5/29/2004	1
2024 Single Audit Focus Areas	5/16/2024	2
Help! We need People!	5/15/2024	1
Current Expected Credit Loss (CECL) and How NFPs will be affected	5/1/2024	1
Career Advisor - Feedback and Coaching	4/30/2024	1
Fostering and Allyship Culture: Greentable Talk	4/24/2024	1
Energize your not-for-profit organization; direct pay and transferability of energy tax credits and incentives	4/17/2024	1
2024 NCGFOA Spring Conference	3/8/2024	9.2
Annual refresher of Analytical Procedures	2/9/2024	1.5
Expectations of a preissuance and EQR Reviewer	1/24/2024	1
CB Playbook - Audit binder overview	1/18/2024	2
<b>Total</b>		<b>60.7</b>



<b>2023</b>		
Semi Annual Update - ASUs Effective for Upcoming Busy Season	12/14/2023	1
Real time with RAD	12/5/2023	1
Strategic IMPACT 2023	11/16/2023	8
Project Management - Managers through Partners	10/24/2023	1
New Attestation Standards Effective this Upcoming Busy Season	9/12/2023	1
Introduction to DataSnipper	8/16/2023	1
GASB 96 Implementation	8/1/2023	1
2023 Preventing Discrimination & Harassment	7/31/2023	0.5
Government GASB Update	7/25/2023	1
NCGFOA summer conference	7/18/2023	10
Single Audit process	5/16/2023	1.5
NCGFOA spring conference	3/3/2023	14
Analytical procedures - Not just a flux analysis	1/30/2023	1
Real time with RAD	1/25/2023	1
Expectations of a preissuance and EQR Reviewer	1/24/2023	1
<b>Total</b>		<b>44</b>



**Victoria Barnett:**

Course	Date	CEU Hours
<b>2026</b>		
From Guidance to Action: Implementing GASB 103 with Confidence	1/13/2026	1
ARPA Wrap Up	1/15/2026	1.5
<b>2025</b>		
No Vacation from Estimating Compensated Absences	3/10/2025	1.5
Intermediate Accounting	4/7/2025	16
Seven Must Knows for a Successful GASB 101 Implementation	4/9/2025	1
Advisory Bootcamp	4/23/2025	4.5
FICPA Legislative Town Hall and 2025 Post Session Review	5/7/2025	2
Understanding Government Financial Statements	5/16/2025	1.5
Cybersecurity in the Financial Process	5/16/2025	1.5
Outsourcing considerations	5/16/2025	1
NC 2025 Local Government Independent Auditor Conference	5/29/2025	5
Florida GFOA Conference	6/15/2025	21
Florida Ethics	6/23/2025	4
Florida Virtual NonProfit Seminar	6/24/2025	4
Governmental Auditing Standards for Financial Audits (Yellowbook)	7/2/2025	2
Special Edition AICPA Town Hall: Key Tax Law Changes You Need to Know	7/14/2025	1
2025 Compliance Supplement	7/15/2025	2
Under the Microscope: Examining Concentrations and Constraints for GASB 102	7/24/2025	1
Public Finance Federal Update with GFOA's Emily Brock	8/5/2025	1
Advancing Government Efficiency with Performance Audits	8/5/2025	1.5
Navigating Grant Compliance	8/5/2025	1
Closing with Confidence: Year End Best Practices Unlocked	8/7/2025	1
Smart Finance, Stronger Government	8/7/2025	1
GASB Update	8/7/2025	1.5
Cybersecurity Best Practices and How Managed IT Services Can Reduce Risk	8/7/2025	1
Navigating the ERP Selection & Implementation Process	8/7/2025	1
Quarterly Government Alert	9/2/2025	1
Quarterly Government Alert	12/3/2025	1
Quarterly Accounting & Auditing Update	12/19/2025	4
Total		84
<b>2024</b>		
Microsoft Suite	5/22/2024	1
Single Audit Updates and More	5/22/2024	2
Auditor General	5/21/2024	2
Internal Controls in Government	5/21/2024	2
Legislative Update	5/21/2024	2
Common Audit Findings	5/21/2024	1.5
Financial Reporting Challenges	5/20/2024	2
The Growth Mindset	5/20/2024	2
"Yes, We Can!"	5/20/2024	2
GASB Hot Topics	5/19/2024	2
GASB Update: Enough	5/19/2024	2
Governmental Update Webinar Day 2	5/8/2024	4
MSL's 2024 Governmental Update Webinar Day 1	5/7/2024	4
2024 Not-for-Profit Summit: Keynote: Making an Impact Together	1/25/2024	1.5
Total		30
<b>2023</b>		
FGFOA Webinar - Commercial Banking Overview	7/20/2023	2
RFPs, RFIs & RFQs	6/27/2023	2
Financial Transparency: Spending in the Sunshine	6/27/2023	2
Public Records Requests & the Sunshine Law	6/27/2023	2



Budget Best Practices	6/27/2023	2
First-Time Leaders & the Challenges They Face	6/26/2023	2
Internal Controls & Fraud in the Remote Environment	6/26/2023	2
Benefits of Moving to the Cloud	6/26/2023	1
Auditor General & Department of Financial Services Update	6/26/2023	2
Total		17



## Attachment – Peer Review

# Boyce, Spady & Moore PLC

Certified Public Accountants & Consultants

### Report on the Firm's System of Quality Control

August 25, 2025

To the Members of King, Shores & Preston CPAs, LLC, including Walker  
Healthcare Services Group DBA (a division of King, Shores & Preston CPAs, LLC)  
and the Peer Review Committee of VSCPA

We have reviewed the system of quality control for the accounting and auditing practice of King, Shores & Preston CPAs, LLC, including Walker Healthcare Services Group DBA (a division of King, Shores & Preston CPAs, LLC) (the firm) in effect for the year ended March 31, 2025. 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](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

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

#### Peer Reviewer's Responsibility

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

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and audits of employee benefit plans.

As a 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 King, Shores & Preston CPAs, LLC, including Walker Healthcare Services Group DBA (a division of King, Shores & Preston CPAs, LLC) in effect for the year ended March 31, 2025, 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*. King, Shores & Preston CPAs, LLC, including Walker Healthcare Services Group DBA (a division of King, Shores & Preston CPAs, LLC) has received a peer review rating of *pass*.

Boyce, Spady & Moore PLC

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Suffolk, Virginia 23434  
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Smithfield, Virginia 23431  
(757) 357-5200  
fax (757) 357-0500



## Attachment – Independence Policy

### ALINE ACCOUNTING PARTNERS

#### Policy on Mitigating Auditors' Threat to Independence

Effective/Updated February 1, 2025

### POLICY

#### Purpose

This policy ensures that AAPG, LLP establishes and implements procedures to address and mitigate the audit threats of Self-Review and Management Participation, both in fact and appearance.

#### Discussion

Aline Accounting Partners (Aline) is the brand name under which AAPG, LLP, Aline Accounting Partners, LLC, and its subsidiary entities provide professional services. AAPG, LLP and Aline Accounting Partners, LLC, along with their subsidiary entities, operate under an alternative practice structure. AAPG, LLP is a licensed independent CPA firm that provides attest services, while Aline Accounting Partners, LLC and its subsidiaries offer tax and business consulting services. Aline Accounting Partners and its subsidiary entities are not licensed CPA firms.

The Government Accountability Office (GAO) provides standards for auditors performing audits of state and local governments. Generally Accepted Government Auditing Standards (GAGAS) contain requirements relating to ethics, independence, auditors' professional judgment and competence, quality control, audit performance, and reporting. These standards ensure that information disclosed in an auditor's report is objectively acquired and evaluated for usefulness.

Regarding independence in mind and appearance, the standards require: "In all matters relating to the GAGAS engagement, auditors and audit organizations must be independent from an audited entity."

GAGAS identifies seven broad categories of threats (see Attachment A) that may impair an auditor's or audit organization's independence. Aline acknowledges that its alternative practice structure may present risks to AAPG, LLP's independence when conducting audits of local government entities. However, standards allow an audit organization to apply safeguards to eliminate threats or reduce them to an acceptable level.

The two threats to independence believed to arise from Aline's alternative practice structure are:

- Self-Review Threat
- Management Participation Threat

To eliminate or mitigate these threats to an acceptable level, Aline has adopted the following **safeguards**.

#### Safeguards

##### 1. Governmental Services Staff Restrictions on Audit Engagements

- Staff employed by Aline Accounting Partners, LLC are prohibited from participating in any audit engagements conducted by AAPG, LLP in any capacity.
- All new staff will be informed of the restriction.
- The implementation of this restriction will be monitored by the partners of Aline Accounting Partners, LLC.



## **2. Restricted Access to Client Information**

- While AAPG, LLP and Aline Accounting Partners, LLC share administrative functions under Aline, including access to data storage, AAPG, LLP will not have access to bookkeeping, consulting, or financial services data accumulated by Aline Accounting Partners, LLC.
- Any audit-related information required by AAPG, LLP, that has been gathered by Aline Accounting Partners, LLC must be obtained directly from the shared client and not from Aline Accounting Partners, LLC staff.

## **3. Restrictions on Client's Management Duties**

AAPG, LLP and Aline Accounting Partners, LLC staff are prohibited from performing management functions for audit clients.

AAPG, LLP staff will not:

- Prepare financial statements for any audit clients.
- Post adjusting journal entries for Government-Wide financial statements without management's review and approval.
- Post any journal entries, resulting from an audit, to adjust account balances for financial reporting without management's review and approval.
- Perform any managerial duties, such as making hiring decisions, for an audit client.

Aline Accounting Partners, LLC staff will not:

- Post journal entries resulting from bookkeeping services without a member of management's review and approval.
- Post adjusting journal entries for Government-Wide financial statements without management's review and approval.
- Post any journal entries resulting from the audit to adjust account balances for financial reporting without management's review and approval.
- Perform any managerial duties, such as making hiring decisions, for any audit or governmental accounting services clients.

## **4. Management's Acceptance of Responsibilities**

- Upon providing nonaudit services, Aline Accounting Partners, LLC's clients acknowledge their acceptance of responsibility for the nonaudit service being provided. Specifically, the engagement letter, signed by the client, specifies that the client has designated an individual who possesses suitable skill, knowledge, or experience and that the individual understands the services to be provided sufficiently to oversee them.
- Aline Accounting Partners, LLC staff are required to document the individual identified with the skills, knowledge, and expertise to assume all the management responsibilities.

The consideration of independence for these identified threats as well as all categories of threats will be required to be evaluated for each audit engagement.

By implementing these safeguards, AAPG, LLP ensures its continued independence and compliance with audit standards.



**AAPG, LLP**

Aline Accounting Partners Group

**Audit Services and Financial Statement  
Preparation Proposal**

**Town of Erwin, North  
Carolina**

March 13, 2026

You Belong Here



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## COST ESTIMATE

### Audit Methodology and Software

1. *Type of audit program used (tailor-made, standard government, or standard commercial)..*

AAPG, LLP will be using Thomson Reuters Engagement software for our audit documentation along with their guided assurance application. The guided assurance application is the integration of Thomson Reuters PPC audit and accounting guidance to plan, perform and document our audit in accordance with the auditing standards. AAPG, LLP will be using a risk-based audit approach where we will tailor our audit procedures to address only those risks identified in the planning meeting and discussions specific to your financial statements.

### Statistical Sampling

2. *Use of statistical sampling.*

We will use statistical sampling as part of our planned audit procedures. These samples could be part of the financial statement audit areas, compliance testing for single audit or tests of internal controls. The use of statistical sampling will allow us to ensure that we select and test transactions to enable us to obtain sufficient coverage to conclude whether the financial statements are fairly presented, in compliance and internal controls that are operating effectively. Sample sizes will be determined in accordance with GAAS and GAS, and we will only use sampling when it's determined to be an efficient way to obtain the necessary coverage.

### Automation & Control Methods

3. *Use of automated processes and internal control methods.*

We are required by the auditing standards to obtain an understanding of the policies and procedures and processes used related to the significant transaction cycles of the Town. That should consist of the following cycles: for cash receipts, cash disbursements, payroll and financial close and reporting. If controls over any of those processes are automated through the financial system we will have to view evidence of that automation or rules of the programming to become comfortable that the controls are operating effectively and in accordance with the policies and procedures. This can be achieved through video conferencing walkthrough and/or screenshots of the system.

