



**SHARPE PATEL CPA**  
CERTIFIED PUBLIC ACCOUNTANTS  
BEYOND THE NUMBERS

# TOWN OF HOLDEN BEACH

Response to RFP for Financial Audit Services



Responsible Office and Contact Person:

**Jay E. Sharpe, CPA, CFE**

AUDIT PARTNER

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Raleigh, NC 27609

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# Profile

## FIRM PROFILE

While Sharpe Patel PLLC is a new CPA firm, its team is not. Jay Sharpe and Aaron Patel formed the Firm to give better service to clients across all industries including the governmental. Our key objective is to provide superior client service in a timely and efficient manner.

Our Governmental audit team is key to providing great services. The team is made up of a number of seasoned staff at all levels that have experience with a variety of types of clients within the governmental sector.

## EXPERIENCE

Sharpe Patel PLLC initiated its practice in the governmental service industry in response to our observation that larger firms were devoting fewer and fewer resources to their smaller and mid-size clients. We have seen more and more firms getting out of the governmental sector. We are quite the opposite, we see this as a growth sector for the Firm. Ever-changing accounting standards, economic conditions and the continued rise in operating costs have propelled our Governmental Audit Team to help entities alleviate the pressures facing the industries. Our commitment to the governmental sector is reflected in the significant growth of our practice, the retention of those clients and the low turnover of our employees.

The experience and capabilities of our Governmental Audit Team include:

- Financial Audits, reviews and compilations
- Single Audits, under both Federal and North Carolina requirements.
- Program Specific Audits
- Agreed-upon Procedures
- Forensic Audits
- Performance Audits
- Risk Assessment
- Staff Training Seminars
- Internal Control Studies
- Financial Statement Preparation
- Forecasted Financial Statements

## AUDIT STAFFING

The staffing needs are based on the complexity and nature of the organization, timing, the extent of procedures which must be performed to meet the audit objective, and the travel involved. We have designated specific audit associates to the engagement however, our audit associates are interchangeable between our offices and their assignments may change. There will be a minimum of two audit associates, one audit manager, and one partner designated to the engagement at all times. It is very common for two managers to be assigned to an engagement as one will act as an associate. Each member of this team will be fully available to satisfy the needs of the engagement.

We understand that professionals who have gained specific governmental knowledge through on site experience are best equipped to serve our clients, so we are committed to returning team members to the same engagements each year. This continuity helps control costs and saves time, by making sure you are working with trusted professionals who have a clear understanding of your goals and strategies.

Our partners and managers maintain a high degree of client involvement which minimizes the overhead and reduces the audit costs. This also provides the client a higher level of expertise that is always available. The following indicates the individuals by level and location that will handle the audit:

The Town's Audit will be staffed by the Firm as follows:

|                         |         |
|-------------------------|---------|
| Partner (and in charge) | Raleigh |
| Manager                 | Raleigh |
| Senior Staff / staff    | Raleigh |



## GOVERNMENTAL CLIENTS

Below is a sample of governmental entities our team has worked on throughout the years:

