

## REQUEST FOR BOARD ACTION

### HENDERSON COUNTY BOARD OF COMMISSIONERS

**MEETING DATE:** April 18, 2007

**SUBJECT:** Audit Services Request for Proposal

**ATTACHMENTS:** 1) Summary of Proposals Received  
2) Martin, Starnes & Associates, CPAs, P.A. Proposal

#### **SUMMARY OF REQUEST:**

On March 16, 2007, Staff mailed out a Request for Proposal (RFP) for audit services to certified public accounting firms that have conducted local government audits in the western part of the State. Three firms responded to the County's request for proposal to conduct the annual financial and compliance audit for a three-year term. Attached (Exhibit A) are the proposal results from these three firms.

The certified public accounting firm, Martin, Starnes & Associates, CPAs, P.A., with offices in Taylorsville and Hickory has been determined by Staff to be the most qualified and best proposal received to conduct the County's annual financial and compliance audit for the fiscal years ending June 30, 2007, 2008 and 2009. They have proposed a fee of \$49,500 to conduct the County's current fiscal year audit. The annual fee increases to \$51,000 and \$52,500 for the second and third years. This firm currently performs the annual financial audit for 20 counties across the State and number of municipalities, governmental districts and public authorities. Staff has contacted references about this firm and all comments were positive.

#### **BOARD ACTION REQUESTED:**

Staff recommends that the Board consider accepting the proposal (Exhibit B) submitted by Martin, Starnes & Associates, CPAs, P.A. to perform Henderson County's annual audit for a three-year term subject to annual approval of the audit contract by the Board. This firm has been researched by Staff and it has been determined that they meet the qualifications necessary to conduct the County's annual financial and compliance audits.

#### **Suggested Motion:**

**I move the Board accept the audit services proposal from Martin, Starnes & Associates, CPAs, P.A. to conduct the County's annual financial and compliance audit for fiscal years 2007, 2008 and 2009 subject to annual approval of the audit contract by the Board.**

**Henderson County**  
**Audit Services Request for Proposals**  
**Summary of Proposals Received**

<b><u>CPA Firm:</u></b>	<b><u>Year 1</u></b> <b><u>Cost</u></b>	<b><u>Year 2</u></b> <b><u>Cost</u></b>	<b><u>Year 3</u></b> <b><u>Cost</u></b>
<b>Martin, Starnes &amp; Associates</b>	<b>\$49,500</b>	<b>\$51,000</b>	<b>\$ 52,500</b>
<b>Dixon Hughes PLLC</b>	<b>\$77,600</b>	<b>\$94,700</b>	<b>\$104,200</b>
<b>Gregg &amp; Company, P.A.</b>	<b>\$43,000</b>	<b>\$44,000</b>	<b>\$ 45,000</b>

**Note: Letters declining to bid due to current commitments and scheduling conflicts were received from Carland & Andersen, Inc. in Hendersonville and Crawley, Lee & Company, P.A. in Asheville**

April 5, 2007

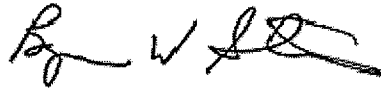
Henderson County Finance Department  
Attn: J. Carey McLelland, Finance Director  
Historic Courthouse Annex  
113 N. Main Street  
Hendersonville, North Carolina 28792

Dear Mr. McLelland:

Thank you for the opportunity to propose on the audit of the financial statements of Henderson County, North Carolina. We appreciate the confidence that you have shown in our firm by asking us to bid on the audit.

Enclosed is a detailed proposal regarding the audit and a brief history of our firm. Please call me at (828) 327-2727 x228 or email me at [bstarnes@martinstarnes.com](mailto:bstarnes@martinstarnes.com) if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan W. Starnes", with a stylized flourish at the end.

Bryan W. Starnes, CPA/ABV  
Partner

**SECTION I**

**AUDIT PROPOSAL  
HENDERSON COUNTY, NORTH CAROLINA  
2007-2009**



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**Martin Starnes & Associates, CPAs, P.A.**

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

**HENDERSON COUNTY, NORTH CAROLINA  
AUDIT PROPOSAL**

**GENERAL REQUIREMENTS OF TECHNICAL PROPOSAL**

**Firm Name:**

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

**Letter of Transmittal:**

It is our understanding that we will be engaged to perform an audit of the financial statements for Henderson County, North Carolina as required by auditing standards generally accepted in the United States of America. We will also audit the County's compliance with the specific requirements of its major federal and State programs under the guidelines of OMB-133, its compliance with laws and regulations and design of its internal control system as required by generally accepted governmental auditing standards (GAGAS "Yellow Book"). Our audit opinion will include an "in relation to" paragraph specifically covering the schedule of expenditures of federal and State awards. It is our understanding that the County will provide the necessary data to complete the Schedule of Federal and State Awards. We will also prepare the Data Collection Form for submission to the Federal Audit Clearing House.

We will conduct the audit in a timely manner such that all necessary financial and compliance information for all funds is completed and a draft of the financial statements is presented to the Finance Director, for issuance no later than the 31<sup>st</sup> of October each year. Our firm will meet these completion dates if the County closes its books so that final fieldwork can commence by August of each contract year.

Our proposal is a firm and irrevocable offer for three months after the delivery of the proposal.

Our firm is best qualified to perform the audit of Henderson County based on our experience in auditing counties, our commitment to the governmental industry, our availability to our clients throughout the year, our record of providing non-traditional services to our governmental audit clients, and our commitment to continued education and training specifically in the governmental arena. Furthermore, the best reason for selecting our firm lies in our client's referrals. Please feel free to contact any of our current clients for a recommendation.

**HENDERSON COUNTY, NORTH CAROLINA  
AUDIT PROPOSAL**

**INFORMATION ABOUT MARTIN STARNES & ASSOCIATES, P.A.  
Certified Public Accountants**

The public accounting firm of Martin Starnes & Associates was established in January 1987. We have a total staff of thirty including eight certified public accountants and fourteen CPA candidates. Our audit staff receives extensive training each year to keep abreast of the laws and standards governing the field of governmental accounting and auditing.

The backgrounds of our certified public accountants include public accounting experience with international accounting firms as well as local firms. Our audit partner, Bryan W. Starnes, also has experience as a controller in the furniture industry.

We have been or are active in several local civic and charitable organizations such as the Chamber of Commerce, Hospice, Rotary Club, Catawba Valley Job Ready Partnership, Alexander Vocational Advisory Council, Hickory Horizons Task Force, and the Tri-City Christian School Board of Education. Victoria Martin and Bryan Starnes are both past members of the Executive Board of the Catawba County Chamber of Commerce and Bryan previously served as the Executive Chair of the Chamber's governmental affairs and leadership committee.

**Governmental Industry Philosophy**

We are confident that our philosophy regarding governmental client service distinguishes our firm from all other proposing firms.