### Computer Audit Specialists

4. *Use of computer audit specialists.*

The firm does not contemplate the use of a computer specialist in performance of the Town's audit.



## Audit Team Working Time Segmentation

5. Organization of the audit team and appropriate percentage of time spent on the audit by each member.

Team Member	% of time dedication
April Adams Engagement Partner	20%
Victoria Barnett Audit Manager	30%
Shannon Carlton Senior Auditor	30%
Staff Auditor	20%

## Management Letter

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

If a management letter is determined necessary, the letter will contain concern(s) identified during the audit with recommendations on how to address the concern(s) noted. This letter would not include any significant deficiencies or material weaknesses noted in the report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*, as they are included and reported in the AFR. All items included in a management letter will be thoroughly discussed as they arise and agreed upon before presented in a draft letter format. The intention of issuing a management letter is to communicate an opportunity for improvement, not the need for improvement, and the recommendations should be received as constructive.

## Government Staff Support Expectations

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

A client assistance list will be created and shared with the consideration of your staff's time. We don't anticipate needing additional staff time beyond what is outlined in the RFP.



## Audit Timeline

8. *Tentative Schedule for completing the audit within the specified deadlines of the RFP, including a description of work that will be performed on-site vs remotely.*

We acknowledge that the Town wishes to issue by the LGC deadline of December 31st. We will confirm a timeline to meet or exceed that deadline and will present it to the agreed upon Board meeting.



## Cost Specifications

9. *Specify costs using the format below for the audit year July 1, 2025 to June 30, 2026. For the subsequent two audit years, list the estimated costs. The cost for the audit ending June 20, 2026 is binding, while the second and third years are estimated costs. Cost estimates much indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.*
- a. *Audit Firm Personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the respective rate per hour.*
- i. *Estimated hours – categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor’s office.*
  - ii. *Rate per hour*
  - iii. *Total cost of each category of personnel and for all personnel costs in total*

### **BASE AUDIT FEE: (Audit only see next page for financial statement preparation fee)**

Staff Level	Interim Work	Year End	Rate/Hour	Total Cost
Partner	4	24	\$300	\$8,400
Manager	8	24	\$225	\$7,200
Senior	16	40	\$175	\$9,800
Staff	8	16	\$125	\$3,000
Less Discount				(\$8,400)
<b>Total – Audit</b>	36	104		\$20,000*

*\*This fee does not include the cost of single audit procedures. A fee of \$5,000 per program (or at an hourly rate of \$175 if a simple program with minimal testing required) will be charged in addition to the proposed audit fee for each additional major program tested.*



**FINANCIAL STATEMENT PREPARATION FEE (GWI TAX & ACCOUNTING):**

Staff Level	Hours	Rate/Hour	Total Cost
Report Writer	55	\$150	\$8,250

*\*This fee is contingent upon the word and/or excel document of the prior year financial statement template being made available.*

**AIFR PREPARATION FEE (GWI TAX & ACCOUNTING):**

Staff Level	Hours	Rate/Hour	Total Cost
Report Writer	15	\$150	\$2,250

*b. Travel – itemize transportation and other travel costs separately.*

Travel to and from for the audit presentation to the Board of the audit results is included in the proposed audit fee.

*c. Cost of supplies and materials*

All costs of supplies and materials are included in the proposed audit fee.

*d. Other costs – completely identify and itemize.*

A fee of \$5,000 per program (or at an hourly rate of \$175 if a simple program with minimal testing required) will be charged in addition to the proposed audit fee for each additional major programs tested.

Please note that the Financial Statement Preparation Fee is separate from the base audit fee.

*e. If applicable, note your method of determining increases in audit costs on a year-to-year basis.*

Year-to-year fee increases contemplate any significant changes in the organization that are known at the time of the proposal and include a cost-of-living adjustment.

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

In order for AAPG, LLP to maintain its independence in accordance with the professional standards we have arranged a working relationship between our firm and GWI. We are both member firms of Aline Accounting Partners Group, LLC. AAPG, LLP is solely an attest firm and GWI is not an attest firm. See information on the next page to learn more about GWI.



**GWI – A Member of Aline Accounting Partners**  
**Trusted Accounting and FS for Individuals, Businesses, and Local Governments**

*GWI Tax & Accounting is a seasoned team of professionals with deep expertise in both public sector and private client services. With more than 60 years of combined experience, the team includes former finance officers and auditors for both small and large state and local governments. GWI is a trusted partner for municipalities and counties seeking reliable support and compliance.*

**What GWI Does Best:**

- **Government Accounting & Compliance:**  
*GWI specializes in working with local government entities, handling everything from bank reconciliations and journal entries to budgeting, federal and state report preparation, and year-end audit support (including financial statement preparation). Their team ensures your books are compliant, your reports are accurate, and your audits are smooth and stress-free.*
- **Tax Services for Individuals & Businesses:**  
*Whether you're an individual or a business owner, GWI provides personalized, precise tax preparation that maximizes returns and ensures full compliance. From strategic tax planning for corporations and LLCs to expert guidance through IRS audits, they offer proactive, year-round support.*
- **Accuracy, Insight, and Personal Attention:**  
*What sets GWI apart is their commitment to delivering not just services—but peace of mind. They prioritize accuracy in every filing, strategic thinking in every plan, and personalized attention for every client. Their proactive approach helps clients make smarter financial decisions and reduce risk.*

*As part of Aline Accounting Partners, GWI brings high-touch local service together with national expertise—creating lasting impact for the clients and communities they serve.*

*Learn more at [gwitax.com](http://gwitax.com)*

SUMMARY OF AUDIT COSTS SHEET

- 1. Base Audit  
Includes Personnel costs, travel, and on-site work \$ 20,000
  - 2. Extra Audit Services — single audit  
\$ 175 Per hour or \$5,000 per program \$ \_\_\_\_\_
  - 3. Other (explain)  
Financial Statement Preparation \$ 8,250
  - 4. Other (explain)  
AIFR Preparation \$ 2,250
- TOTAL \$ 30,500

FIRM: <u>AAPGI, LLP</u>	Primary Contact: <u>April Adams</u>
Address: <u>3900 Arco Corporate Dr.</u>	Telephone: <u>919.632.5878</u>
<u>Suite 500</u>	Fax: <u>n/a</u>
<u>Charlotte, NC 28273</u>	E-mail: <u>april.adams@aapgllp.com</u>
	Date: <u>3/13/2016</u>

PROPOSAL CERTIFICATION

Proposers Signature April Adams Date 3/13/2016

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

BY (Printed): April Adams  
 TITLE: Managing Partner  
 TELEPHONE: 919 632 5878  
 EMAIL: april.adams@aapgllp.com

# TOWN OF ERWIN

*North Carolina*

## Section 1 Profile of the Firm

# Proposal to Provide Audit Services

Due: March 17th, 2026 4:00 PM

Prepared By:  
Thompson, Price, Scott, Adams & Co., P.A.

Town of Erwin  
Audit Proposal

**Town of Erwin  
Erwin, North Carolina**

Proposal to Provide Audit Services  
For the Years Ending June 30, 2026 through 2028

SECTION I  
Profile of the Firm

Submitted by ***Thompson, Price, Scott, Adams & Co., PA***

P.O. Box 1690  
Elizabethtown, N.C. 28337  
(910) 862-8129

March 17, 2026

Contact Persons

The individuals authorized to conduct negotiations and discuss the proposal are:

R. Bryon Scott, Partner  
Gregory S. Adams, Partner  
Alan W. Thompson, CPA, Partner





Thompson, Price, Scott, Adams & Co., P.A.  
Post Office Box 1690  
Elizabethtown, North Carolina 28337  
Telephone (910) 862-8129  
Fax (910) 862-8120

R. Bryon Scott, CPA  
Gregory S. Adams, CPA  
Alan W. Thompson, CPA

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March 17, 2026

Linda P. Williams  
Finance Director  
Town of Erwin  
100 West F Street  
P. O. Box 459  
Erwin, NC 28339

Re: Proposal - Audit Services

Dear Ms. Williams,

Thompson, Price, Scott, Adams & Co, P.A., hereinafter called the “Auditor” is pleased to submit this proposal to provide external auditing services for the Town of Erwin, hereinafter called the “Town”, It is our understanding that the Town is requesting proposals from qualified firms of certified public accountants to establish a contract for the financial and compliance audit of the Town’s basic financial statements, supplementary information, other schedules and compliance reports beginning with the fiscal year ended June 30, 2026 and ending with the fiscal year ended June 30, 2028, based on annual negotiation after the first year is complete. We have read the RFP and fully understand its intent and contents. We understand the time frame for performance of the annual financial audit as stipulated by the Town and fully intend to satisfy all objectives. As professionals serving the public sector, our objective is to ensure that accurate information is reported to the Town. Given the complexities of financial operations and the ongoing significant changes in accounting standards, we feel that it is extremely important that you select an auditor that is focused and extremely experienced in the governmental industry to serve you, and we believe we are qualified to do so with superior resources and service at a competitive and fair price.

Our examination will be conducted in accordance with the laws and/or regulations of the State of North Carolina, which includes requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller general of the United States; and if applicable the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the State Single Audit Implementation Act; and all other applicable laws and regulations.

Our firm is uniquely qualified to partner with the Town of Erwin because:

- NC Local Government Expertise: Our engagement team has extensive experience auditing North Carolina counties and is intimately familiar with the LGC’s reporting requirements and the Compliance Supplement.
- Independence & Quality: We confirm that the Auditor is independent of the Town as defined by the AICPA and Government Auditing Standards.

- Commitment to Timelines: We recognize the importance of the December 31st statutory deadline. Our proposed work plan ensures a draft of the financial and compliance audit is available for review by December 1, 2026.
- GASB Proficiency: We provide ongoing technical support to ensure the Town remains compliant with new and evolving GASB pronouncements at no additional cost throughout the year.

We are very grateful for the opportunity to submit our bid and we would be delighted to answer any questions that you might have in relationship to our proposal. This proposal is valid for 60 days from the date of the bid, March 17, 2026. The firm member listed on each section as being authorized to discuss the proposal can be contacted as follows:

R. Bryon Scott, CPA, Partner (910) 862-8129  
bscott@tpsacpas.com

Respectfully Yours,

*Bryon Scott*  
\_\_\_\_\_  
R. Bryon Scott, CPA

Town of Erwin  
Audit Proposal

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1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.
2. Indicate the number of people (by level) located within the local office that will be involved with the audit.
3. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each. Responsive firms should include any relevant information regarding audits performed on financial statements prepared under the new reporting model.
4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of services performed, and the year(s) of engagement.
5. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
6. Describe the professional experience in government audits of each senior and higher level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Again, relevant experience with the new GASB reporting requirements should be clearly communicated.
7. Describe the relevant educational background of each person assigned to the audit, senior level and higher including the new GASB reporting requirements. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g. solid waste, grants, enterprise funds, bonds and capital projects).
9. Describe any specialized skills, training, or background in public finance of assigned staff. This may include participation in state or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.
11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.

Town of Erwin  
Audit Proposal

12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
13. Describe any regulatory action taken by any oversight body against the proposing audit organization or the local office.
14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School Of Government in Chapel Hill.

Town of Erwin  
Audit Proposal

Item 1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.

The audit will be handled from our Elizabethtown office and managed by partner Bryon Scott.

Town of Erwin  
Audit Proposal

Item 2. Indicate the number of people (by level) located within the local office that will be involved with the audit.

Thompson, Price, Scott, Adams & Co., P.A. employs a team approach to audit engagements. The audit team will consist of the firm members listed below:

R. Bryon Scott, CPA	Partner
Gregory S. Adams, CPA	Partner
Kelsey M. Conner, CPA	Audit/Tax Manager
Tracy Lee	Senior Staff
Angie McKeel-Davis, CPA	Senior Staff
Adam Midyette, CPA	Staff

Town of Erwin  
Audit Proposal

Item 3. Provide a list of the office’s current and prior governmental audit clients, indicating the types of services performed and the number of years served for each. Provide contact information for personnel of current and prior governmental audit clients who may be contacted for a reference.