| <u>Client</u>  | <u>Services</u>           | <u>Years</u> | <u>Gasb 34</u> |
|--|---------------------------|--------------|----------------|
| Wake County Board of Education                           | Financial statement audit |              |                |
|  | Single audit              | 6            | Yes            |
| Town of Benson   | Financial statement audit | 4            | Yes            |
| City of Kinston  | Financial statement audit |              |                |
|  | Single audit              | 2            | Yes            |
| Town of Ayden  | Financial statement audit | 1            | Yes            |
| Town of Goldston   | Financial statement audit |              |                |
|  | Single audit              | 6            | Yes            |
| Town of Pittsboro  | Financial statement audit | 7            | Yes            |
| Wayne County Board of Education                          | Financial statement audit |              |                |
|  | Single audit              | 4            | Yes            |
| Jones County Board of Education                          | Financial statement audit |              |                |
|  | Single audit              | 4            | Yes            |
| Caldwell Community College                               | Financial statement audit | 4            |                |
| Cary EMS   | Financial statement audit | 7            |                |
| Eastern Wake EMS   | Financial statement audit | 7            |                |
| NC Agricultural Finance Authority                        | Financial statement audit | 1            |                |
| NC Office of the State Auditor                           | Financial statement audit | 1            |                |
| Cape Fear Center for Inquiry (charter school)            | Financial statement audit |              |                |
|  | Single audit              | 15           | Yes            |
| Phoenix Academy (charter school)                         | Financial statement audit |              |                |
|  | Single audit              | 13           | Yes            |
| Bethany Community Middle School (charter school)         | Financial statement audit |              |                |
|  | Single audit              | 8            | Yes            |
| Neuse Charter School of Johnston County                  | Financial statement audit |              |                |
|  | Single audit              | 3            | Yes            |
| Healthy Start Academy (charter school)                   | Financial statement audit |              |                |
|  | Single audit              | 3            | Yes            |
| North East Carolina Preparatory Academy (charter school) | Financial statement audit |              |                |
|  | Single audit              | 3            | Yes            |
| Cape Fear Community College Foundation                   | Financial statement audit | 7            |                |
| Coastal Preparatory Academy                              | Financial statement audit |              |                |
|  | Single audit              | 2            | Yes            |

## ADDITIONAL SERVICES

The firm from time to time provides other services to not-for-profits. A couple of example of these services includes the following:

- Jay Sharpe, CPA, CFE conducted a three-year forensic audit for the Lumberton Housing Authority.
  - Jay Sharpe consulted on the presentation of Foundations related to Cape Fear Community College and Carteret Community College when GASB 61 was introduced. This consultation included the determination of the Foundations as component units and their presentation on the financial statements if they were determined to be component units.
- 
- Jay Sharpe and Jacob Allen have conducted pension testing for several school systems.
  - Jay Sharpe conducted a vendor audit for a School System.

## PEER REVIEW

Sharpe Patel PLLC is a member of the American Institute of Certified Public Accountants (AICPA) and participants in the AICPA Peer Review Program. The AICPA Peer Review Program, - administered by the North Carolina Association of Certified Public Accountants in North Carolina, requires enrolled firms to have a peer review conducted by an independent evaluator, once every three years, of their accounting and auditing practice. Such review assures that the services we provide to our clients meet the highest level of standards in the accounting profession.

It is the 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 other quality control elements (including quality control elements and activities not formalized in writing) of quality control are suitably designed and are being effectively applied. The adequacy and effectiveness of the Firm's quality control system is monitored on an ongoing basis by the Firm's quality control partner. As an integral part of the monitoring process, our quality control system is inspected annually to determine whether the Firm has complied with its stated quality control policies.

Because we are a new firm, we have not had our first peer review. That is slated sometime in 2021. However, we have enrolled in the peer review program.

## STAFF EXPERIENCE

All staff assigned to the Town's audit will have previous not-for-profit audit experience. All staff also have experience preparing financial statements under the new reporting model.

The Town's audit will be staffed by the Firm as follows:

|                      |                         |         |      |
|----------------------|-------------------------|---------|------|
| Partner in Charge    | Jay E. Sharpe, CPA, CFE | Raleigh | 50%  |
| Audit Manager        | Jacob Allen, CPA        | Raleigh | 100% |
| Senior Staff / Staff | TBD                     | Raleigh | 100% |



## TEAM BIOGRAPHIES

### SUPERVISING AUDITOR

Jay E. Sharpe will be the partner in charge for the Town's audit. Additional information for each staff is as follows:

#### Jay E. Sharpe, Partner – Audit Partner

Jay E. Sharpe, CPA, CFE is the Raleigh office's partner and services as the firm's Director of Auditor Services. Jay over 20 years of experience in governmental and not-for-profit organizations. His work experience includes working with a variety of Foundations, Towns, Boards of Education, Community Colleges, various types not-for-profits, charter schools, EMS Units and HUD properties. Jay previously worked for the Office of the State Auditor.