1. We assign client responsibilities to our Client Services Managers. This is a twofold benefit to our clients, one, you have a Partner and a Client Services Manager to contact with questions, and two, staffing continuity is virtually assured.
2. We are 100% available to our government clients twelve months a year, since we intentionally do not have a December 31 "busy season." Over 95% of the firm's total audit hours are spent on government units.
3. We invest virtually all of our audit resources and training dollars to the governmental industry to support our commitment to be "the best governmental audit firm we can be."
4. We provide cost-effective services to our government clients by maximizing our audit efficiency. This is accomplished by having a staff that is properly trained, supervised and experienced.

# HENDERSON COUNTY, NORTH CAROLINA AUDIT PROPOSAL

## 1. Qualifications Statement – Martin Starnes & Associates CPAs, P.A.

### A Commitment To Excellence

We are one of the premier governmental auditing firms in North Carolina. In 1992 we had one governmental unit, Town of Taylorsville, and made the decision to invest the time and resources to specialize in the governmental industry. As you will see on our reference page, we now audit 20 counties, numerous municipalities, and numerous governmental authorities. Most importantly, we have been able to give excellent service during our growth periods as is evidenced by the near 100% renewal rate we have been able to achieve.

Staff quality is assured by our commitment to continuing education in the field of governmental accounting. All of our professional staff receive a minimum of 40 hours per year in continuing education. Governmental audit staff members average 32 hours **per year** in governmental auditing and accounting seminars. These seminars are normally sponsored by the NCACPA or the Institute of Government.

In addition to the continuing education received through the NCACPA or the Institute of Government, Martin Starnes & Associates offers internal training seminars on all new audit pronouncements. The Audit Partner and Senior Audit Manager keep the professional staff apprised of all exposure drafts and prepare responses as deemed necessary.

### A Commitment to the Industry

Our firm actively supports and participates in the following governmental associations:

- **NC Government Finance Directors Association (GFOA)** – sponsor both semi-annual meetings and have been a speaker on numerous occasions at the conferences
- **National GFOA** – sponsor and allow Senior Manager to volunteer her *time to review CAFRs for Certificate of Excellence program*
- **NC County Finance Directors Association** - sponsor annual meeting and have been a speaker on numerous occasions at the conferences
- **Institute of Government (Chapel Hill)** – sponsor of “Friends of the Institute” events across the State, capital campaign sponsor
- **NC City and County Managers Association** – exhibitor and sponsor
- **NC County Commissioners Association** – associate member and sponsor

### A Commitment to the GFOA Certificate of Excellence Program

We are proud of our experience with reports receiving the “Certificate of Excellence.” In NC, 53 counties and 71 municipalities receive the Certificate of Excellence from the GFOA. Of the 124 units receiving the “certificate”, we audited 25 (20%) in 2006. Since 1992, 100% of our clients that have submitted their reports to the GFOA have received the “Certificate of Excellence.” Please see our references at Requirement 2 for our CAFR clients.

We have two managers, Paula Hodges and Marcie Spivey, who serve on the Special Review Committee of the GFOA’s Certificate of Achievement for Excellence in Financial Reporting Program. Throughout the year Paula and Marcie review CAFR submissions from all over the Country for compliance with GFOA reporting guidelines and qualifications for the award program.

# HENDERSON COUNTY, NORTH CAROLINA AUDIT PROPOSAL

## 1. Qualifications Statement – Martin Starnes & Associates CPAs, P.A. (continued)

### **Professional Experience and Educational Background of Audit Staff**

The specific staff members assigned to the County's engagement is based on several factors: your schedule for closing the general ledger, timetable for when final fieldwork can begin, specific experience requirements of your engagement, and our existing audit schedule. The extent of partner/manager involvement will be commensurate with the experience of the staff we assign to the engagement. The resumes of our managers, senior accountants, in-charge accountants, and Bryan Starnes, audit partner are at **Attachment A**. Please see "Continuity is King" below. We understand the importance of our staff understanding your business. This is accomplished through training, supervision, and continuity.

### **Continuity Is King (Capacity)**

Typically, there are four people in our firm that are keenly aware of the operations of any one particular client (Bryan Starnes-Partner, Paula Hodges-Senior Manager, a Client Services Manager, and an In-Charge Accountant). This structure ensures the County continuity of key staff. An unexpected illness or departure from the firm of any one member does not affect the engagement continuity you will come to expect from Martin Starnes & Associates. Also, a wider breadth of people working on the County's audit offers a wider perspective from which to draw audit conclusions and offer suggestions for improvement. Alternatively, the partner can only be one place at one time; therefore, if the key person is the only person, then the County may find itself waiting in line for service. With our firm, you will never wait for service.

### **References Speak Volumes**

We cannot encourage you enough to contact our references, consider our commitment to the industry, and evaluate our fees in relation to our extensive governmental experience, and we are confident Henderson County will select our firm.



**HENDERSON COUNTY, NORTH CAROLINA  
AUDIT PROPOSAL**

**GFOA  
Certificate  
Report**

**References**

Our firm is currently performing the audits for these governmental units:

**Counties**

Alexander County	Ms. Jennifer Herman	621 Liledoun Road, Taylorsville, NC 28681	(828) 632-4591	12	
Alleghany County	Mr. Don Adams	P O Box 366, Sparta, NC 28675	(336) 372-2826	7	**
Brunswick County	Ms. Ann Hardy	P O Box 249, Bolivia, NC 28422	(910) 253-2070	3	**
Catawba County	Mr. Rodney N. Miller	100-A Southwest Blvd, Newton, NC 28658	(828) 465-8200	6	**
Chatham County	Ms. Vickie McConnell	PO Box 608, Pittsboro, NC 27312	(919) 542-8213	1	**
Cleveland County	Mr. Chris Crepps	311 East Marion Street, Shelby, NC 28151	(704) 484-4808	3	**
Davidson County	Ms. Jane Kiker	PO Box 1067, Lexington, NC 27292	(336) 242-2029	2	**
Gaston County	Mr. Bill Bradley	PO Box 1578, Gastonia, NC 28053-1578	(704) 866-3111	1	**
Halifax County	Ms. Linda Taylor	P O Box 38, Halifax, NC 27839	(252) 583-3771	6	**
Iredell County	Ms. Susan Blumenstein	PO Box 788, Statesville, NC 28677	(704) 878-3040	2	**
Lee County	Ms. Lisa Minter	106 Hillcrest Drive, Sanford, NC 27331	(919) 718-4600	2	**
Lincoln County	Mr. Leon Harmon	115 West Main Street, Lincolnton, NC 28092	(704) 736-8487	3	**
Macon County	Ms. Evelyn Southard	5 West Main Street, Franklin, NC 28734	(828) 349-2000	7	**
Nash County	Ms. Lynne Anderson	120 West Washington Street, Nashville, NC 27856	(252) 459-9803	3	**
Northampton County	Ms. Dot Vick	PO Box 663, Jackson, NC 27845	(252) 534-1536	8	**
Pitt County	Ms. Melonie Bryan	1717 West Fifth Street, Greenville, NC 27834	(252) 902-3000	8	**
Rockingham County	Mr. Michael Apple	PO Box 209, Wentworth, NC 27325-0209	(336) 342-8120	3	**
Stanly County	Mr. Charles Mashburn	1000 North First Street, Albemarle, NC 2800	(704) 986-3611	6	**
Stokes County	Ms. Julia Edwards	PO Box 20, Danbury, NC 27016	(336) 593-2405	1	**
Surry County	Ms. Betty Taylor	118 Hamby Road, Suite 333, Dobson, NC 27017	(336) 401-8250	8	**