<u>Client</u>	<u>Services</u>	<u>Years of Service</u>	<u>Year Last Served</u>
Bladen County	Annual financial audit, Compliance audit, Annual reporting	29	6/30/25
Town of White Lake	Annual financial Audit, Annual reporting	25	6/30/25
Town of Bladenboro	Annual financial audit, Compliance audit, Annual reporting	18	6/30/25
Town of Dublin	Annual financial Audit, Annual reporting	22	6/30/25
Town of Clarkton	Annual financial audit, Compliance audit, Annual reporting	22	6/30/25
Elizabethtown Airport/ Economic Development Commission	Annual financial audit, Annual reporting	29	6/30/25
Southeastern Economic Development Commission	Annual financial audit, Annual reporting	20	6/30/25
Elizabethtown ABC Board	Annual financial audit, Annual reporting	29	6/30/25
North Carolina State Board of Examiners in Optometry	Annual financial audit, Annual reporting	7	6/30/25
Town of Erwin	Annual financial audit, Compliance audit, Annual reporting	17	6/30/25

Town of Erwin  
Audit Proposal

Item 3 continued

Bladen County  
Lisa Coleman  
P.O. Box 965  
Elizabethtown, N.C. 28337  
(910) 862-6720

Town of White Lake  
Amber Glisson  
P.O. Box 7250  
White Lake, N.C. 28337  
(910) 862-4800

Clinton ABC Board  
Barbara Bailey  
414 Southeast Blvd  
Clinton, NC 28328  
(910) 592-4355

Town of Clarkton  
Kentrina Woods  
P.O. Box 307  
Clarkton, NC 28433  
910-647-5961

Wallace ABC Commission  
Katherine Bunch  
301 N Norwood St  
Wallace, NC 28466  
(910) 285-3335

Elizabethtown ABC Board  
Mark Gillespie  
2817 W. Broad Street  
Elizabethtown, NC 28337  
(910) 862-2332

Town of Bladenboro  
Jan Hester  
P.O. Box 455  
Bladenboro, NC 28320  
(910)-863-3655

Town of Dublin  
Ashley Matthews  
P.O. Box 36  
Dublin, NC 28332  
910-862-4301

Town of Erwin  
Audit Proposal

Item 4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of services performed, and the year(s) of engagement.

<u>Client</u>	<u>Services</u>	<u>Year of Engagement</u>
Bladen County	Converted financial reporting to full accrual	6/30/96
	Internal control review within the water district.	6/30/97
	Assisted in preparing official statement for bond issuance	6/30/99
	Researched correct method to handle issues between the County and school board	6/30/02
	Educated board members of the elements of fund balance and the importance of maintaining a strong amount.	6/30/05
	Agreed upon procedures for compliance Testing as requested by the Office of State Auditor.	6/30/14-/30/18
Town of White Lake	Assisted in the preparation of the Town's internal fixed asset list	6/30/02

The older dates of services were provided to our audit clients before the Government Auditing Standards (Yellow Book as mentioned in question 11 of the Town's RFP) revised the independence requirements; however, we have always made ourselves available to assist in accounting and auditing issues throughout the year within the limits of our independence and to assist in finding other sources through our network of CPA firms and consultants. Our eight offices allow us to offer a variety of different services to each client on an individual basis.

Town of Erwin  
Audit Proposal

Item 5. Describe your audit organizations' participation in AICPA sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.

Quality Control comprises the methods used to make sure that the firm meets its professional responsibilities to clients. Thompson, Price, Scott, Adams & Co., P.A. has created these methods to be completed during and at the end of each engagement. The most significant step is our review process, which consists of:

- Engagement Review
- Partner Review
- Independent Staff Review
- Peer Review (Every Three Years)

Engagement Review

The in-charge accountant conducts this review. Its objective is to assure that evidential matter supports all audit programs and that proper audit documentation is in place.

Partner Review

The primary purpose of this review is to determine that the financial statements are fairly presented and all compliance issues have been addressed based on the type of engagement.

Independent Staff Review

Before issuance of the audit report, an independent firm member reviews the workpapers and financial statements to determine if any material errors have been made.

Peer Review

Every three years we are required to allow an outside Certified Public Accountant or Firm to review our quality control procedures and to actually review selected workpapers and issued financial statements. Our latest peer review was completed June 2023, a copy follows. The firm received a rating of *pass* out of the possible ratings of *pass*, *pass with deficiency(ies)* or *fail*.

The most recent peer review did include a review of specific government engagements.



## Report on the Firm's System of Quality Control

June 27, 2023

To the Partners of Thompson, Price, Scott, Adams & Co, P.A.  
and the Peer Review Committee of the North Carolina  
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Thompson, Price, Scott, Adams & Co, P.A. (the firm) in effect for the year ended December 31, 2022. 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](http://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 and complying with a system of quality control 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 a compliance audit under the Single Audit Act.

As a 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 Thompson, Price, Scott, Adams & Co, P.A. in effect for the year ended December 31, 2022, 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*. Thompson, Price, Scott, Adams & Co, P.A. has received a peer review rating of *pass*.

*Bernard Robinson & Company, L.L.P.*

BERNARD ROBINSON & COMPANY, L.L.P.

1501 Highwoods Blvd., Ste. 300 (27410)  
P.O. Box 19608 | Greensboro, NC 27419  
P: 336-294-4494 • F: 336-294-4495

Town of Erwin  
Audit Proposal

Item 6. Describe the professional experience in government audits of each senior and higher level person assigned to the audit, including years on each job and his/her position while on each audit. Indicate the percentage of time each senior and higher level personnel will be on site.

R. Bryon Scott, CPA – 36% of time will be spent on site  
Licensed in North and South Carolina and Tennessee

Bladen County	29 years	In-Charge
Town of White Lake	25 years	In-Charge
Town of Clarkton	22 years	In-Charge
Town of Dublin	22 years	In-Charge
Town of Bladenboro	18 years	In-Charge
Town of Erwin	17 years	In-Charge

Kelsey M. Conner, CPA – 95% of time will be spent on site

Bladen County	9 years	Staff
Town of White Lake	9 years	Staff
Town of Clarkton	9 years	Staff
Town of Dublin	9 years	Staff
Town of Erwin	9 years	Staff
Town of Bladenboro	9 years	Staff
Town of Tar Heel	9 years	In-Charge
Elizabethtown ABC Board	9 years	In-Charge
Southeastern Economic Development Commission	9 years	In Charge
Clinton ABC Board	9 years	In-Charge
Wallace ABC Board	9 years	In-Charge
North Carolina State Board of Examiners in Optometry	9 years	In-Charge

Town of Erwin  
Audit Proposal

Item 7. Describe the relevant educational background of each person assigned to the audit, senior level and higher including the new GASB reporting requirements. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.

Graduated East Carolina University, May 1990  
Certificate issued April 1993

- Governmental Accounting and Auditing Update
- NC Local Government Auditing, Reporting & Review
- Auditing under the Single Audit
- Fraud and Abuse in Governments
- Complete Guide to the Yellow Book
- Professional Ethics and Conduct

Gregory S. Adams, CPA  
Graduated University of North Carolina-Wilmington, May 1994  
Certificate issued September 1996

- Annual updates by the Local Government Commission
- Performing Single Audits under the Uniform Guidance
- NC Local Government Auditing, Reporting and Review
- Guide to Audits of Local Governments
- Workpapers & Checklists

Kelsey M. Conner, CPA  
Graduated Eastern Kentucky University, Bachelors of Business Administration,  
Accounting, 2008; University of North Carolina at Pembroke, MBA 2013  
Certificate issued March 2015

- Governmental Accounting and Auditing Update
- Annual updates by the Local Government Commission
- Fraud and Abuse in Governments
- Professional Ethics and Conduct
- Government Audit Sampling Workshop

Angelynn M. Davis, CPA (Senior)  
Certificate issued February 2010  
Practice since June 2006.  
Member of AICPA & NCACPA's.

Graduated Campbell University with a B.S. in Accounting

- Annual updates by the Local Government Commission
- Performing Single Audits under the Uniform Guidance
- Government Auditing Update
- NC Local Government Auditing, Reporting and Review
- Guide to Audits of Local Governments

Town of Erwin  
Audit Proposal

Item 8. Describe the professional experience of assigned staff in auditing relevant government organizations, programs, activities, or functions (e.g. solid waste, grants, enterprise funds, bonds and capital projects).

Each member of the audit team has extensive experience auditing relevant government organizations including the following: solid waste operations, water and sewer operations, multi-year capital projects, and internal service functions, and single audit programs. The involvement of these organizations occurred during the audits which were listed in Item 3.

Town of Erwin  
Audit Proposal

Item 9. Describe any specialized skills, training, or background in public finance of assigned staff. This may include participation in state or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.

R. Bryon Scott has received a Certificate of Educational Achievement in Governmental Accounting and lead the section of "How to Present Your Audit to the Governing Board" of the North Carolina State Treasurer's NC Local Government Auditing, Reporting and Review and the NC Institute of Government.

Town of Erwin  
Audit Proposal

Item 10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.

Bladen County  
Lisa Coleman  
P.O. Box 965  
Elizabethtown, N.C. 28337  
(910) 862-6720

Wallace ABC Commission  
Katherine Bunch  
301 N Norwood St  
Wallace, NC 28466  
(910) 285-3335

Town of White Lake  
Amber Glisson  
P.O. Box 7250  
White Lake, N.C. 28337  
(910) 862-4800

Elizabethtown ABC Board  
Mark Gillespie  
2817 W. Broad Street  
Elizabethtown, NC 28337  
(910) 862-2332

Clinton ABC Board  
Barbara Bailey  
414 Southeast Blvd  
Clinton, NC 28328  
(910) 592-4355

Town of Bladenboro  
Jan Hester  
P.O. Box 455  
Bladenboro, NC 28320  
(910)-863-3655

Town of Clarkton  
Kentrina Woods  
P.O. Box 307  
Clarkton, NC 28433  
910-647-5961

Town of Dublin  
Ashley Matthews  
P.O. Box 36  
Dublin, NC 28332  
910-862-4301

Town of Erwin  
Audit Proposal

Item 11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book). Provide a copy of the firm's Statement of Policy and Procedures. Include any potential personal or professional conflicts of interest.

As stated in Thompson, Price, Scott, Adams & Co., P.A.'s Quality Control Documents:

It is the policy of our firm that all professional personnel be familiar with and adhere to the independence rules, regulations, interpretations, and rulings of the AICPA, the State of North Carolina Board of Accountancy, and the North Carolina Association of Certified Public Accountants. In this regard, any transaction, event, or circumstance that would impair the firm's independence on compilation, review, audit, forecast, projection, or attestation engagements is prohibited. Although not necessarily inclusive of all transactions or events that may impair our firm's independence, the following are considered to be prohibited transactions:

- a. Investments by any professional employee in a client's business.
- b. Investments by any professional employee with a client, or with client personnel.
- c. Borrowing from or loans to a client, or client's personnel.
- d. Accepting cash or gifts from a client (with the exception of noncash token Christmas gifts of nominal value.)
- e. Certain family relationships between professional personnel and client personnel. (Consult the managing partner for a ruling on these.)

Notwithstanding the preceding policy and list of prohibited transactions, at the managing partner's 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 literature for nonindependent situations.

The procedures listed below should be followed to ensure compliance with this policy:

1. All professional personnel are required to sign a representation letter when hired (and to be reviewed annually thereafter) that acknowledges their familiarity with the firm's independence policies and procedures.
2. All professional personnel are required to notify the managing partner of any potential violation of a prohibited transaction or independence rule as soon as they become aware of such a situation. To acknowledge that responsibility, professional personnel are required when hired (and annually thereafter) to sign a representation letter and to list situations they know of that could impair our firm's independence.
3. All professional personnel are required to review the firm's client list annually for possible independence violations. The list of clients is maintained in the computer and each employee has a copy. Additions to the list are communicated on a timely basis by a memorandum from the managing partner. When hired (and reviewed annually thereafter) all professional personnel are required to sign a representation that confirms this responsibility.