In addition to his auditing experience, Jay performs forensic and fraud investigative services. He has led seminars in the past on preventing fraud and is the past President of the Board of Directors for the Central Carolina Chapter of the Association of Certified Fraud Examiners.

#### Community Involvement

- Former Treasurer on the Board for the SPCA of Wake County.

*Jay is a volunteer reviewer for the GFOA.*



## Education and Licenses

- Bachelor of Science in Accountancy – The University of North Carolina at Wilmington
- Masters in Science in Accountancy – The University of North Carolina at Wilmington
- Licensed as a Certified Public Accountant in North Carolina (license # 27818)
- Licensed as a Certified Fraud Examiner

## Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- Association of Certified Fraud Examiners (ACFE)

## Continuing Professional Education

Jay has maintained required CPE levels over the past three years. He has taken over 40 credit hours per year including annual ethics requirements, annual audit updates, fraud seminars and attended the local government and not-for-profit conferences held by the NCACPA. Jay has also led seminars on fraud and auditing techniques during the past three years.

## Jacob Allen, Audit Manager

Jacob Allen, CPA, is an Audit Manager in the Raleigh office of Sharpe Patel PLLC. Jacob practices in the areas of auditing and attestation. He has over ten years of experience in public accounting and his areas of expertise include:

### Continuing Professional Education

His continuing education includes attendance at courses concentrating on audit services for governmental industry clients.

### Education

- Bachelor of Business Administration in Accounting – Campbell University
- Masters of Accountancy – North Carolina State University

### Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)

### Accreditations and Licenses

Jacob is licensed as a Certified Public Accountant in the State of North Carolina (#37400).





## Staff Commitment

The Firm is fully committed to having the same staff on an annual basis on the Town's audit engagements. We fully understand from previous experience with clients that staff continuity is one of the major reasons organizations become dissatisfied with their CPAs. It is beneficial to the Firm to have the same staff on an engagement on an annual basis as they will have previous knowledge with the client and will be more efficient.

## Education

It is a policy of the Firm that all audit staff maintain at a minimum of 40 hours of CPE on an annual basis, rather or not that they have at their CPA license. This continuing professional education is accomplished through a combination of conferences, seminars, webinars, self-study course and internal CPE courses. Every staff assigned to the Town's audit will have sufficient CPE and Yellow Book credit hours on an ongoing basis.

## GOVERNMENTAL EXPERIENCE

As noted under our Firm Profile, the Firm has vast experience in auditing governmental agencies. Our governmental experience includes:

- Towns and Cities
- Boards of Education
- Charter Schools
- Community Colleges
- EMS Units
- Affordable Housing
- Component units including Foundations

## REFERENCES

We invite you to contact the below personnel of other current audit clients in regards to their audit experience with us.

### **Town of Benson**

303 E. Church Street

Benson, NC 27504

Kim Pickett – Finance Director

[kpickett@townofbenson.com](mailto:kpickett@townofbenson.com)

(919) 894-3553

### **Town of Goldston**

Goldston NC

Annie King-Gaines ; [akkgaines@americansouthgc.com](mailto:akkgaines@americansouthgc.com)

### **Wayne County Public Schools**

2001 E. Royall Avenue

Goldsboro, NC 27534

Michael Hayes – Finance Director

[michaelhayes@wcps.org](mailto:michaelhayes@wcps.org)

(919) 731-5900

### **Town of Pittsboro**

635 East Street

Pittsboro, NC 27312

Heather Meacham – Finance Director

[hmeacham@pittsboronc.gov](mailto:hmeacham@pittsboronc.gov)

(919) 542-4621 ext. 102

*Additional references available upon request.*

## INDEPENDENCE

In accordance with the quality control document of the Firm all professional personnel must be familiar with and adhere to the independence, confidentiality integrity, and objectivity rules, regulations, interpretations, and Rulings of the AICPA, the State of North Carolina Board of Accounting, the State of North Carolina CPA Society, state statutes, and other State or regulatory agencies where applicable. Independence, Confidentiality, Integrity, and Objectivity Representation is required by all personnel when hired and annually thereafter.