**Municipalities**

City of Gastonia	Ms. Cynthia Fortune	Attn: Finance Office, Gastonia, NC 28053-1748	(704) 866-6708	6	**
City of Greenville	Ms. Bernita W. Demery	200 Martin Luther King Jr. Drive, Greenville, NC 27835	(252) 329-4441	4	**
City of Havelock	Ms. Lee Tillman	PO Drawer 368, Havelock, NC 28532	(252) 444-6403	7	**
City of Kannapolis	Mr. Michael Shinn	246 Oak Avenue, Kannapolis, NC 28081	(704) 920-4307	3	**
City of Lexington	Ms. Terra Greene	Terra Greene, Dir. of Finance, Lexington, NC 27292	(336) 248-3925	7	**
City of New Bern	Ms. Mary Muraglia	PO Box 1129, New Bern, NC 28563	(292) 639-2711	2	**
City of Salisbury	Mr. Wade Furches	PO Box 479, Salisbury, NC 28145-0479	(704) 638-5309	2	**
City of Washington	Ms. Carol Williams	PO Box 1988, Washington, NC 27889	(252) 975-9312	1	**
Town of Banner Elk	Mr. Steve Smith	200 Park Avenue, Banner Elk, NC 28604	(828) 898-5398	2	**
Town of Benson	Mr. Keith Langdon	PO Box 69, Benson, NC 27504	(919) 894-4953	1	**
Town of Garysburg	Ms. Fannie Greene	505 Old Highway, Garysburg, NC 27831	(252) 536-2167	2	**
Town of Granite Falls	Ms. Linda Story	30 Park Square, Granite Falls, NC 28630	(828) 396-3131	11	**

**HENDERSON COUNTY, NORTH CAROLINA  
AUDIT PROPOSAL**

**GFOA  
Certificate**

References	Years	Report
Town of Highlands	4	(828) 526-2118
Town of Hudson	13	(828) 728-8272
Town of Huntersville	1	(704) 875-6541
Town of Longview	6	(828) 322-5919
Town of Mooresboro	2	(704) 434-5079
Town of Nags Head	1	(252) 449-2020
Town of Newport	1	(252) 223-4749
Town of North Wilkesboro	3	(336) 667-7129
Town of Pleasant Garden	9	(336) 674-3002
Town of Sawmills	3	(828) 396-7903
Town of Seven Devils	2	(828) 963-5343
Town of Smithfield	2	(919) 934-2116
Town of Taylorsville	17	(828) 632-2218
Town of Troutman	9	(704) 528-7600
Town of Tryon	3	(828) 859-6654
Town of Winterville	2	(252) 756-2221
Village of Sugar Mountain	2	(828) 898-9292
<b>Other Government Agencies</b>		
Appalachian Health District	6	(336) 372-8813
Bethlehem Water District	11	(828) 632-4591
Crossroads Behavioral Healthcare	7	(336) 835-1000
Flatrock Bannertown Water and Sewer District	4	(336) 401-8250
Gastonia Tourism Development Authority	4	(704) 866-6708
Greenville Utilities Commission	4	(252) 752-2181
Halifax County Tourism Development Authority	6	(252) 583-3771
Lexington Tourism Authority	7	(336) 248-3925
Mount Airy Surry County Airport Authority	4	(336) 789-5320
Pitt County Industrial Development Commission	8	(252) 758-1989
Pitt-Greenville Convention & Visitors Authority	4	(252) 329-4200
Sheppard Memorial Library	4	(252) 329-4580
Stokes County Water & Sewer Authority	1	(336) 593-2405
Town of Seven Devils Tourism Development Authority	1	(828) 963-5343
Village of Sugar Mountain Tourism Development Authority	2	(828) 898-9292
Water & Sewer Authority of Cabarrus County	1	(704) 786-1783

HENDERSON COUNTY, NORTH CAROLINA  
AUDIT PROPOSAL

GFOA  
Certificate  
Years Report

References

*In the past 14 years, we have had very few reports delivered to the LGC after October 31st. Generally, the few reports delivered late were intentionally delayed by our client or were held up due to CAFR binding and printing problems.*

Prior Governmental Audit Relationships

Alexander County Board of Education	4 Years
Town of Boone	3 Years
City of Statesville	3 Years

New Reporting Model (GASB 34) - Audit Clients During Implementation Period

Phase I Units audited	3
Phase II Units audited	7
Phase III Units audited	27

We provided on-site GASB 34 training to two of our clients that draft their own financial statements. We had three phase I governments during the implementation process and proudly submitted the first GASB 34 report to the Local Government Commission in

Bryan W. Starnes authored and instructed "Nuts and Bolts of GASB 34", an eight hour course on real-life implementation of the new reporting model.

# HENDERSON COUNTY, NORTH CAROLINA AUDIT PROPOSAL

## 2. Independence

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

In all matters relating to the audit of the Henderson County, Martin Starnes & Associates, CPAs, P.A. is independent in fact and appearance as defined in Government Auditing Standards, issued by the Comptroller General of the United States.

## 3. License

Martin Starnes & Associates, CPAs, P.A. is registered with the North Carolina Board of Examiners and is licensed to perform public accounting in North Carolina. All of our certified staff are licensed to practice public accounting in North Carolina.

## 4. Firm Information

### Responsible Office:

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

We have a total staff of thirty including eight certified public accountants and fourteen CPA candidates. Our governmental audit staff includes one partner, four managers, six senior accountants/in-charge accountants, four staff accountants and one intern.

We have had two audits subject to desk reviews in the past three years. No deficiencies were noted during either of the reviews.

There have been no regulatory or disciplinary actions taken against the firm nor are any actions pending.

**HENDERSON COUNTY, NORTH CAROLINA  
AUDIT PROPOSAL**

**5. Partner, Supervisors and Staff:**

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

- Engagement Partner (1)
- Senior Audit Manager (1)
- Client Services Manager (1)
- In-charge Accountant (1)
- Staff Accountant (1)

The on-site fieldwork will be supervised by the In-Charge Accountant with close oversight by the Client Services Manager. As discussed at the Qualifications Statement, the specific members of the team will be determined after the contract is awarded. Therefore, we have provided you with numerous staff resumes to consider.