Town of Erwin  
Audit Proposal

Item 11 Continued:

4. If our firm is engaged as principal auditor and another firm is engaged to examine a subsidiary, branch, division, governmental component unit, or to perform procedures on an element or account grouping within a client's financial statement, the engagement team is required to obtain a written representation regarding the other firm's independence with respect to our client. Furthermore, in a compilation, review, forecast, projection, or attestation engagement, if another firm performs work on a segment of the engagement, a representation (either written or oral) regarding the other firm's independence is required. The PPC manuals (located in the library) contain examples of representation letters used in such situations.
5. The Partners have the primary responsibility for determining if there are significant unpaid fees on any clients that would impair the firm's independence. The firm's client accounts receivable listing and the Partner's knowledge of any unbilled fees should be considered in making this determination.
6. To monitor compliance with our firm's policy and procedures on independence, representation letters are obtained when a professional employee is hired, and annually thereafter, and are routed to the managing partner for his review. During our firm's annual quality control (QC) inspection program, a sample of employee personnel files will be reviewed to determine that a current independence representation is on file. Also during this inspection, a sample of engagements will be reviewed to determine compliance at the engagement level with our firm's independence procedures.

Also included in our quality controls, is for all personnel to be familiar with and adhere to the independence rules, regulations, interpretations and rulings of the American Institute of Certified Public Accountants, the North Carolina Board of Certified Public Accountants, the North Carolina Association of Certified Public Accountants and Government Auditing Standards, issued by the Comptroller General of the United States. In this regard, any transaction, event or circumstance that would impair the firm's independence on this engagement is prohibited. Thompson, Price, Scott, Adams & Co., P.A. is free from any of the above transactions, events and circumstances, and therefore is independent in all matters relating to the Town of Erwin.

See Appendix A for the copy of the Firm's Statement of Policy and Procedures.

Town of Erwin  
Audit Proposal

Item 12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements..

Thompson, Price, Scott, Adams & Co., P.A. maintains a four-million-dollar professional liability insurance policy. Each year the policy is reviewed to ensure adequate coverage. The firm also carries a workers compensation policy that pays up to \$100,000 per accident.

Town of Erwin  
Audit Proposal

Item 13. Describe any regulatory action taken by any oversight body against the proposing audit organization or the local office.

The firm or local office has had no regulatory action taken against it.

Town of Erwin  
Audit Proposal

Item 14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill.

The Firm has a good relationship with the NC Local Government Commission. We have been doing local government audits in North Carolina for over forty-five years. We have had a partner teach a class at one of the conferences at the UNC School of Government in Chapel Hill.

QUALITY CONTROL DOCUMENT  
THOMPSON, PRICE, SCOTT, ADAMS & CO., P.A.

## QUALITY CONTROL DOCUMENT

The firm's quality control policies and procedures for the six elements of quality control are presented on the following pages. All employees and members of the firm are provided copies and are responsible for understanding, implementing, and adhering to these policies and procedures.

Any questions, concerns, or recommendations about the firm's quality control system should be communicated to the quality control manager/managing partner.

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## LEADERSHIP RESPONSIBILITIES FOR QUALITY WITHIN THE FIRM

The objective of the leadership responsibilities element of a system of quality control is to promote an internal culture based on the recognition that quality is essential in performing engagements.

Thompson, Price, Scott, Adams & Co., P.A. satisfies this objective by establishing and maintaining the policies and procedures described below.

It is the firm's policy to promote a culture of quality that is pervasive throughout the firm's operations through the development of its system of quality control. Firm management, under the direction of the managing partner, assumes responsibility for the firm's system of quality control and designs the system to (a) emphasize the importance of performing work that complies with professional standards and regulatory and legal requirements and (b) issue reports that are appropriate in the circumstances. In maintaining a culture of quality, the firm emphasizes the importance of ethics and integrity in every decision that personnel make, particularly at the engagement level.

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

1. The firm dedicates sufficient and suitable resources to its quality control system and quality initiative and assigns the operational responsibility for the firm's quality control system to individuals with the experience, ability, and authority to identify, develop, and implement the necessary quality control policies and procedures. The firm appropriately communicates clear, consistent, and frequent actions and messages that emphasize the firm's quality control policies and procedures. Such actions and messages include-
  - Providing a copy of the firm's system of quality control document to all new professional employees and reviewing the document and its importance with them.
  - Reviewing the firm's quality control policies and procedures, especially in areas where questions or problems have arose, with personnel during firm training sessions.
2. The engagement partner evaluates client relationships and engagements to ensure that commercial considerations are not placed ahead of the firm's commitment to quality control. Additionally, the firm's compensation and advancement policy and procedures (covered in the human resources quality control document) do not place commercial considerations ahead of the quality of work performed.
3. The managing partner and other partners in the firm demonstrate the importance of quality by their actions. Such actions include-
  - Making decisions with a focus on the public interest and emphasizing that personnel do the same.
  - Demonstrating the importance of creating and maintaining a good public reputation.
  - Ensuring partners and staff have sufficient time and resources to solve engagement challenges.
  - Following the spirit, as well as the letter, of professional, regulatory, and legal standards.
  - Displaying enthusiasm and sincerity in communicating its commitment to a quality initiative.
  - Demonstrating consistency.
4. The engagement partner assumes responsibility for the overall quality of each engagement to which he or she is assigned and sets an appropriate example throughout their workday. The code of conduct is regularly communicated and reiterated to all employees and is posted in various common areas throughout the office.
5. The firm has established its core values that reflect the firm's quality and guides personnel to make appropriate decisions throughout their workday. The core values are regularly communicated and reiterated to all employees and are available to staff via computer.
6. The firm establishes and maintains a positive work environment by combining the firm's quality objectives with the personnel's needs to be valued and appreciated.
7. The firm hires, compensates, and promotes individuals who possess and exhibit high levels of integrity, as covered in the Human Resources QC policies and procedures.
8. The firm requires all CPA's to obtain ethics training annually, as covered in the Relevant Ethical Requirements QC policy and procedures. The CPA's are expected to set the tone for all staff personnel assisting with the firm's engagements.

9. The firm rewards personnel who demonstrate a commitment to quality through its performance evaluation, compensation, and advancement system, as covered in the Human Resources QC policies and procedures.
10. The firm does not allow unethical behavior to occur unchallenged and addresses instances of noncompliance with the firm's quality control system through swift disciplinary action or, in extreme cases, termination of the offending employee.
11. Firm personnel are encouraged to provide feedback and recommendations on the firm's quality control policies and procedures by providing recommendations to their engagement partners.
12. At least annually, the firm's leadership responsibilities policy and procedures are reviewed to determine if they are appropriate and operating effectively, as covered in the Monitoring QC policies and procedures.

## RELEVANT ETHICAL REQUIREMENTS

The objective of the relevant ethical requirements element of a system of quality control is to provide the firm with reasonable assurance that the firm and its personnel comply with relevant ethical requirements (in fact and in appearance) when discharging professional responsibilities. Relevant ethical requirements include independence, integrity, and objectivity.

Thompson, Price, Scott, Adams & Co., P.A. satisfies this objective by establishing and maintaining the following policies and procedures.

It is the policy of our firm that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the *Code of Professional Conduct*, the AICPA's Center for Audit Quality (CAQ), the United States Government Accountability Office (GAO), applicable State Boards of Accountancy, State CPA Societies, state statutes and other regulatory agencies where applicable. Furthermore, it is the policy of our firm that for engagements that are 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 and that personnel will always act in the public interest.

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 Conduct*, the situation 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.

The firm ensures compliance with these policies by implementing the following procedures:

1. All professional personnel are required to complete an independence questionnaire when hired (and annually thereafter) that acknowledges their familiarity with the firm's relevant ethical requirements policies and procedures, particularly with regard to independence. The representation also lists known circumstances, relationships, and gifts, 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.

Copies of all completed independence confirmations are retained in our quality control books.

2. All professional personnel consider the firm's current clients in conjunction with completing the independence questionnaire for identification of threats to, or breaches of, independence. All attest clients that require us to be independent are included in each office's time and billing database. Any new attest clients are communicated via staff meetings.
3. Ethics training is provided for professional personnel as required by the relevant State Board of Accountancy.
4. To ensure that independence is properly addressed at the engagement level, the engagement partner considers relevant information about client engagements and evaluates the overall effect, if any, on independence requirements as part of the engagement and acceptance decision. The work programs and forms in our accounting and auditing guidance materials used by the firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, our accounting and auditing guidance materials contain reporting guidance for the types of engagements where a lack of independence is allowed.
5. All professional personnel are required to promptly notify the engagement 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. To acknowledge that responsibility, all professional personnel are required when hired (and annually thereafter) to complete an independence representation and to list known circumstances and relationships that may create a potential threat to independence or violate the firm's relevant ethical requirements policies. A copy of the completed independence representation is retained in the firm's quality control notebook. Professional standards of relevant ethical requirements that govern the firm are available electronically through access to RIA.

Checkpoint or Accounting Research Manager. These standards, including the AICPA's Conceptual Framework for AICPA Independence Standards and the advice of the engagement partner may be consulted if an employee is unsure if a threat to independence should be reported to firm management.

6. If a potential threat to independence is identified, the engagement partner/staff accumulates and communicates relevant information to appropriate personnel so (a) firm management and the engagement partner or managing partner can determine whether they satisfy independence requirements, (b) the engagement partners can take appropriate action to address identified threats to independence, and (c) the firm can maintain current independence information. For clients of whom the firm is not independent, only compilation and preparation services are performed.
7. If performing a group audit, the firm is required to obtain a written representation regarding the component auditor's independence with respect to the client. The PPC manuals used by the firm contain examples of representation letters used in such situations. Furthermore, in a review or attestation engagement, if another firm performs work on a segment of the engagement, a representation (either written or oral) regarding the other firm's independence is required. The engagement programs in the PPC manuals used by our firm contain steps to ensure compliance with these procedures.
8. 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 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. Where applicable, this includes determining whether such nonattest (nonaudit) services impair independence under the independence rules in *Government Auditing Standards*. Firm engagement work programs for all attest engagements include steps to ensure compliance with this procedure.
9. The engagement partner has the primary responsibility for determine 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 (a) between the client and the firm, and (b) from other third parties
10. 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, non-major fund, internal service fund, fiduciary fund, or governmental 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 financials statements has an effect on independence.
11. If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to (a) the engagement partner, who (along with the firm) has the responsibility to address the breach and (b) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action. 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.
12. The engagement partner has the primary responsibility for determining if there are unpaid fees on any of his/her clients that would impair the firm's independence. The firm's client accounts receivable listings and the engagement partner's knowledge of any unbilled fees should be considered in making this determination.
13. At least annually, the managing partner reviews the firm's ethical requirements policy and procedures to determine if they are appropriate and operating effectively. This review is performed and documented as part of our monitoring procedures. Changes, if necessary, to the system are made based on the results of that review.

## ACCEPTANCE AND CONTINUANCE OF CLIENT RELATIONSHIPS AND SPECIFIC ENGAGEMENTS

The objective of the Acceptance and Continuance of Client Relationships and Specific Engagements elements of a system of quality control is to establish criteria for deciding whether to accept or continue a client relationship and whether to perform a specific engagement for a client. Our client acceptance and continuance policies represent a key element in mitigating litigation and business risk. Accordingly, it is important that our firm be aware that the integrity and reputation of client management could reflect the reliability of the client's accounting records and financial representations and, therefore, affect the firm's reputation or involvement in litigation. Our policies and procedures related to the acceptance and continuance of client relationships and specific engagements provides us with reasonable assurance that we will undertake or continue relationships and engagements only where we:

- Have considered the integrity of the client, including the identity and business reputation of the client's principal owners, key management, related parties, and those charged with its governance, and the risks associated with providing professional services in the particular circumstances;
- Are competent to perform the engagement and have the capabilities and resources to do so;
- Can comply with legal and ethical requirements; and have reached an understanding with the client, in writing, regarding the services to be performed.