Independence on all audit engagements is reviewed on an annual basis to ensure compliance with all rules that govern this topic. We have reviewed our independence in association with this proposed engagement and in all matters relating to the audit of the Town, Sharpe Patel PLLC is independent in fact and appearance.

## INSURANCE COVERAGE

The Firm presently carries the following insurance policies:

1. Worker's Compensation - The Firm maintains Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage.
2. Commercial General Liability –General Liability Coverage on a Comprehensive Broad Form on an occurrence basis.
3. Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract.
4. Professional Liability - Professional Liability Coverage on a Comprehensive Broad Form on an occurrence basis.

All insurance meets the laws of the State of North Carolina. Insurance coverage is obtained from companies that are authorized to provide such coverage and are authorized by the Commissioner of Insurance to do business in North Carolina. The Firm shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the Firm shall not be interpreted as limiting the contractor's liability and obligations under the contract.

If awarded the contract, we will be glad to provide a COI.

## REGULATORY ACTIONS

No regulatory action has been taken against the Firm or any staff members that will be assigned to the audit.



**SHARPE PATEL CPA**  
CERTIFIED PUBLIC ACCOUNTANTS  
BEYOND THE NUMBERS

# TOWN OF HOLDEN BEACH

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**Jay E. Sharpe, CPA, CFE**

AUDIT PARTNER

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Raleigh, NC 27609

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## APPENDICES:

Attachment A – Cost Proposal Breakdown

## SECOND SECTION

### AUDIT PROGRAMS

Our audit programs are combinations of programs made in house and programs which are issued by governmental authorities and private publishers such as Practitioners Publishing Company (PPC). We generate unique programs for each audit based on the client's industry and our risk assessment software. The use of this risk assessment software allows us to assess risk to each individual section of the financial statements and to generate additional tasks for higher risk areas. We are able to customize the programs as needed. We subscribe to the not-for-profit industry from PPC and CCH.

### STATISTICAL SAMPLING

We will use a combination of statistical and non-statistical sampling in our audit approach. We will determine which method to use based on auditor judgment during planning and creation of procedures. Statistical sampling will include use of either simple random sampling using a random number generator or interval sampling. Non-statistical sampling will include use of judgmental selection and haphazard selection. Audit procedures performed on selected samples along with analytical procedures will be used to obtain sufficient appropriate audit evidence to afford a reasonable basis for an opinion regarding the financial statements under audit. When appropriate, we will also use Dual-Purpose Sampling to test the operating effectiveness of controls and tests of the recorded monetary amounts, minimizing the time spent on repetitive tasks, thereby saving audit costs. The sample sizes will be directly related to the assessment of the inherent risk and the control risk of the entity.

We will gain an understanding of internal controls through the use of internal control walkthroughs. We typically perform test controls over major areas such as cash disbursement, receipts and payroll. We prefer to conduct internal control testing during interim fieldwork and during the actual year under audit so we can gain an understanding of controls during the year.

### COMPUTER AUDIT SPECIALIST

We do use a computer audit specialist when a need arises. However, due to the heavy investments that our Firm has made in technology and the knowledge that our staff has, we are typically able to handle computer related issues without the need of a specialist. Our staff will obtain an understanding of the internal controls surrounding the computer systems to identify any potential weakness that may have a direct and material impact on the financial statements and we will make recommendations directly to management in areas where weaknesses are identified.

## MANAGEMENT LETTER CONTENT

During compliance and substantive testing we may note certain matters involving internal control and other operational procedures. Our job as your auditor will be to ensure that you understand where you have deficiencies or weaknesses so that you can make informed decisions on how best to respond to these risks. We may identify the following types of deficiencies:

- **Control Deficiency:** 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. This type of deficiency is communicated in the management letter.
- **Significant Deficiency:** 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.
- **Material Weakness:** A material weakness is a deficiency, or 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.