**6. Similar Engagements**

The following clients are similar to Henderson County. Please see our reference page for contact information. Bryan Starnes is the engagement partner on all of our governmental audit engagements.

<u>Engagement</u>	<u>Audit Type</u>	<u>Final Fieldwork Date</u>	<u>Estimated Hours</u>
Halifax County	Single Audit	September 17th	550
Nash County	Single Audit	August 13th	480
Rockingham County	Single Audit	September 10th	430
Brunswick County	Single Audit	September 4th	390
Iredell County	Single Audit	September 10th	370

Please see our references information for client contact information.

## HENDERSON COUNTY, NORTH CAROLINA AUDIT PROPOSAL

### 7. Specific Audit Approach

The planning stages of the engagement will take place in April/May. We will spend approximately 40 hours in planning. Our firm's policy regarding planning is, "**If you fail to plan, you plan to fail.**"

We will use a balance sheet approach for all funds to validate the "net income (loss)" reported on the income statement. Due to the risk associated with budget compliance and classification in the governmental fund types, we will perform substantive analytic review at the department level to address our audit risks.

The interim fieldwork will be scheduled for March/May and final fieldwork will be scheduled for August/September. Fieldwork dates will be discussed with the finance director annually. Each stage of fieldwork will take approximately one week.

Continuity of the engagement is of the utmost importance to our firm. We will stay on site until the engagement is complete.

Our firm feels that it is of the utmost importance for the governing body or its audit committee to have an opportunity to ask the auditor questions regarding the audit of the financial statements. Therefore, we are available to present the financial statements to the governing body as a part of our audit engagement and/or meet with your audit committee to discuss the financial statements.

We converted to a "paper-less audit" approach in 2004. How does this benefit Henderson County? It maximizes the use of electronic transfer of data between our staff and the County. It allows our firm to access your workpapers regardless where we physically are located (so questions can be answered, even if we are on another engagement). It eliminates the need for your staff to make a copy of documents; alternatively, they are simply scanned to us via the internet. Most importantly, if we have a concern, we can email your staff the source document and they can see the audit evidence that we are looking at simultaneous with our staff.

Our audit approach does not require a significant amount of your office staff's time. We make every effort to group our questions together in order to minimize our interruption of their workday. Our clients consistently commend us at the completion of the audit that "they hardly knew we had been there."

### Other Information

We acknowledge that October 31<sup>st</sup> is not just a good idea, but it is the deadline for submitting the audited financial statements to the LGC. A common question asked of our firm is, "**How do you complete all of those engagements with one office, and on time?**" **Answer:** We work on our governmental clients year-round, we properly plan the engagement, we draft the report in the field, and we schedule our staff so that they work peak hours when required and rest during the off-season. They do not have two "busy seasons."

# HENDERSON COUNTY, NORTH CAROLINA AUDIT PROPOSAL

## 7. Specific Audit Approach (continued)

### Tentative Engagement Timeline

- January/February – (As soon as contract is awarded for initial year) Download 12/31 trial balance and perform preliminary analytic procedures. This procedure allows us to keep informed of changes at the County before the audit commences.
- Early March – Planning meeting with Finance Director. At the planning meeting we will mutually agree on the fieldwork timetable, client prepared schedules, etc... The purpose of this meeting is to get your staff and our staff on the same page.
- Mutually agreed upon time between March and June – Interim fieldwork (Test internal controls and grant compliance)
- June – Download another preliminary trial balance (5/31). Update preliminary analytic review inquiries. Update the financial statements for new funds and departments.
- July – Download unadjusted final trial balance. Perform yet another analytic review of the County. Update the financial statements for new funds and departments.
- August/September – Import final trial balance; perform preliminary analytical procedures; perform final risk assessment.
- August/September – Begin final fieldwork. Adjusting entries will be provided at the end of fieldwork.
- September/October – All necessary financial and compliance information (draft financial statements and adjusting journal entries in final form for proofing and reconciliation to the County's records) for all funds will be completed and presented to the Finance Director.
- Prior to October 31 – Delivery of final audited financial statements to County/LGC.

### Audit Programs

Our audit approach includes the utilization of the audit programs provided by Practioner's Publishing Company (PPC) for governmental audits. These audit programs are written for engagements where the audit risk has been deemed **high**. Therefore, where applicable we will amend the standard audit programs and develop our own audit programs in order to be more efficient and effective.

### Statistical Sampling

We do not use statistical sampling in our audit approach. Our audit approach uses judgmental sampling in order to test the contents of the audit area rather than the attributes of the audit area. We obtain our audit assurance from a combination of detail testing (sampling) and analytic review. Analytic review is the process of comparing our expectations of a particular audit area to the actual results and analyzing the differences. We believe this approach is more effective in detecting material errors and is less time consuming on our staff and the governmental unit's staff.

### Computer Audit Specialists

Our technology manager has training in the area of MIS controls. He will either conduct the County's MIS controls assessment or review the assessment performed by our in-charge accountant. Our audit process includes documenting our understanding of the internal control systems, including the computer system's controls. Our staff is qualified to analyze the computer controls and make any necessary recommendations.

# HENDERSON COUNTY, NORTH CAROLINA AUDIT PROPOSAL

## 7. Specific Audit Approach (continued)

### Client Assistance

We will develop a mutually agreed upon "Prepared By Client" list to outline the schedules and assistance we expect from the County's staff. We must be able to receive the trial balance for all funds, the original budget, and the final budget in electronic format, preferably in Excel.

## 8. Review Process

All of our reports are subject to a technical review performed by an audit manager and an overriding review performed by the engagement partner.

We are proud of our experience with reports receiving the "Certificate of Excellence". We have twenty-five clients who have received the award every year we have audited the unit. We have assisted three clients with converting their audit report to a CAFR and were successful in receiving the certificate the first year on all three occasions. As mentioned earlier, we also have two staff members, Paula Hodges and Marcie Spivey, who perform CAFR reviews for the GFOA.

## Other Information

### Firm Quality Standards

Our professionals are members of the American Institute of Certified Public Accountants and the North Carolina Association of Certified Public Accountants. Our firm participates in the Quality Review program sponsored by the American Institute of Certified Public Accountants. Membership in the division requires that we be subjected to a peer review by an independent CPA firm. Such a review assures that the services our clients receive meet the highest standards of the accounting profession. **Due to the large number of governmental audits our firm performs, we have had a least one government client reviewed during each of our quality reviews.** We received an unqualified opinion, which is the best review result issued, in 2005, 2002, 1999, 1996 and 1993. See the copy of our peer review letter at the end of Section I.