### **Thompson, Price, Scott, Adams & Co., P.A.**

It is the policy of our firm that, for all audit, attestation, review, compilation, and preparation service engagements, the acceptability of the client and the engagement be evaluated before the firm agrees to provide professional services and that the firm will accept only engagements where it has considered the integrity of the client, and believes the engagement can be completed with professional competence after considering the risks associated with providing professional services in the particular circumstances. The procedures listed below are followed to ensure compliance with this policy:

1. For each prospective client (or existing tax or consulting client) that requests for the first time a audit, attestation, review, compilation, or preparation service, the partner making initial contact with the client is required to complete an "Engagement Acceptance Form. (The "Engagement Acceptance Form" is in the PPC subscription package that the firm uses for materials.) That form documents, among other things,
  - Background information, including financial information regarding the client and its operations
  - An assessment of the apparent integrity of management or its officers based on contacts or discussions with others
  - Possible independence problems or conflicts of interest
  - An assessment of the firm's competence, capabilities, resources, and appropriate firm and individual licensure in the stat(s) in which the client operates;
  - The results of communications with the client's prior accountants (if applicable)

The completed Engagement Acceptance/Continuance Form is included in our work papers for each individual client.

We also consider whether the client is likely to agree to our firm's standard Terms and Conditions included in our engagement letters.

2. For existing clients, the engagement partner annually reviews the firm's client list and reevaluates the acceptability of each client and engagement. Generally, reasons that might surface in either the firm-wide or individual engagement review that would cause the firm to consider discontinuing services include significant changes in the client and its operations or the existence of conditions that would have caused the firm to reject the client or engagement had such conditions existed at the time of the initial acceptance. Furthermore, the engagement work programs used by the firm (as documented in the engagement performance quality control element of the firm's quality control document) contain steps requiring the engagement team to consider whether the firm should discontinue providing all or certain services to a client.

3. The managing partner or the engagement partner documents how issues identified during the acceptance and continuance process were overcome and resolved so that the firm decided to accept or continue the client relationship or specific engagement. Such documentation includes discussion of significant issues, consultations, conclusions, and the basis for the conclusions.
4. The engagement partner is notified of any instances in which the firm should discontinue providing all or certain services to a client or should withdraw from a current engagement. The managing partner is responsible for all communications with clients regarding the discontinuance of services. Furthermore, the managing partner should consider whether outside legal counsel should be consulted in making that decision. The engagement team will be notified by the managing partner of the name of any client to which services are discontinued. Significant issues, consultations, conclusions, and the basis for the conclusions should be documented when withdrawal from an engagement or from both the engagement and the client relationship occurs.
5. The engagement partner is responsible for ensuring that an engagement letter is obtained for each project. The engagement letter should document the firm's understanding with the client regarding the nature, scope, and limitations of the services to be performed, as well as the identification of the engagement partner and his or her role.
6. For audit engagements, the engagement partner is responsible for:
  - Becoming satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and specific audit engagements have been followed
  - Determining that the acceptance and continuance conclusions reached are appropriate.
  - When information is obtained that would have caused the firm to decline the engagement had such information been known initially, promptly communicating such information to the firm so that the firm and the engagement partner can take the necessary action.
7. If the firm discovers a potential conflict of interest during the acceptance and continuance decision, the engagement partner determines whether it is appropriate to accept or continue the engagement. If the engagement is accepted or continued, the ethical requirements under ET 1.110.010, *Conflicts of Interest*, are considered.
8. At least annually, the managing partner reviews the firm's acceptance and continuance of client relationships and specific engagement policy and procedures to determine if they are appropriate and operating effectively. This review is performed and documented as part of our monitoring procedures. Changes, if necessary, to the system are made based on the results of the review.
9. Because of the firm's significant concentration in governmental audits, engagement partners and/or managers should review the independence determination prior to the acceptance of the engagement to ensure that the firm will be in compliance with the revised Yellow Book standards. Team assignments will be made to ensure that safeguards are in place to mitigate the risk associated with any threats to independence that are identified.

## HUMAN RESOURCES

The objective of the human resources element of a system of quality control is to provide the firm with reasonable assurance that it has sufficient personnel with capabilities, competence, and commitment to ethical principles necessary (a) to perform its engagements in accordance with professional standards and regulatory and legal requirements and (b) to enable the firm to issue reports that are appropriate in the circumstances.

Having effective quality control policies and procedures over the human resources element will help ensure the proficiency of its personnel. The activities of a comprehensive human resources quality control system includes-

- Recruiting and Hiring
- Determining Competencies and Capabilities
- Assignment of Engagement Teams
- Professional Development.
- Performance Evaluation, Compensation, and Advancement.

Thompson, Price, Scott, Adams & Co., P.A. satisfies this objective by establishing and maintaining the policies and procedures identified below. At least annually, the managing partner reviews the firm's human resources policies and procedures to determine if they are appropriate and operating effectively. See the MONITORING section of this document for further information.

### **Recruitment and Hiring**

It is the firm's policy that recruitment and hiring decisions for the professional staff be based on an objective evaluation of our personnel needs, that candidates possess the appropriate characteristics to perform competently, and that new employees are adequately informed of the firm's policies and procedures. The firm ensures compliance with this policy by implementing the following procedures:

1. Annually, engagement partners assess the personnel needs of the professional staff of their group by considering, among other things, criteria such as our ability to serve current clients, anticipated growth, personnel turnover, individual advancement, current staff workload, quality of life and succession plans.
2. The firm's personnel policies and procedures relevant to applicants and new employees are communicated to them through our personnel manual, orientation programs, and our quality control document.

### **Determining Capabilities and Competencies**

It is the firm's policy to ascertain whether individual members of the professional staff possess requisite capabilities and competencies. In making this determination, the firm primarily considers qualitative measures, as opposed to quantitative ones.

Capabilities and competence are developed through a variety of methods; for example:

- Professional education
- Continuing professional development, including training
- Work experience
- Mentoring by more experience staff; for example, other members of the engagement team

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

1. Periodically, the managing partner assesses the capabilities and competencies of engagement partners to help assure proper engagement performance. The following capabilities and competencies are assessed based on the characteristics of the particular client, industry, and service provided:
  - a. An understanding of the role of the firm's quality control system and the *Code of Professional Conduct*.
  - b. An understanding of the performance, supervision, and reporting aspects of the service to be performed.
  - c. An understanding of the applicable accounting, auditing, and attestation professional standards, including those directly related to any special industries.
  - d. An understanding of applicable industries and each industry's organization and operating characteristics, sufficient to identify high or unusual risk areas and to evaluate the reasonableness of industry-specific estimates.
  - e. Proficiency and seasoned judgment in discharging assigned responsibilities.
  - f. An understanding of how the organization uses information technology and the manner in which information systems are used to record and maintain financial information.
2. The firm considers other engagement partner capabilities and competencies as needed in the circumstances, which may include an understanding of the following —
  - a. Various personal attributes, such as integrity and ethics, professionalism, project management skills, etc.
  - b. Leadership qualities, including strategic thinking and planning, negotiating and persuading, teamwork, problem solving, coaching and empowerment, etc.
  - c. Perspective on business issues, such as managing and developing people, marketing and selling, knowledge of best practices, business advisory skills, etc.
3. The firm determines how engagement partners and other personnel can best obtain additionally needed capabilities and competencies.
4. Performance evaluations are conducted, at least annually, to determine the capabilities and competencies possessed by each professional staff other than partners.

### **Assignment of Engagement Teams**

It is the firm's policy that each engagement be supervised by an engagement partner/manager with appropriate authority. Additionally, staff assigned to engagements (including partners) should possess the necessary competence and capabilities to perform engagements that comply with professional standards and applicable legal and regulatory requirements and enable the firm to issue reports that are appropriate in the circumstances. The firm ensures compliance with this policy by implementing the following procedures:

1. In addition to assessing the engagement partner's capabilities and competencies (see the Determining Capabilities and Competencies section), the managing partner clearly defines and communicates the responsibilities and authority of an engagement partner to the partner, and evaluates the partner's work load to ensure that he or she has the time to adequately perform the role.
2. The identity and role of the engagement partner are communicated to client management and those charged with governance through a written engagement letter.

3. Periodically, the partner's assess the staffing (including partner assignments) requirements of each client and engagement and develops a partner and staff assignment plan. This plan is communicated to the staff during staff meetings.
4. The firm recognizes that many modifications to the staff assignments plan will be required because of changes in client circumstances that affect the competencies appropriate for the client engagement, ongoing consideration of competencies possessed by firm partners and personnel assigned to particular engagements, the addition or loss of clients, staff turnover, delays in the timing of work or other unforeseen events. Modifications are made based on an informal meeting of the partners and managers affected by the changes and a reconsideration of the planning factors discussed above. Any disputes regarding assignment of personnel are resolved by the managing partner. Members of the staff are informed orally by the engagement partner of staffing changes and new assignments.

### **Professional Development**

It is the firm's policy that all professional personnel employed by Thompson, Price, Scott, Adams & Co., P.A. comply with the continuing professional education requirements of the AICPA, state societies, state Boards of Accountancy, the U.S. Government Accountability Office, and other regulatory agencies, if applicable; that all professional staff maintain an adequate awareness and understanding of current developments in professional standards; and that all professional staff assist in the training and development of staff members under their supervision.

The procedures listed below are followed to ensure compliance with this policy:

1. Annually, each office partner approves CPE courses for their respective office personnel based on engagement assignments for the year.
2. The partner in charge of the office monitors employee progress toward meeting the CPE plan for their respective office.
3. All professional personnel are to obtain a minimum of 40 hours of CPE each year (or, alternatively, meet the CPE requirements of the AICPA) in programs that qualify for credit under the CPE rules that govern the firm.
4. Individuals who work on audits and attestation engagements subject to the *Government Auditing Standards*, including planning, directing, performing audit procedures or reporting, should complete at least 24 hours of CPE in each two year period that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. In addition, auditors who do any amount of planning, directing, or reporting on Yellow Book assignments and auditors who are not involved in those activities but charge at least 20% of their time annually to Yellow Book assignments are required to also obtain at least another 56 hours in each two year period (for a total of 80 hours) of CPE that enhances their professional proficiency to perform audits or attestation engagements. In other words, everyone working on a Yellow Book engagement has to meet the 24-hour requirement. However, auditors who do not do any planning, directing, or reporting on a Yellow Book engagement or who do not spend at least 20% of their time annually on Yellow Book engagements are not required to obtain an additional 56 hours of CPE to comply with the 80-hour requirement. Auditors who are hired or initially assigned to GAGAS audits after the beginning of an audit organization's 2 year CPE period should complete a prorated number of CPE hours.

For measuring compliance with these requirements, we measure compliance with the two year requirements using two year periods that end in an even number (2014, 2016, etc). At least 20 hours of training meeting the 80 hour requirement are required to be completed in any one year of the two year period. However, at the engagement partner's discretion, this requirement may be waived (if only employed part of the year, etc.) There is no minimum annual requirement related to training meeting the 24 hour requirement. Compliance with this requirement is documented in the quality control book each year.

5. For continuing professional education purposes, the firm defines “professional” as one who interacts with clients and provides professional services requiring specialized skills or knowledge, or advice on which the client intends to rely, for any of the firm’s clients (whether or not they are a CPA). For example, professionals may include: (a) CPA’s and individuals qualified to seek that status, (b) part-time employees who work on a year-round basis on accounting and auditing engagements and/or tax services, and (c) individuals who provide services or advice directly to the client regardless of their education, depending on the types of duties performed. An individual would not be considered a professional, for continuing professional education purposes if their duties are primarily clerical in nature, the employees provides no input on technical matters directly affecting our clients, and is appropriately supervised. The managing partner may exempt staff whose primary job is nondisclosure financial statements.
6. Generally, only CPE alternatives that qualify for credit under CPE rules that govern our firm will be considered when planning our CPE program. Such alternatives normally include seminars and conferences sponsored by the AICPA, state societies or other professional organizations; video training courses, satellite conferences and webcasts; self-study courses, including online and Internet training; in-house seminars and programs; acting as an instructor, speaker, or discussion leader; university or college courses; and published books, articles, and CPE courses. Specifically, when CPE hours are to be fulfilled by in-house seminars, workshops, or discussion groups, each in-house program should comply with the following CPE standards:
  - a. The program would maintain and/or increase the professional competence of participants.
  - b. Participants should be informed in advance of pertinent course information
  - c. The program should be developed by an individual qualified in the subject matter and knowledgeable in instructional design.
  - d. Instructors should be qualified with respect to both program content and teaching methods used.
  - e. The number of participants and physical facilities should be appropriate for the teaching method(s) specified.
7. Appropriate CPE documentation is maintained for each professional for the most recent five years.
8. Each professional in our firm must recognize his or her responsibility to comply with applicable continuing professional education requirements to maintain technical competency. Accordingly, all professionals are encouraged to engage in self-development activities.
9. The firm recognizes the benefit of other professional development activities and encourages personnel at each staff level to participate in activities such as completing external professional development programs, becoming members of professional organizations, serving on professional committees, writing for professional publications, and speaking to professional groups.
10. The firm recognizes the importance of on-the-job training and encourages personnel with supervisory responsibility to be aware of situations where they can provide on-the-job training.
11. The firm’s fiscal year for CPE for employees is for the year ended December 31, and this conforms to the applicable states the firm practices in.