We will communicate to you orally and in a letter, all deficiencies noted and recommendations for your consideration, intended to improve the internal control and/or the results of the operating efficiencies. The letters are solely for management, those charged with your organization's governance, others you deem appropriate within your organization and any governmental authorities you need to share this information with.

Our Firm operates under a "NO SURPRISE MANDATE", any issues which arise during the audit will be brought to the attention of management for discussion and analysis. We will NOT be issuing board communication without providing the same information to management. Management, as well as the audit committee will have the opportunity to discuss any issues which come up prior to issuance of Standard Board Communication Letters.

In addition, during the audit process; especially as a new auditor, a.k.a. a fresh set of eyes, we will provide verbally any room we observe for improvement to management.

Our goal is to be a partner with all of our clients, and work together to make the audit a smooth, and value added process.

## CLIENT ASSISTANCE METHODOLOGY

Our Firm uses state of the art technology in addition to e-mail and file sharing as much as possible, eliminating all unnecessary paper and removing geographic limitations. We customarily utilize paperless and electronic engagement software in the field to share data with staff working on the same engagement using Virtual Office and Prosystem Engagement. Therefore, the items outlined in the Request for Proposal (RFP) and other requested items are preferred in electronic format whenever possible. In addition to the environmental benefit, this can save significant amounts of time in calculations, sampling, procedures, and record keeping ultimately reducing audit costs.

We fully understand that minimizing costs is a high objective of both the Firm and the Town. In order to accomplish this, we do expect complete cooperation from the Town's staff during the performance of the audit. This includes preparing as many of the schedules and supporting documentation as possible and being available for questions and discussion. We understand the Staff at the Town are very busy in their daily responsibilities. An audit can be a

burden for a short period of time, but the better the cooperation, the more efficient the audit can be performed and the quicker the auditors will leave! We can designate specific time to ask questions of staff if needed.

In order to input the Town's trial balances into our audit software, we would need the trial balance transmitted to us in an excel format or a format that could be converted to excel.

We will provide a list of items needed ahead of fieldwork.

## AUDIT PLAN

### AUDIT APPROACH

Our audit approach is designed to maximize efficiencies, by leveraging staff and technology. We utilize automated processes, and have staff that specializes in certain areas of the audits, such as internal control tests and high risk areas. We have found that we can complete more efficient audits by utilizing this approach, which also provides a high level of expertise, therefore improving service and recommendations to your organization. Our goal is to provide an efficient high quality audit.

### RISK ASSESMENT

We will perform a risk assessment of the Town's financial reporting process. This assessment will evaluate both inherent and control risks. Based on this risk assessment, we will concentrate our audit procedures on higher risk areas.

This is a tentative schedule. Actual dates will be determined in a preliminary meeting with management.

|            |   |
|------------|---|
| March 2020 | Sharpe Patel PLLC is awarded the audit.   |
| March      | Engagement letter / contracts are prepared. Signed engagement letters / contracts are returned to the Firm and submitted to the LGC for their approval. Sharpe Patel PLLC communicates with the predecessor auditors and sets up a time to review their working papers.   |
| May / June | We will conduct preliminary fieldwork. This will include planning and risk assessment procedures. We will conduct internal control testing. We expect to be on site one to two days for this. We will also send the Town a list of the items we will need to complete our regular fieldwork at this time along with any bank, loan (if applicable) and revenue confirmations. |
| August     | We will receive trial balances in advance of fieldwork so we can enter into our system and conduct preliminary analysis. We know the staff at the Town are very busy in their routine responsibilities. Our goal is to limit the disruption. We use a paperless engagement system, so documents can be sent ahead of fieldwork.   |



## Engagement Fieldwork

September            The Firm will conduct final fieldwork. The exact dates will be discussed with management. All issues we note during our audit will be discussed with staff before fieldwork is complete. We expect to be on site for final fieldwork for approximately one week.