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

### Professional Liability Insurance

We presently carry professional liability insurance with Continental Insurance. Our policy limits are \$3,000,000 per claim and \$3,000,000 in the aggregate.



**ATTACHMENT A**

**Bryan W. Starnes, Audit Partner**

**Years in Public Accounting:** 20

**Years with Current Firm:** 15

**Education Background:** University of North Carolina - Charlotte  
Bachelor of Science in Accounting  
  
Certified Public Accountant in North Carolina  
  
Accredited in Business Valuations - AICPA

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

**Specialized Training and Other Information:**

Speaker at NC GFOA conferences; SC GFOA conferences; NC GFOA County finance officers' conferences

Member of the NCACPA Government Auditing and Accounting Committee

Authored and taught "Nuts and Bolts of GASB 34" training class; developed GASB 34 conversion worksheets

Graduate of Leadership Alexander  
Actively involved in Catawba County Chamber of Commerce and Alexander County Chamber of Commerce

Member of Catawba County Chamber of Commerce Executive Board

Member of the AICPA & NCACPA

**Work Experience:** Served as audit partner for all of the firm's governmental audit clients since 1992.

## Paula Hodges, Senior Audit Manager

**Years in Public Accounting:** 15

**Years with Current Firm:** 8

**Education Background:** North Carolina State University  
Bachelor of Arts in Accounting

Certified Public Accountant in North Carolina

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

**Specialized Training and Other Information:**

Member of the Special Review Committee of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program

Member of the NCACPA Government Auditing and Accounting Committee

Speaker at the North Carolina Government Finance Officers Association conferences

Member of the AICPA & NCACPA

Graduate of Leadership Catawba

**Work Experience:**

Number of Years on Job  
Manager    Senior    Staff

Paula has been the Senior Manager on all of our governmental audit engagements since 2002.

Alexander County	2 years	1 year
Catawba County	6 years	
Lee County	2 years	
Macon County	2 years	
Surry County	2 years	1 year
City of Lexington	3 years	
Town of Granite Falls	2 years	1 year
Town of Hudson	6 years	1 year
Town of Nags Head	1 year	
Village of Sugar Mountain	2 years	
Bethlehem Water District	2 years	1 year
Lexington Tourism Authority	3 years	
Village of Sugar Mountain Tourism Development Authority	2 years	

## Marcie Spivey, Audit Manager

**Years in Public Accounting:** 11

**Years with Current Firm:** 11

**Education Background:** Lenoir-Rhyne College  
 Bachelor of Arts in Accounting  
  
 Certified Public Accountant in North Carolina

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

**Specialized Training and Other Information:** Member of the AICPA & NCACPA  
  
 Actively involved in Catawba County Chamber of Commerce

**Work Experience:**

	<u>Number of Years on Job</u>		
	<u>Manager</u>	<u>Senior</u>	<u>Staff</u>
Alexander County		1 year	2 years
Halifax County	6 years		
Iredell County	2 years		
Nash County	3 years		
Stanly County	4 years	1 year	1 year
Stokes County	1 year		
Surry County	4 years		2 years
City of Asheville	1 year		
City of Greenville	1 year		
City of Kannapolis	2 years		
City of Lexington	1 year		
City of Statesville	2 years	1 year	
Town of Boone			2 years
Town of Garysburg	2 years		
Town of Granite Falls	2 years	3 years	1 year
Town of Hudson		2 years	1 year
Town of Long View	5 years		
Town of Mooresboro	2 years		
Town of North Wilkesboro	3 years		
Town of Pleasant Garden	6 years	3 years	
Town of Seven Devils	2 years		
Town of Taylorsville	6 years	3 years	2 years
Town of Troutman	3 years	2 years	1 year
Alexander County Board of Education			3 years
Appalachian District Health Department	5 years		
Crossroads Behavioral Healthcare (LME)	4 years	2 years	1 year
Greenville Utilities Commission	4 years		
Stokes County Water & Sewer Authority	1 year		
Town of Seven Devils Tourism Development Authority	1 year		

## Chris Costner, Audit Manager

**Years in Public Accounting:** 9

**Years with Current Firm:** 5

**Education Background:** Western Carolina University  
Summa Cum Laude Graduate, May 1996  
BSBA in Accounting

Certified Public Accountant in North Carolina

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

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

**Work Experience:**

	<u>Number of Years on Job</u>		
	<u>Manager</u>	<u>Senior</u>	<u>Staff</u>
Alexander County	5 years		
Alleghany County	5 years		
Cleveland County	3 years		
Lincoln County	2 years		
Macon County	5 years		
Northampton County	5 years		
Rockingham County	3 years		
City of Gastonia		5 years	
City of Salisbury	2 years		
City of Washington	1 year		
Town of Highlands	4 years		
Town of Huntersville	1 year		
Town of Longview	2 years		
Town of Smithfield	1 year		
Town of Troutman	3 years		
Town of Tryon	3 years		
Town of Tryon ABC Board	3 years		
Town of Winterville	1 year		
Bethlehem Water District	5 years		
Broad River Water Authority	3 years		
City of Gastonia TDA	5 years		
Lincoln County Airport Authority	2 years		
Macon County Airport Authority	5 years		
Tryon ABC Board	3 years		
Water & Sewer Authority of Cabarrus County	1 year		

## Amber McGhinnis, Project Manager

**Years in Public Accounting:** 5

**Years with Current Firm:** 5

**Education Background:** Appalachian State University  
 Bachelor of Science in Business Administration in  
 Accounting, Magna Cum Laude  
 Master of Science in Accounting  
  
 Certified Public Accountant in North Carolina

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

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

**Work Experience:**

	<u>Number of Years on Job</u>		
	<u>Manager</u>	<u>Senior</u>	<u>Staff</u>
Alexander County			2 years
Brunswick County			1 year
Catawba County			2 years
Cleveland County		1 year	
Davidson County		2 years	
Halifax County			2 years
Iredell County			1 year
Lincoln County			1 year
Macon County			1 year
Nash County		1 year	1 year
Northampton County			2 years
Pitt County			2 years
Rockingham County			1 year
Stanly County			1 year
Surry County			2 years
City of Greenville		1 year	2 years
City of Lexington		2 years	1 year
Town of Granite Falls			2 years
Town of Pleasant Garden		2 years	
Town of Sawmills		2 years	
Town of Tryon		2 years	
Crossroads Behavioral Healthcare		1 year	2 years
Greenville Utilities Commission			2 years
Pitt-Greenville CVA		2 years	1 year
Town of Tryon ABC		2 years	