## Performance Evaluation, Compensation, and Advancement

It is the policy of our firm that performance evaluation, compensation, and advancement decisions for professional personnel be based on a timely and objective evaluation of individual performance, that the professional personnel selected for advancement should have the necessary qualifications to fulfill their assigned responsibilities, and that compensation of personnel, including partners, be based on the quality of their work. The procedures listed below are followed to ensure compliance with this policy:

1. Personnel classification levels are used to designate staff experience, to evaluate individual performance and to establish criteria for promotion. The following professional staff levels are used by the firm in our accounting and auditing practice:
  - a. **Staff Accountant**—**Assume** responsibility for unaudited financial statement engagements, segments of audits, or the completion of tax returns under the supervision of more experienced staff.
  - b. **Senior (In-charge)**—**Assume** responsibility for the supervision of unaudited financial statement engagements, audits, and tax return preparation engagements.
  - c. **Manager (Supervisor)**—**Plan** and supervise assigned engagements as well as assist in administrative functions of the office and the development of new practice opportunities.
  - d. **Partner**—**Assume** ultimate responsibility for all assigned engagements, perform assigned administrative duties, and participate in civic and community activities.
2. All professional staff are evaluated by their supervisors and/or the partner in charge of the office at least annually.
3. Annually, each partner completes a partner self-evaluation form and an evaluation form for all other partners. Partner compensation considers these evaluations.
4. At least annually, and on an *ad hoc* basis if necessary, the partners meet as a committee to discuss advancement, compensation, and termination decisions.

## ENGAGEMENT PERFORMANCE

The objective of the engagement performance element of a system of quality control is to provide the firm with reasonable assurance (a) that engagements are consistently performed in accordance with applicable professional standards and regulatory and legal requirements, and (b) that the firm or the engagement partner issues reports that are appropriate in the circumstances. Policies and procedures for engagement performance should address all phases of the design and execution of the engagement, including engagement performance, supervision responsibilities, and review responsibilities. Policies and procedures should also require that consultation takes place when appropriate. In addition, a policy should establish criteria against which all engagements are to be evaluated to determine whether an independent review should be reviewed.

Engagement performance encompasses many aspects of performing an engagement, from the initial planning stages to the issuance of the report and assembly of the workpapers. Additionally, it is not uncommon for the firm's engagement teams to occasionally encounter complex or contentious issues that result in the need for consultation or that create differences of opinion. The firm believes in a strong quality control system and supports frequent independent reviews. While all of these activities are part of the engagement performance element of the quality control system, the firm has chosen to differentiate certain activities within this section of the quality control document for ease of understanding. The activities are segregated as follows:

- Engagement Performance and Documentation.
- Engagement Quality Control Review
- Consultation and Differences of Opinion

Thompson, Price, Scott, Adams & Co., P.A. policies and procedures for each of these activities are described below. At least annually, the managing partner reviews the firm's engagement performance policies and procedures to determine if they are appropriate and operating effectively. See the MONITORING section of this document for further information.

### **Engagement Performance and Documentation**

It is the firm's policy that all audit, attestation, review, compilation, and preparation service engagements be properly planned, performed, supervised, reviewed, documented, and reported or communicated in accordance with the requirements of professional standards, applicable legal and regulatory requirements, and the firm. In this regard, the firm's system of engagement performance quality control (QC) steps are to be followed

The firm adopts and integrates within its quality control system the use of PPC accounting and auditing manuals and practice aids. This quality control document, the PPC manuals, and any other practice aids used by the firm are intended solely to assist us in achieving compliance with professional standards. Accordingly, nothing within this quality control document should be construed as requiring a higher level of performance or documentation than the minimum specifically required by our firm's quality control policies and procedures, nor to override the exercise of professional judgment.

## Engagement Quality Control Review

It is the firm's policy to evaluate all engagements against criteria established by the firm to determine whether an engagement quality control review should be performed, and to perform an engagement quality control review for all engagements that meet those criteria. Engagement Quality Control Reviews are completed before the report is released. The firm ensures compliance with this procedure by implementing the following procedures:

1. The firm establishes criteria for performance of an engagement quality control review (EQCR) In establishing such criteria the firm considers:
  - The structure and nature of the firm's practice
  - The nature of the engagement, including whether it involves a matter of public interest
  - Whether unusual circumstances or risk have been identified related to the engagement, engagement service type, or industry
  - Whether laws or regulations require an independent review to be performed
2. The firm establishes criteria for each major type of service provided (i.e., preparation, compilation, review, audit, and attestation engagements). All engagements are evaluated against the established criteria. An engagement quality control review is performed for all engagements that meet the established criteria.
3. The firm may periodically make changes to the established criteria based on changes in the firm's practice.
4. Based on the current composition of the firm's accounting and auditing engagements, the firm has concluded that engagement quality control reviews should be performed based on the following criteria:
  - Differences in opinions of the audit team that have not been resolved
  - Any engagement that a member of the engagement team has addressed concerns or issued a compliant or allegation.
  - Any engagement where the engagement team feels we should withdraw from.
  - For all audits that are significantly different from audits previously performed by the firm.
5. Performing an engagement quality control review includes the following procedures-
  - A discussion with the engagement partner about significant findings and issues.
  - Reading the financial statements or other subject matter information and the proposed report.
  - A review of selected engagement documentation relating to the significant judgments and the conclusions reached.
  - An objective evaluation of significant judgments made and the conclusions reached in formulating the report.
  - Reviewing for appropriateness the resolution and conclusions reached regarding differences of opinion and matters requiring consultation.
  - Considering the evaluation of the firm's and the engagement team's independence in relation to the specific engagement.

The extent of the EQCR may depend upon, among other things, the complexity of the engagement and the risk that the report might not be appropriate in the circumstances.

6. The firm prepares appropriate documentation of the engagement quality control review, including documentation that reflects-
  - The procedures required by firm policies have been performed.
  - The EQCR was completed before the report was released.
  - The reviewer was not aware of any unresolved matters that would have caused him or her to believe that significant judgments made and conclusions reached were not appropriate.
  
7. The appointment of engagement quality control reviewers requires consideration of the technical qualifications necessary to perform the role (including the necessary experience and authority), and the degree to which an engagement quality control reviewer can be consulted during the engagement without jeopardizing the reviewer's objectivity. In selecting appropriate engagement quality control reviewers, the following criteria are followed-
  - The engagement quality control reviewer is selected by the managing partner.
  - The engagement quality control reviewer has sufficient and appropriate experience, technical expertise, and authority for the particular engagement to be reviewed.
  - Engagement quality control reviewers maintain appropriate ethical requirements, such as objectivity, due professional care, and independence. The engagement quality control reviewer satisfies the independence requirements relating to the engagement reviewed.
  - The engagement quality control reviewer does not participate in the performance of the engagement except in a consulting role; for example, the engagement partner may consult the independent reviewer during the engagement to establish that a judgment made by the engagement partner will be acceptable to the engagement quality control reviewer. Both the engagement quality control reviewer and the engagement team are careful to maintain the reviewer's objectivity.
  
8. For audit engagements for which the firm's EQCR criteria stipulate that an EQCR is required, the engagement partner (a) determines that an engagement quality control reviewer has been appointed; (b) discusses with the engagement quality control reviewer the significant findings or issues that arose during the audit, if any; and (c) does not release the auditor's report until the completion of the EQCR.
  
9. When the firm does not have qualified personnel to perform the engagement quality control review, the firm contracts with qualified external individuals or other firms to perform the review. The criteria in Procedure Seven (7) are followed in selecting qualified external engagement quality control reviewers.

## Consultation and Differences of Opinion

It is the policy of our firm that personnel refer to authoritative literature or other sources when appropriate. Our firm also recognizes the need for a constant exchange of ideas and opinions about technical issues on all professional engagements and it is our policy that all professional personnel seek consultation, on a timely basis, within or outside the firm whenever differences of opinion occur or uncertainty exists about the answer to a technical question; the application of a professional procedure or standard; the application of a rule, regulation, or procedure of a tax or other regulatory agency; or the application of a firm policy. We foster an environment where recognition of the need to consult is recognized as a strength, and we encourage personnel to consult on complex, unusual, unfamiliar, difficult, or contentious issues. The procedures listed below are followed to ensure compliance with this policy:

1. The firm maintains or provides ready access to an adequate and up-to-date reference library that includes materials related to clients served and that should be consulted to assist professional staff in their research of technical issues.
2. While the firm recognizes that it is impossible to list all situations that might require referral to authoritative literature or other sources or that might require consultation, the following situations, due to their complexity, may require consultation:
  - a. Any engagement in which a qualified or nonstandard report is likely to be issued.
  - b. Going concern situations
  - c. Any engagement involving material litigation.
  - d. Application of newly issued technical pronouncements.
  - e. Industries with special accounting, auditing, or reporting requirements.
  - f. Accounting for complex or unusual transactions.
  - g. Emerging practice problems.
  - h. Business combinations.
  - i. Corrections of an error, including restatements of financial statements.
  - j. Choices among alternative generally accepted accounting principles upon initial adoption or when an accounting change is made.
  - k. Reissuance of a report, consideration of omitted procedures after a report has been issued, or subsequent discovery of facts that existed at the time a report was issued.
  - l. Filing requirements of regulatory agencies.
3. If a difference of opinion arises within the engagement team or between the engagement partner and the engagement quality control reviewer, the issue is first discussed by the members of the engagement team and the partners. If the engagement partner and the engagement quality control reviewer agree that the issue is resolved at this level, additional consultation is not necessary. However, if any members of the engagement team disagree with the resolution, Procedure 8 should be followed.
4. If the engagement partner or engagement quality control reviewer believes additional consultation is necessary, the issue is discussed with an individual in the firm who has appropriate knowledge, seniority, and experience for the issue in question. When the engagement team is unaware of the name of an individual in the firm who possesses such qualities, the managing partner is consulted for the name of such an individual. Those consulted with are given all the relevant facts that will enable them to provide informed advice. If, in the opinion of the engagement quality control reviewer, the issue is resolved at this level of consultation, additional consultation is not necessary. However, if any member of the engagement team or other individual who consulted on this issue disagree with the resolution, Procedure 8 should be followed.

5. If the engagement partner and/or engagement quality control reviewer believe that additional consultation beyond that available within the firm is necessary, the issue is discussed with an individual outside the firm who has relevant specialized expertise. Such outside individuals include, but are not limited to, the AICPA technical information services and CPAs in other firms. Those consulted are given all the relevant facts that will enable them to provide informed advice. In determining the professional qualifications and reputations of the outside individuals, the firm considers, among other things, the following matters:
- The professional certification, license, or other recognition of competence of the individuals in their areas of expertise, as appropriate
  - The reputation and standing of the individuals in the views of his or her peers and others familiar with the individual's capability or performance
  - The relationship, if any, of the individuals to the client

If, in the opinion of the engagement quality control reviewer, the issue is resolved, additional consultation is not necessary. However, if any member of the engagement team or other individual in the firm who consulted on the engagement disagrees with the resolution, Procedure 8 should be followed.