## Engagement Conclusion

October                The financial statements will be prepared by the Firm. Once completed, we will present management with a draft. Once draft is approved, we will submit to the LGC for their review and approval.

November /            We will present the audits to any requested Board and / or committee meetings.  
December

We will present the Town with a more specific time and more exact dates if awarded the audit.

## FEES

### Scenario 1 (Audit and Financial Preparation Services)

|  |           |
|--|-----------|
| Audit Services for the year ended June 30, 2020: | \$ 25,500 |
| Audit Services for the year ended June 30, 2021: | \$ 25,500 |
| Audit Services for the year ended June 30, 2022: | \$ 26,500 |

### Scenario 2 (Audit Services only)

|  |           |
|--|-----------|
| Audit Services for the year ended June 30, 2020: | \$ 22,500 |
| Audit Services for the year ended June 30, 2021: | \$ 23,000 |
| Audit Services for the year ended June 30, 2022: | \$ 23,500 |

### Scenario 3 (Financial Preparation Services only)

|  |          |
|--|----------|
| Audit Services for the year ended June 30, 2020: | \$ 3,000 |
| Audit Services for the year ended June 30, 2021: | \$ 2,500 |
| Audit Services for the year ended June 30, 2022: | \$ 2,500 |

Please see **Attachment A** for a cost proposal breakdown for various costs, rates and timing of hours.

### **This fee includes:**

- **Financial Audit of the Town (scenario 1 or 2)**
- **Preparation of the financial statements of the Town (scenario 1 or 3)**
- **Presentation to the board and / or finance committee (scenario 1 or 2)**
- **Travel costs (scenario 1 or 2)**
- **Minor technical questions throughout the year (all scenarios)**

*\* This fee is an estimate based on our expectation of the amount of work needed to complete the audit services for the Town. If the actual work is less than the fee quoted above, the Town will be charged the lesser amount.*

### Technical Questions

We understand the Town may seek consultation on various subjects throughout the year and we encourage our clients to contact us with questions. Routine questions are included in our fees above as part of our service and are encouraged. If the Town has questions or research topics that require extensive time, those services will be billed at our standard billing rates (discounted for not-for-profits). We will agree to the cost of this additional work with the Town before beginning any such requests

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## OTHER INFORMATION

### Why Choose Us?

#### Service

We at Sharpe Patel PLLC pride ourselves on providing a service model that thrives on being more responsive to our clients. We want to serve our clients and work with them, not simply be a vendor that works for the client. We allow our clients access to our most experienced personnel. We believe we are the size the CPA firm that can give those personal services to organizations the size of the Town. We understand that many CPA firms could perform an audit, but it is the personal service that makes the difference. We want all our clients to succeed and we want to assist them in doing so.

#### Staff

As noted above, our service model calls for our most experienced personnel to be available to our clients. We have experienced low turnover, therefore we are able to offer staff continuity for the engagements. Technology and sophisticated auditing software systems are nice, but what makes the difference is the people. We believe the experience of our staff is a perfect fit for these engagements.

#### Experience

Concentration in the governmental sector.

#### Communication

In order to best serve the Town, we believe communication is an overriding factor. We will provide constant communication to management on the audit process.

#### Pricing

We based our cost proposal on how much time we think, based on experience, it will take to complete the engagement. Many firms base their cost proposal on what the Town previously paid and try to low bid to win the contract. In the end, as with many services, we believe you get what you pay for. ***We are not in the business of "winning" engagements, instead we are "creating" relationships.***

---

**ATTACHMENT A**  
**Cost Proposal Breakdown**

**TOWN OF HOLDEN BEACH**  
**Cost Proposal**  
**Audit Services - June 30, 2020**

**AUDIT AND FINANCIAL STATEMENT PREPARATION**

The following is a summary of our cost proposal for the audit services of the Town for the year ended June 30, 2020. This cost proposal is on a "not-to-exceed" basis.