## Brian Gantt, Senior Accountant

**Years in Public Accounting:** 6

**Years with Current Firm:** 6

**Education Background:** University of North Carolina at Charlotte  
Bachelor of Science in Accounting

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

**Work Experience:**

	<u>Number of Years on Job</u>		
	<u>Manager</u>	<u>Senior</u>	<u>Staff</u>
Alexander County		2 years	2 years
Alleghany County			2 years
Brunswick County			2 years
Catawba County			3 years
Halifax County			3 years
Lincoln County	2 years		
Macon County			3 years
Northampton County	1 year		4 years
Pitt County			4 years
Stanly County	1 year		2 years
Surry County			3 years
City of Gastonia			2 years
City of Kannapolis	2 years		1 year
City of Lexington			2 years
Town of Benson	1 year		
Town of Granite Falls			1 year
Town of Highlands	2 years		
Town of Hudson			2 years
Town of Longview			1 year
Town of North Wilkesboro	2 years		1 year
Town of Pleasant Garden			2 years
Town of Rutherfordton	2 years		2 years
Town of Smithfield	2 years		
Town of Troutman	2 years		2 years
Appalachian District Health Department	2 years		2 years
Crossroads Behavioral Healthcare	1 year		3 years

**B. Shane Fox, Senior Accountant**

**Years in Public Accounting:** 6

**Years with Current Firm:** 1

**Education Background:** Appalachian State University  
Bachelor of Science in Accounting

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

**Specialized Training and Other Information:**

Actively involved in Alamance County Chamber of Commerce

Completed Polaris In-Charge and leadership program

MAS 90, MAS 200 Certified

Quickbooks 2000-2005 Certified

**Work Experience:**

In Charge for more than 50 audits in Manufacturing, Distribution, Retail, Investment, and Biotechnology.

Audit Clients varied from \$2 to \$120 million in Revenues

In charged staff of 1 to 4

Actively maintained and performed CFO duties in transition roles.

Alleghany County  
Brunswick County  
Chatham County  
Cleveland County  
Gaston County  
Nash County  
Pitt County  
Stokes County  
Stokes County Water & Sewer Authority  
  
Town of Huntersville  
Town of Longview  
Town of Tryon  
Town of Tryon ABC Board

<u>Number of Years on Job</u>		
<u>Manager</u>	<u>Senior</u>	<u>Staff</u>
	1 year	
		1 year
	1 year	
	1 year	
	1 year	
	1 year	
		1 year
	1 year	
	1 year	
	1 year	
	1 year	



## Steve Vang, In-Charge Accountant

**Years in Public Accounting:** 5

**Years with Current Firm:** 3

**Education Background:** Lenoir-Rhyne College  
Bachelor of Arts in Accounting

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

**Work Experience:**

	<u>Number of Years on Job</u>		
	<u>Manager</u>	<u>Senior</u>	<u>Staff</u>
Alexander County			2 years
Alleghany County			3 years
Catawba County			1 year
Cleveland County			2 years
Davidson County			1 year
Lee County			2 years
Lincoln County			1 year
Northampton County			1 year
City of Gastonia			3 years
City of Greenville			1 year
Town of Garysburg		2 years	
Town of Highlands		1 year	
Town of North Wilkesboro		1 year	
Town of Sawmills		1 year	
Town of Troutman		2 years	
Town of Winterville		2 years	
Pitt Ancillary Units		3 years	
Surry Ancillary Units		2 years	1 year
Water & Sewer Authority of Cabarrus County		1 year	

## Crystal Waddell, In-Charge Accountant

**Years in Public Accounting:** 3

**Years with Current Firm:** 3

**Education Background:** Lenoir-Rhyne College  
Bachelor of Arts in Accounting  
Bachelor of Arts in Finance

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

**Specialized Training and Other Information:**

Active in various Catawba County Chamber of Commerce events: Women's Leadership Conference, Chamber Prize Patrol

**Work Experience:**

	<u>Number of Years on Job</u>		
	<u>Manager</u>	<u>Senior</u>	<u>Staff</u>
Catawba County			2 years
Halifax County			3 years
Lincoln County			2 years
Macon County			1 year
Nash County			1 year
Pitt County			3 years
Surry County			3 years
City of Gastonia			1 year
City of Kannapolis			1 year
City of Lexington			3 years
City of Washington	1 year		
Town of Hudson			1 year
Town of Longview			1 year
Town of Mooresboro	2 years		
Town of Pleasant Garden	2 years		
Town of Taylorsville	1 year		
Town of Troutman			1 year
Town of Tryon			2 years
Town of Winterville			1 year
Catawba County Ancillary Units			1 year
Crossroads Behavioral Healthcare			1 year
Flatrock Banner Town Water & Sewer			1 year
Gastonia Tourism Development Authority			2 years
Halifax County Tourism Development Authority			3 years
Lincolnton Recreation Commission	3 years		
Pitt County Ancillary Units			1 year
Pitt County Industrial Development Commission			3 years
Sheppard Memorial Library	1 year		
Surry County Ancillary Units			2 years
Town of Tryon ABC	1 year		1 year

## ATTACHMENT B

### I. INDEPENDENCE

It is the policy of our firm that all employees be familiar with and adhere to the independence rules, regulations, interpretations, and rulings of the AICPA and N.C. State Board of CPA Examiners. 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:

- Investments by any employee in a client's business.
- Investments by any employee with a client, or with client personnel.
- Borrowing from or loans to a client, or client's personnel.
- Accepting cash or gifts from a client (with the exception of noncash token Christmas gifts of nominal value)
- Certain family relationships between employees and client personnel.  
(Consult the partners for more details on this rule.)

Notwithstanding the preceding policy and list of prohibited transactions, at the partner's discretion, certain prohibitions can be waived if it is 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 the **AICPA professional** literature for nonindependent situations.

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

All employees are required to sign a representation letter when hired (and annually thereafter) that acknowledges their familiarity with the firm's independence policies and procedures.

All employees are required to notify a 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, all employees 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. The Firm's library contains the authoritative rules on independence that govern the Firm. (That literature and the advice of the partners should be consulted when an employee is not sure if a transaction, event, or circumstance impairs our firm's independence.)

All employees are required to review the firm's client list annually for possible independence violations. A list of new clients is provided periodically throughout the year and is communicated to each employee on a timely basis. Any independence violations should be communicated to the partners on a timely basis. When hired and annually, all employees are required to sign a representation that confirms this responsibility.

If our Firm is engaged as principal auditor and another firm is engaged by our firm to examine a subsidiary, branch, division, governmental unit, or to perform procedures on an element or account grouping with a client's financial statement, the engagement team is required to obtain a representation regarding the other firm's independence with respect to our client. The auditing manuals used by the other firm contain examples of representation letters that may be used in such situations; however they are not required to be in writing or in the form prescribed by the audit manuals of this firm. 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 engagement programs in the accounting and auditing manuals used by our firm contain steps to ensure compliance with this procedure.