6. Certain accounting, audit, or attestations engagements may require the firm to consult with nonaccounting or nonauditing specialist such as actuaries, appraisers, attorneys, engineers, and geologists. The firm should follow the guidance in *AICPA Professional Standards* at AU-C 620 when such consultations are necessary. If any member of the firm or engagement team disagrees with the resolution, Procedure 8 should be followed.
7. The nature and scope of consultations involving contentious or difficult issues are agreed upon by both the individuals seeking consultation and the individuals consulted. Such consultations are sufficiently documented to facilitate understanding of the issue for which consultation was needed, the results of the consultation, the decisions made and the basis for those decisions, and how those decisions were implemented. The conclusions resulting from the consultation are understood by both the individuals seeking consultation and the individuals consulted.
8. If a difference of opinion occurs within the engagement team, between the engagement partner and the engagement quality control reviewer, or with those consulted within or outside the firm, that difference is resolved using Procedures above, if possible. If not, the matter is brought to the attention of the managing partner. The managing partner (with the assistance of other practitioners or regulatory entities if desired) will resolve the dispute regarding the proper course of action to be taken by the firm on the issue in question. The conclusion reached to resolve the matter of disagreement and how that conclusion was implemented should be documented. In addition, any party to the consultation/difference of opinion who disagrees with the final conclusion may document his or her disassociation from the resolution of the matter.
9. For audit engagements, the engagement partner is responsible for ensuring that appropriate consultation is undertaken on difficult or contentious matters. Additionally, the engagement partner ensures that (a) members of the engagement team follow the firm's consultation policies during the course of the engagement, (b) the nature and scope of the consultation are agreed upon with the party consulted, (c) the resulting conclusions are understood by the party consulted, and (d) such conclusions are implemented.

## MONITORING

The objective of the monitoring element of a system of quality control is to provide the firm and its engagement partners with reasonable assurance that the policies and procedures related to the system of quality control are relevant, adequate, operating effectively, and compiled with in practice. Monitoring involves an ongoing consideration and evaluation of the appropriateness of the design, the effectiveness of the operation of the firm's quality control system, and our firm's compliance with its quality control policies and procedures. The purpose of monitoring compliance with quality control policies and procedures is to provide an evaluation of the following:

- Adherence to professional standards and regulatory and legal requirements
- Whether the quality control system has been appropriately designed and effectively implemented
- Whether the firm's quality control policies and procedures have been operating effectively so that reports issued by the firm are appropriate in the circumstances

Thompson, Price, Scott, Adams & Co., P.A. satisfies this objective by establishing and maintaining the following policies and procedures.

It is policy of our firm that our quality control system be monitored on an ongoing basis to provide the firm with reasonable assurance that the policies and procedures established by the firm for each of the elements of quality control are relevant, adequate, operating effectively, and being effectively applied. Monitoring activities include engagement quality control reviews (EQCR), inspection, and post-issuance review. EQCR, performed prior to completion of the engagements, assists in providing ongoing consideration and evaluation of the firm's quality control system. The policy and procedures relating to EQCR are addressed in the ENGAGEMENT PERFORMANCE section of this document. The retrospective monitoring activities performed by the firm relate to inspection and post-issuance review (collectively referred to as inspection/review) and are the primary activities addressed in these monitoring policy and procedures.

As an integral part of the monitoring process, inspection/review procedures are performed on all elements of the firm's quality control system at least annually to determine whether the firm has complied with applicable professional standards and its stated quality control policies and procedures.

The procedures listed below are followed to ensure compliance with this policy:

1. At least annually, the managing partner selects an individual or team (hereafter referred to as the "inspection team") to perform inspection procedures on the firm's quality control system. The inspectors should possess adequate technical knowledge and experience and, when practical, should not be directly involved in the administration, supervision, or performance of the quality control procedures of engagements each will inspect. One inspector on each office inspection team will be designated as the team captain. The inspection will include a review of the governmental audit practice in accordance with the AICPA guidance provided. The monitoring process is planned, performed, and documented using the appropriate monitoring checklist found in the practice aid section of *PPC's Guide to Quality Control* as a work program. The monitoring procedures include review of administrative records to assess compliance relating to quality control elements other than engagement performance. It is the firm's policy to shred any checklists used in the monitoring process, other than a report prepared for the quality control files that summarizes the required items as indicated in item 11 below.
2. At the conclusion of the inspection/review, the monitoring team is responsible for (a) identifying and summarizing the deficiencies noted for each engagement reviewed, and (b) discussing the results of the review with the supervisory personnel responsible for each of the engagements selected for review and determining whether any corrective action needs to be taken or improvements made with respect to those specific engagements. Once identified, the deficiencies are summarized and evaluated to determine whether:
  - Existing quality control policies and procedures should be modified.
  - Additional emphasis should be placed on specific industries or areas for future engagements.

3. The firm pursues one or more of the following actions resulting from its evaluation of the deficiencies noted during inspection/review:
  - Take remedial action directed toward the individual engagement or person.
  - Revise the firm's quality control policies and procedures.
  - Discipline individuals who fail to follow the firm's quality control policies and procedures.
  - Communicate the findings to those responsible for training and professional development.
4. If the monitoring results reveal that an issued report is inappropriate or that procedures were omitted during the performance of the engagement, the firm determines what further actions are required to comply with relevant professional standards and applicable legal and regulatory requirements. Depending upon the specific situation, the firm may obtain legal advice.
5. At least annually, the firm communicates the results of the inspection to all partners and managers involved in accounting and auditing engagements. This annual communication provides a description of (a) the monitoring procedures performed (b) the conclusions reached from such procedures, and (c) any systemic, repetitive, or other significant deficiencies noted and the corrective actions taken to resolve them.
6. In addition to the firm's inspection/review and other monitoring procedures, the firm is subject every three years to a peer review in accordance with the requirements of the AICPA and the North Carolina State Board of Accountancy. The managing partner is responsible for scheduling and coordinating that review. The firm elects to have its peer review count as its inspection for each year in which a peer review is performed.
  - The internal inspection results and monitoring communication are made available to the firm's peer review team.
7. Based on the results of the ongoing monitoring of the QC system, the firm's annual inspection/review, the monitoring communication, and , if appropriate, the results of the firm's peer review report, finding for further consideration form(s), letter of response, and exit conference with the peer review team, the managing partner determines any corrective actions that should be pursued to improve, amend, or revise the quality control system.
8. The partners meet annually (or more frequently as needed on an interim basis) and discuss the monitoring process, the results of the inspection/review, and the corrective actions determined to be needed by the managing partner and consider the implications for the firm.
9. The managing partner is responsible for monitoring and documenting the implementation of, and compliance with, any corrective actions.
10. The managing partner or partner in charge of the office periodically reminds personnel during staff meetings that any concerns regarding complaints or allegations may be communicated to the firm without fear of reprisals. The firm appropriately addresses complaints and allegations by-
  - Investigating complaints and allegations and involving legal counsel if considered necessary. The firm assigns individuals to this process who are trained and knowledgeable about firm procedures and who are not otherwise involved in the engagement relating to the complaint or allegation.
  - Documenting all complaints and allegations.
11. The firm documents the performance of each element of its quality control system on an ongoing basis, as well as in conjunction with documenting its monitoring of the system.

12. The firm retains monitoring documentation for a time sufficient to allow those monitoring the quality control system, including peer reviewers, to evaluate the firm's compliance with its system. The firm generally retains a summary of the monitoring results until the next peer review report has been completed. Documentation includes:
- Evidence of the monitoring procedures performed, including how engagements were selected for review.
  - Evaluation of the firm's adherence to professional standards and regulatory and legal requirements.
  - Evaluation of whether the quality control system is appropriately designed and effectively implemented.
  - Evaluation of whether quality control policies and procedures are operating effectively so that reports issued are appropriate in the circumstances.
  - Identification of deficiencies noted, an evaluation of their effect on the quality control system, and the basis for determining what further actions are necessary, if any.

## SUMMARY

The quality control document is to be complied with using professional judgement. The managing partner and/or another partner may issue a report without review or may add/delete to the steps contained therein if in their professional judgement the engagement is performed in accordance with all appropriate requirements. The firm uses the guides of Practitioners Publishing Company as its main source for professional guidance, checklists and audit programs but the partner-in-charge of an engagement may substitute other material if more appropriate in his/her opinion.

At any time a circumstance arises that is not addressed in this document, the PPC and AICPA resources used in drafting this document will be considered in resolving such circumstance.

**TOWN OF ERWIN**  
*North Carolina*

**Section 2**  
**Audit Approach**

**Proposal to Provide**  
**Audit Services**

**Due: March 17th, 2026 4:00 PM**

**Prepared By:**  
**Thompson, Price, Scott, Adams & Co., P.A.**

Town of Erwin  
Audit Proposal

**Town of Erwin  
Erwin, North Carolina**

Proposal to Provide Audit Services  
For the Years Ending June 30, 2026 Through 2028

SECTION II  
Audit Approach

Submitted by ***Thompson, Price, Scott, Adams & Co., PA***

P.O. Box 1690  
Elizabethtown, N.C. 28337  
(910) 862-8129

Contact Persons

The individuals authorized to conduct negotiations and discuss the proposal are:

R. Bryon Scott, Partner  
Gregory S. Adams, Partner  
Alan W. Thompson, CPA, Partner



Town of Erwin  
Audit Proposal

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- Item 10. Specify costs using the format below for the audit year July 1, 2025 to June 30, 2026. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2026 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.
  - A. Audit firm personnel costs – itemize the following for each category of personnel (partner, manager, senior, staff accountant, clerical, etc.) with the different rates per hour.
  - B. Travel – itemize transportation and other travel costs separately.
  - C. Cost of supplies and materials – itemize.
  - D. Other costs – identify completely and itemize
  - E. Method of determining increases in audit costs on a year-to-year basis, if applicable.
- Item 11. List any other information the firm may wish to provide. (NONE)
- Item 12. Audit Cost Summary Sheet.

Town of Erwin  
Audit Proposal

Item 1. Type of audit program used.

In all stages of the audit, the firm uses Practitioners Publishing Company's "Guide to Audits of Local Governments" in conjunction with the "Audit Manual" for governmental Auditors in North Carolina.

Town of Erwin  
Audit Proposal

Item 2. Use of statistical sampling.

We anticipate statistical sampling will be used in selecting transactions to test within revenues, payroll and nonpayroll disbursements and major federal and State programs. We may also use nonstatistical methods based on auditor judgment of the account balance tested and related internal controls.

Town of Erwin  
Audit Proposal

Item 3. Use of automated processes and internal control testing methods.

We use compliance supplements and PPC guidance for testing internal controls. Our use of automated processes is determined by the technological ability of the auditee.

Town of Erwin  
Audit Proposal

Item 4. Use of computer audit specialists.

The Auditor is not aware of the need for the use of computer audit specialists in the engagement. However, if we determine that a computer audit specialist is needed, we have in house IT available.

Town of Erwin  
Audit Proposal

Item 5. Organization of audit team and the approximate percentage of time spent on the audit by each member.

Partners and Audit Manager	40%
Staff	55%
Staff/Clerical	5%

Adequate supervision will be maintained at all times.

Town of Erwin  
Audit Proposal

Item 6. Information that will be contained in the management letter.

The management letter will address any required communications regarding reportable conditions and/or weaknesses in internal controls coming to our attention that are not a required disclosure in the audit report.

Also, it may address ideas and observations, which resulted from our audit that, could improve the Town's current procedures. All items in the management letter will be discussed in the exit conference prior to issuance of the final copy.

Town of Erwin  
Audit Proposal

Item 7. Assistance expected from the government's staff, if other than outlined in the RFP.

No additional assistance will be necessary.

Town of Erwin  
Audit Proposal

Item 8. Tentative schedule for completing the audit within the specified deadlines of the RFP.