**Personnel Costs**

|   | <u>Partner</u>  | <u>Audit Manager</u> | <u>Senior Staff</u> | <u>Staff</u>    | <u>Total</u>     |
|---|-----------------|----------------------|---------------------|-----------------|------------------|
| Preliminary Fieldwork   | -               | 15                   | 15                  | -               | 30               |
| Fieldwork   | 12              | 32                   | 32                  | 32              | 108              |
| Work performed in auditor's office<br>(planning, wrap up, financial statements, etc.) | 10              | 20                   | 12                  | 8               | 50               |
| <b>Total Hours</b>  | <b>22</b>       | <b>67</b>            | <b>59</b>           | <b>40</b>       | <b>188</b>       |
| <b>Rates</b>  | <b>\$ 200</b>   | <b>\$ 150</b>        | <b>\$ 130</b>       | <b>\$ 110</b>   |                  |
|   | <b>\$ 4,400</b> | <b>\$ 10,050</b>     | <b>\$ 7,670</b>     | <b>\$ 4,400</b> | <b>\$ 26,520</b> |

|                                |  |  |     |  |                  |
|--------------------------------|--|--|-----|--|------------------|
| Travel                         |  |  |     |  | \$ 3,000         |
| Cost of supplies and materials |  |  |     |  | \$ -             |
| Other costs                    |  |  |     |  | \$ -             |
| <b>TOTAL COSTS</b>             |  |  |     |  | <b>\$ 29,520</b> |
| Government discount            |  |  | 15% |  | \$ (4,020)       |

|                      |               |                    |
|----------------------|---------------|--------------------|
| <b>COST PROPOSAL</b> | June 30, 2020 | <b>\$ 25,500</b> * |
|                      | June 30, 2021 | <b>\$ 25,500</b> * |
|                      | June 30, 2022 | <b>\$ 26,500</b> * |

\* This is a cost not to exceed. If the costs are less than the quoted amount, the Town will be charged the lesser amount.

**TOWN OF HOLDEN BEACH**  
**Cost Proposal**  
**Audit Services - June 30, 2020**

**AUDIT ONLY**

The following is a summary of our cost proposal for the audit services of the Town for the year ended June 30, 2020. This cost proposal is on a "not-to-exceed" basis.

**Personnel Costs**

|   | <u>Partner</u>  | <u>Audit Manager</u> | <u>Senior Staff</u> | <u>Staff</u>    | <u>Total</u>     |
|---|-----------------|----------------------|---------------------|-----------------|------------------|
| Preliminary Fieldwork   | -               | 15                   | 15                  | -               | 30               |
| Fieldwork   | 12              | 32                   | 32                  | 32              | 108              |
| Work performed in auditor's office<br>(planning, wrap up, financial statements, etc.) | 6               | 6                    | 8                   | 8               | 28               |
| <b>Total Hours</b>  | <b>18</b>       | <b>53</b>            | <b>55</b>           | <b>40</b>       | <b>166</b>       |
| <b>Rates</b>  | <b>\$ 200</b>   | <b>\$ 150</b>        | <b>\$ 130</b>       | <b>\$ 110</b>   |                  |
|   | <b>\$ 3,600</b> | <b>\$ 7,950</b>      | <b>\$ 7,150</b>     | <b>\$ 4,400</b> | <b>\$ 23,100</b> |

Travel \$ 3,000

Cost of supplies and materials \$ -

Other costs \$ -

**TOTAL COSTS \$ 26,100**

Government discount 16% \$ (3,600)

|                      |               |                    |
|----------------------|---------------|--------------------|
| <b>COST PROPOSAL</b> | June 30, 2020 | <b>\$ 22,500</b> * |
|                      | June 30, 2021 | <b>\$ 23,000</b> * |
|                      | June 30, 2022 | <b>\$ 23,500</b> * |

\* This is a cost not to exceed. If the costs are less than the quoted amount, the Town will be charged the lesser amount.