The partner or the in-charge accountant under the direct supervision of the partner has the primary responsibility for determining if there are significant unpaid fees on any of his clients that would impair the firm's independence. The engagement work program used by the firm contains program steps to ensure compliance with this procedure. The firm's client accounts receivable listing and the partner's knowledge of any unbilled fees should be considered in making this determination. In addition, the partners have the secondary responsibility to review the firm's accounts receivable listing on a periodic basis to identify potential independence problems.

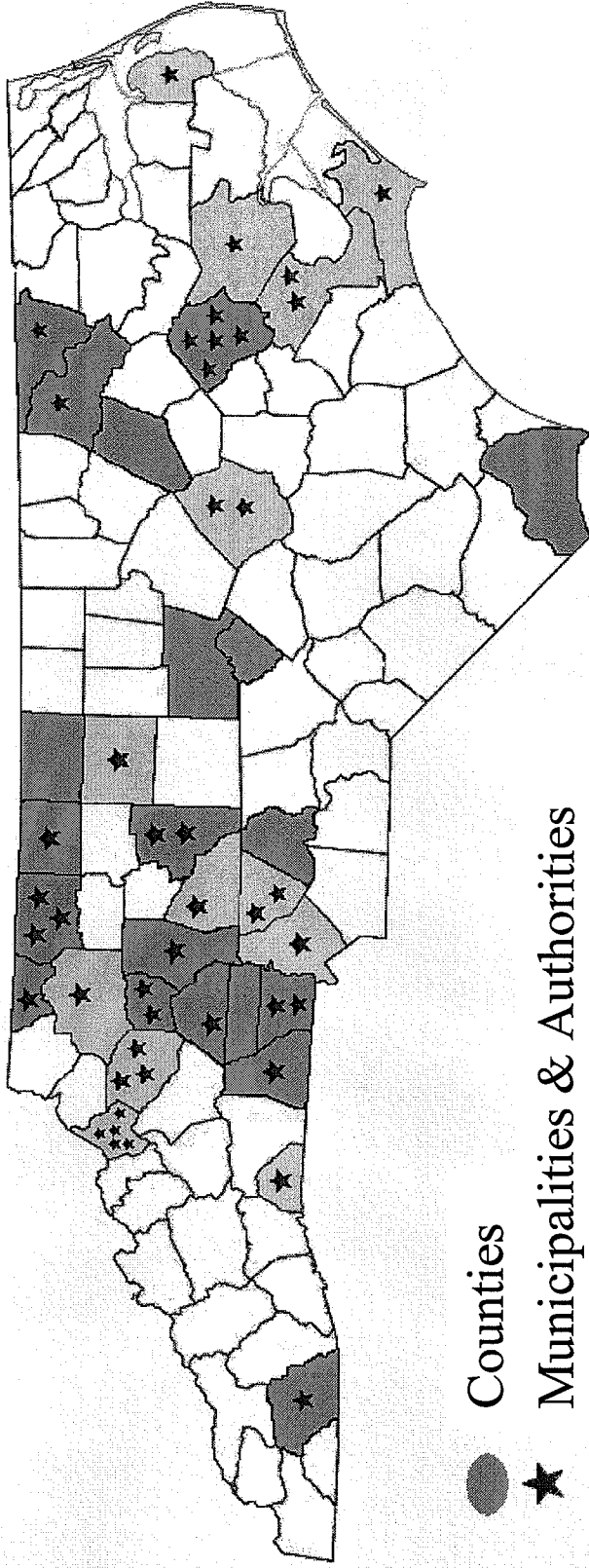
The partners are responsible for resolving questions relating to the independence matters and are available to provide guidance. In so doing, the partners, should when necessary, consult the AICPA or the N.C. State Board of CPA Examiners for assistance in interpreting independence rules. Documentation of the resolution of an independence matter should be filed in the client's permanent workpapers.

To ensure that our firm's independence policy and procedures are properly considered at the engagement level, the work programs in the accounting and auditing manuals used by the firm contain steps that require a determination of independence on each new and recurring client. Furthermore, these manuals contain reporting guidance for those types of engagements where a lack of independence is allowed.

To monitor compliance with our firm's policy and procedures on independence, representation letters are obtained when an employee is hired, and annually thereafter, and are routed to the managing partner for his review. During our firm's annual quality control 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 policy.