- May  
(1 day)      Coordinate and perform preliminary testing.
- June  
(2 days):      Perform all in house planning procedures and coordinate with the  
                         Organization's personnel regarding specific dates to begin preliminary fieldwork.
1. Prepare all confirmations and obtain signatures.
  2. Perform compliance tests of those programs subject to single audit.
- July  
(1 day):
3. Begin preliminary fieldwork to include:
    - a. Review of internal control procedures.
    - b. Testing internal control procedures.
    - c. Assembling necessary permanent file documents.
- Aug/Sept  
(2 – 3 Days):      4. Begin fieldwork.
- September  
(1 week)      5. Finish all fieldwork, present client representation letter and attorney  
                         legal letter. Submit draft copy for review.

Exit conference will be scheduled at the convenience of everyone involved after all fieldwork is complete.

Audit report presentation will be at the board's convenience.

Town of Erwin  
Audit Proposal

- Item 9. Specify costs for the audit year July 1, 2026 to June 30, 2028. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2026 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a “not-to-exceed” amount.
- A. Audit firm personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rate per hour.
    - 1) Estimated hours categorized as follows:
      - a) On-site interim work
      - b) Year-end on-site work
      - c) Work performed in the auditor’s office
  - B. Travel – Itemize transportation and other travel costs separately.
  - C. Cost of supplies and materials – Itemize.
  - D. Other costs – identify completely and itemize
  - E. Method of determining increases in audit costs on a year to year basis, if applicable.

Town of Erwin  
Audit Proposal

Item 9 Continued:

a. Manpower cost.

Partners	\$	185.00	per hour
			2 hours on site interim
			16 hours on site year end
			32 hours office work
Total hours		50	
Total cost	\$	9,250.00	
Senior Staff	\$	110.00	per hour
			8 hours on site interim
			32 hours on site year end
			28 hours office work
Total hours		68	
Total cost	\$	7,480.00	
Staff/Clerical	\$	60.00	per hour
			0 hours on site interim
			0 hours on site year end
			5 hours office work
Total hours		5	
Total cost	\$	300.00	
Total June 30, 2026		\$ 17,030.00	

b. Travel.

None

c. Cost of supplies and materials.

None

d. Other cost.

None

June 30, 2026 audit fee -	\$	17,000.00	*
June 30, 2027 audit fee -	\$	17,000.00	*
June 30, 2028 audit fee -	\$	17,000.00	*

\*This fee is based on a yellow book audit and not a single audit. If a single audit is required, Federal or State Single Audit Compliance will be an additional \$3,500 per program.

Town of Erwin  
Audit Proposal

Item 10. No information is included.

Item 11. Audit Cost Summary Sheets

TOWN OF ERWIN AUDIT COST SUMMARY

1	Base Audit (General Purpose Financial Statements) \$	12,500
	Includes personnel costs, travel and on-site work.	
2	Financial statement preparation	4,500
3	Extra audit service	-
	Partners \$ 225.00 per hour	
	Senior Staff \$ 135.00 per hour	
	Staff/Clerical \$ 85.00 per hour	
4	Other (explain)	-
5	Other (explain)	-
	Total \$	<u>17,000</u>



# Erwin Board of Commissioners

## REQUEST FOR CONSIDERATION

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To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: March 23, 2026

Subject: BOA 2026-06

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The proposed budget amendment calls for an increase of \$6,351 in our expected revenues from sales tax. The proposed budget amendment includes an increase of \$6,351 in personnel expenditure in the administration department. The proposed budget amendment brings our total expected sale tax revenue to a total of \$1,160,008. I feel confident that we will meet that threshold.

Attachments:

- Budget Amendment 2026-06

**BUDGET ORDINANCE AMENDMENT  
BOA 2026 – 06  
FISCAL YEAR 2025-2026**

BE IT ORDAINED by the Governing Board of the Town of Erwin, North Carolina that the following amendments are made to the annual budget ordinance for the fiscal year ending June 30, 2026.

Section 1. This Budget Ordinance Amendment seeks to Increase Revenues and Increase Expenditures by \$6,351. This amendment is to budget for an increase in Administration personnel expenditures.

Section 2. To amend the General Fund: The Revenues are to be changed as follows:

Account	Description	Current Approp.	Increase/Decrease	Amended Appropriation
10-3450-000	Sales and Use Tax	\$1,153,657	(+) \$6,351	\$1,160,008

Section 3. To amend the General Fund: The Expenditures are to be changed as follows:

Account	Description	Current Approp.	Increase/Decrease	Amended Appropriation
10-4200-020	Salaries Admin.	\$305,413	(+) 5,000	\$310,413
10-4200-050	FICA	\$ 23,495	(+) 383	\$ 23,878
10-4200-070	Retirement	\$ 44,071	(+) 718	\$ 44,789
10-4200-071	401K Contribution	\$ 15,356	(+) 250	\$ 15,606

Section 4. Copies of this budget amendment shall be furnished to the Clerk, the Governing Board, the Budget Officer and the Finance Director for their direction.

Adopted this 9<sup>th</sup> day of April 2026.

\_\_\_\_\_  
Randy L. Baker  
Mayor

**ATTEST:**

\_\_\_\_\_  
Lauren Evans NCCMC  
Town Clerk

# Erwin Board of Commissioners

## REQUEST FOR CONSIDERATION

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To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: March 23, 2026

Subject: Child Abuse Prevention Month Proclamation

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April is Child Abuse Prevention Month. Town Staff have prepared a proclamation supporting the efforts of the Harnett County Children's Advocacy Center and their various partners, including the Erwin Police Department, Erwin Fire & Rescue, and other partners in the community.

Attachments:

- Child Abuse Prevention Month Proclamation



# TOWN OF ERWIN

P.O. Box 459 • Erwin, NC 28339  
Ph: 910-897-5140 • Fax: 910-897-5543  
www.erwin-nc.org

## TOWN OF ERWIN CHILD ABUSE PREVENTION MONTH PROCLAMATION 2025-2026---005

**Mayor**  
Randy L. Baker  
**Mayor Pro Tem**  
Ricky W. Blackmon  
**Commissioners**  
Alvester L. McKoy  
Timothy D. Marbell  
Charles L. Byrd  
David L. Nelson  
William R. Turnage

**WHEREAS**, children are the foundation of a strong and thriving community, and their safety, health, and well-being are essential to the future of the Town of Erwin; and

**WHEREAS**, child abuse and neglect are serious issues that affect children of all ages, backgrounds, and neighborhoods, and preventing maltreatment requires the commitment and cooperation of families, schools, agencies, faith communities, and local leaders; and

**WHEREAS**, Child Abuse Prevention Month serves as an opportunity to raise awareness, promote education, and encourage positive action to protect children and strengthen families throughout our community; and

**WHEREAS**, the Harnett County Children’s Advocacy Center and multidisciplinary team partner work tirelessly to provide a coordinated, child-focused response to allegations of abuse, offering hope, healing, and justice through compassionate services, advocacy, and support for children and their non-offending caregivers; and

**WHEREAS**, we recognize that prevention begins with creating safe, stable, and nurturing relationships and environments for all children, and that every citizen has a role to play in ensuring children grow up free from harm;

**NOW, THEREFORE**, the Mayor and Board of Commissioners of the Town of Erwin, do hereby proclaim the month of April as Child Abuse Prevention Month in the Town of Erwin and urge all residents to join in supporting efforts to prevent child abuse and neglect, promote child and family well-being, and build a safer, stronger community for our children.

**DULY ADOPTED**, this the 8<sup>th</sup> day of January 2026.

**ATTEST:**

\_\_\_\_\_  
Randy Baker, Mayor

\_\_\_\_\_  
Lauren Evans, NCCMC, Town Clerk

# Erwin Board of Commissioners

## REQUEST FOR CONSIDERATION

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To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: March 23, 2026

Subject: NCLM Board of Directors Elections Process

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The North Carolina League of Municipalities (NCLM) sent the Town of Erwin a request to name a delegate to vote in for the 2026-2027 Board of Directors. The person nominated to be our delegate will not have to go anywhere; they can complete the ballot online. I think this is a good step that the NCLM is taking by getting more involvement from all their members. The voting instructions will be emailed to the delegate in Mid-April. It should not take too long to complete.

# Erwin Board of Commissioners

## REQUEST FOR CONSIDERATION

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To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: March 23, 2026

Subject: Lots Accessible through Unimproved Roads Text Amendment

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At our last workshop meeting, we discussed a proposed text amendment involving “unimproved roads” in our jurisdiction. Basically, roads that are shown on maps/plats that were never built out. Most of these “unimproved roads” do not meet our current standards for development. The vast majority of these “unimproved roads” are in our planning zone. The proposed text amendment will hopefully address most of the issues we are dealing with when it comes to “unimproved roads” and allow for future development of the areas in question that were supposed to be served by the road that was never built.

At our last workshop, there were no questions or changes requested. We will have a public hearing at our April 9<sup>th</sup>, 2026, Town Board meeting regarding this proposed text amendment. As a reminder, the Planning Board did recommend this proposed text amendment for approval.

# Erwin Planning Board

## REQUEST FOR CONSIDERATION

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To: Erwin's Planning Board Members  
From: Dylan Eure, Town Planner  
Date: March 23, 2026  
Subject: Lots Accessible through Unimproved Roads Text Amendment

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The Town of Erwin Staff wishes to propose an amendment to Chapter 36 Article XV entitled General Provisions within a reserved section between Sec. 36-446 and Sec. 36-453 to allow the development of parcels that have previously been platted with unimproved access points, as well as requiring improvements to occur to said access points. The reasoning of this amendment is to allow orderly development while ensuring adequate access ways to parcels previously platted before Erwin's incorporation.

### **Proposed Amendment to be included within Sections 36-446:**

#### Lots Accessed Via Existing Unimproved Streets

In the event that already platted parcels abut an unimproved street, road, or access way without public dedication, the property shall be allowed without a variance to develop on the condition that the parcel meets the current dimensional requirements, setbacks, and height limitations of the zoning district. For access, a 22-foot-wide access way shall be installed, which shall be composed of a minimum of 3 inches of aggregate base and shall reach the farthest property line abutting the said unimproved access way, road, or street. Upon the final zoning inspection of the developing property, the zoning administrator shall ensure that the improved access way has been installed before the issuance of final zoning approval/certificate of occupancy.

In the event that an already platted single parcel abuts an unimproved street, road, or access way without public dedication, the property shall be allowed without a variance to develop on the condition that the parcel meets the current dimensional requirements, setbacks, and height limitations of the zoning district. For access, a 10-foot-wide access way shall be installed, which shall be composed of a minimum of 3 inches of aggregate base and shall reach the farthest property line abutting the said unimproved access way, road, or street. Upon the final zoning inspection of the developing property, the zoning administrator shall ensure that the improved access way has been installed before the issuance of final zoning approval/certificate of occupancy.

#### **Statement of Consistency**

The proposed text amendment is compatible with all of the Town of Erwin's regulatory documents, according to Erwin's 2023 Land Use Plan and Erwin's Code of Ordinances. This amendment would best provide regulation from for lots wishing to develop on unimproved roadways. It is recommended that this text amendment be **approved**.

# Erwin Board of Commissioners

## REQUEST FOR CONSIDERATION

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To: The Honorable Mayor and Board of Commissioners

From: Snow Bowden, Town Manager

Date: March 23, 2026

Subject: Mobile Stage

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We do not have an update on potential mobile stages to purchase for the Town of Erwin. We have not had time to prepare anything for this workshop. Town Staff have been busy preparing for our upcoming events. We have a stage secured for the 100 Years of Erwin event. Due to the quick turnaround for our other events, I think it is best for us to rent a stage for the concert on 5/30/2026 and for our live music at our July 4<sup>th</sup> celebration on 7/3/2026.

Town Staff need more time to research potential options for a mobile stage. I agree that having a mobile stage would be very beneficial to the Town of Erwin. We could move it to other areas in Town as needed. The stage could be used for several events in Erwin, and it will save money in the long run versus having to rent a stage for every separate event. A large purchase like this takes time and research and should not be rushed.

But there are other concerns that I would like to bring up for consideration. If we rent the stage out to other organizations, we need to factor in insurance and other liability concerns. We also need to factor in our staff capacity issues. If we rent it out to other organizations, we will need to factor the time that it would take our current staff away from their other duties to transport the stage to a separate location, set the stage up, and eventually go back to that location to break the stage down and transport it back to Erwin.