**TOWN OF HOLDEN BEACH**  
**Cost Proposal**  
**Audit Services - June 30, 2020**

**FINANCIAL STATEMENT PREPARATION ONLY**

The following is a summary of our cost proposal for the financial statement preparation services of the Town for the year ended June 30, 2020. This cost proposal is on a "not-to-exceed" basis.

**Personnel Costs**

|  | <u>Partner</u> | <u>Audit<br/>Manager</u> | <u>Senior<br/>Staff</u> | <u>Staff</u> | <u>Total</u> |
|--|----------------|--------------------------|-------------------------|--------------|--------------|
| Work performed in auditor's office<br>(planning, wrap up, financial<br>statements, etc.) | 6              | 4                        | 12                      | -            | 22           |
| <b>Total Hours</b>   | 6              | 4                        | 12                      | -            | 22           |
| <b>Rates</b>   | \$ 200         | \$ 150                   | \$ 130                  | \$ 110       |              |
|  | \$ 1,200       | \$ 600                   | \$ 1,560                | \$ -         | \$ 3,360     |
| <b>Travel</b>  |                |                          |                         |              | \$ -         |
| <b>Cost of supplies and materials</b>  |                |                          |                         |              | \$ -         |
| <b>Other costs</b>   |                |                          |                         |              | \$ -         |
| <b>TOTAL COSTS</b>   |                |                          |                         |              | \$ 3,360     |
| <b>Government discount</b>   |                |                          | 11%                     |              | \$ (360)     |
| <b>COST PROPOSAL</b>   |                |                          | June 30, 2020           |              | \$ 3,000 *   |
|  |                |                          | June 30, 2021           |              | \$ 2,500 *   |
|  |                |                          | June 30, 2022           |              | \$ 2,500 *   |

**\* This is a cost not to exceed. If the costs are less than the quoted amount, the Town will be charged the lesser amount.**

**TOWN OF HOLDEN BEACH**

**SUMMARY OF AUDIT COSTS SHEET**

Scenario 1

|  |  |                            |
|--|--|----------------------------|
| 1. Base Audit                                      |  |                            |
| Includes personnel costs, travel, and on-site work |  | \$ 22,000.00               |
| 2. Financial Statement Preparation                 |  | \$ 3,000.00                |
| 3. Extra Audit Service                             |  | \$ -                       |
| 4. Other (explain)     AFIR                        |  | \$ 500.00                  |
| 5. Other (explain)                                 |  | <u>\$ -</u> 1)             |
|  |  | <u><u>\$ 25,500.00</u></u> |

1) If a Federal Single Audit is required, we will discuss those fees before the start of that work.

**TOWN OF HOLDEN BEACH**

**SUMMARY OF AUDIT COSTS SHEET**

Scenario 2

|  |                            |
|--|----------------------------|
| 1. Base Audit                                      |                            |
| Includes personnel costs, travel, and on-site work | \$ 22,000.00               |
| 2. Financial Statement Preparation                 | \$ -                       |
| 3. Extra Audit Service                             | \$ -                       |
| 4. Other (explain)     AFIR                        | \$ 500.00                  |
| 5. Other (explain)                                 | <u>\$ -</u> 1)             |
|  | <u><u>\$ 22,500.00</u></u> |

1) If a Federal Single Audit is required, we will discuss those fees before the start of that work.



**TOWN OF HOLDEN BEACH**

**SUMMARY OF AUDIT COSTS SHEET**

Scenario 3

|  |    |                 |
|--|----|-----------------|
| 1. Base Audit                                      |    |                 |
| Includes personnel costs, travel, and on-site work | \$ | -               |
| 2. Financial Statement Preparation                 | \$ | 3,000.00        |
| 3. Extra Audit Service                             | \$ | -               |
| 4. Other (explain)     AFIR                        | \$ | -               |
| 5. Other (explain)                                 | \$ | -               |
|  |    | <hr/>           |
|  | \$ | <u>3,000.00</u> |