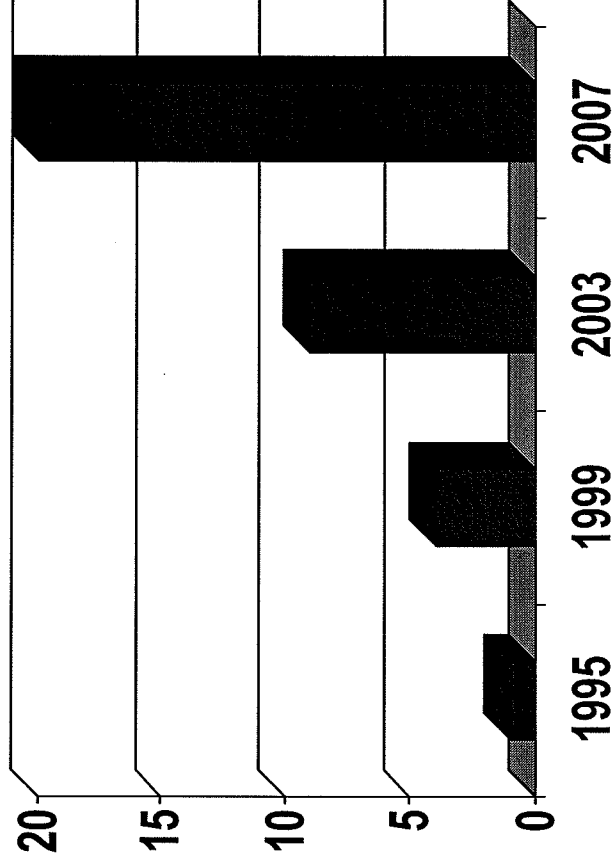
# North Carolina Is Our Neighborhood

Governmental Entities We Currently Audit



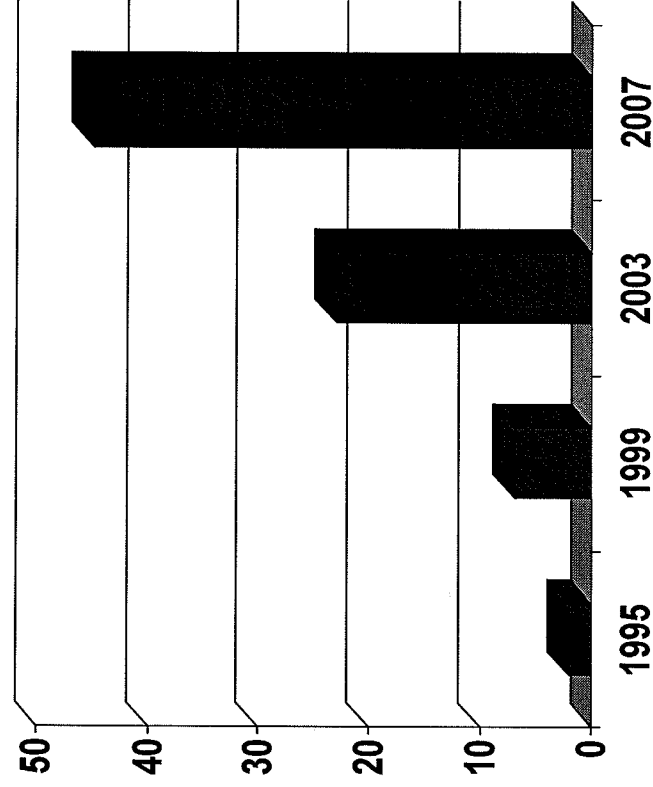
# Counties Audited

- 1995 – 1 county
- 1999 – 4 counties
- 2003 – 9 counties
- 2007 – 20 counties

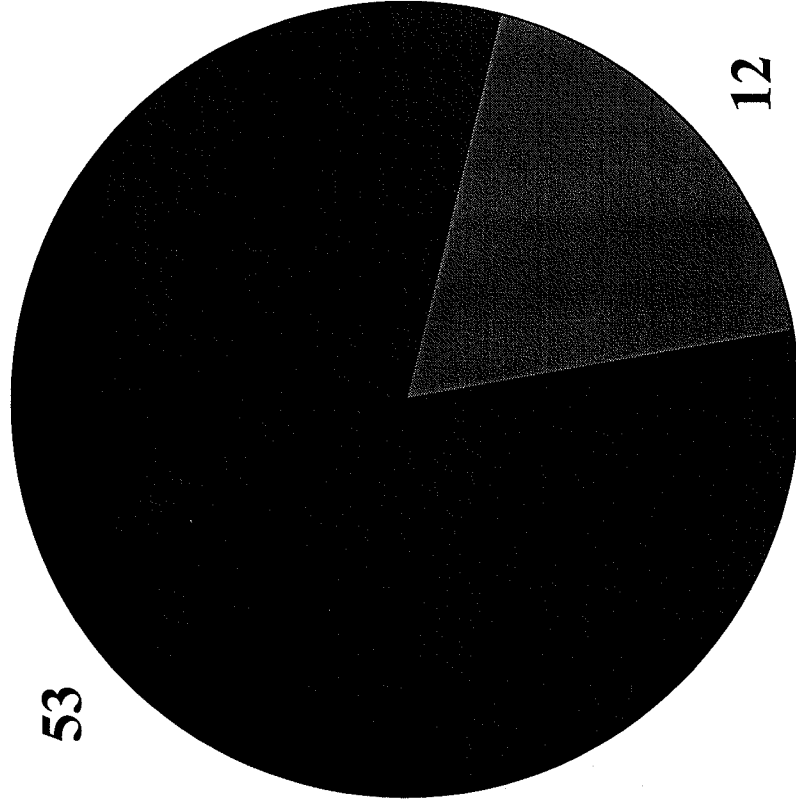


# Municipalities & Authorities Audited

- 1995 – 2 entities
- 1999 – 7 entities
- 2003 – 23 entities
- 2007 – 45 entities



# Timeliness Of Reports Issued



■ Issued prior to 10/31 ■ Issued after 10/31\*

\*Reports issued after the due date were either client drafted reports or client prepared sections were not submitted by 10/31.



# BOYCE, FURR & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MUEL A. BOYCE, PARTNER  
BOBBIE W. FURR, PARTNER

SANDY P. NEWELL, CPA  
JULIE A. BYRD, CPA  
JO ELLEN B. LOY, CPA  
DAVID E. BOYCE, CPA

January 25, 2006

Martin Starnes & Associates, CPAs, P.A.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended June 30, 2005. A system of quality control encompasses the firm's organizational structure, the policies adopted, and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included, among others, engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selective tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended June 30, 2005, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

*Boyce, Furr & Company, LLP*

BOYCE, FURR & COMPANY, LLP

**SECTION II**

**DOLLAR COST BID  
FOR  
HENDERSON COUNTY  
AUDITING SERVICES  
2007 - 2009**



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**Martin Starnes & Associates, CPAs, P.A.**

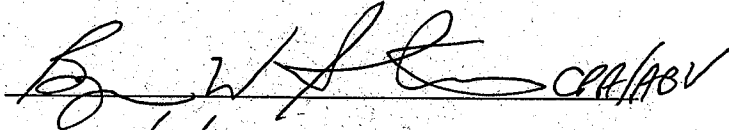
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*A Professional Association of Certified Public Accountants and Management Consultants*

**HENDERSON COUNTY, NORTH CAROLINA  
AUDIT PROPOSAL**

Bidder: Martin Starnes & Associates, CPAs, P.A.  
Contact: Bryan W. Starnes CPA/ABV  
Address: 730 13<sup>th</sup> Avenue Drive SE; Hickory, NC 28602  
Telephone: 828 327-2727  
Fax: 828 328-2324  
Email: [bstarnes@martinstarnes.com](mailto:bstarnes@martinstarnes.com)

Authorized Signature: \_\_\_\_\_



Date: \_\_\_\_\_

4/4/07

Bryan Starnes is authorized by Martin Starnes & Associates, CPAs, P.A. to represent the firm, empowered to submit the bid, and authorized to sign the contract with Henderson County.

**Professional Fees**

Proposed fees for year ending June 30, 2007	<u>\$ 49,500</u>
Estimated costs for June 30, 2008	<u>\$ 51,000</u>
Estimated costs for June 30, 2009	<u>\$ 52,500</u>

**Supplemental Fees**

Annual Financial Information Report	<u>\$ 3,000</u>
Printing Cost for 75 reports	<u>\$ 1,500</u>

**Basis/methodology of cost estimate:**

Audit fee increases average 3-4% per year. After three years on an engagement we generally see a slight reduction in hours and are able to hold fees constant for a short period. If the County's fund structure changes significantly from one year to the next, we will discuss the necessary adjustment in fees with the Finance Director. Fees presented are on a "fixed-fee" basis. We will execute a "change order" with the Finance Director before any additional fees are incurred by Henderson County. The "change order" will specify the services to be provided and an estimate of the related fees. We do not bill for travel costs related to the audit engagement. If we are engaged to provide services outside of the audit engagement, we will negotiate the fees for those services and they may include reimbursing our firm for travel related expenses. Our hourly rates for such services range from \$70-\$225.

**The fees proposed above include technical assistance to the finance staff throughout the year.** We are available to serve our government clients twelve months a year. Any assistance that would require supplemental fees will be negotiated in advance.