



Village of Pinehurst North Carolina

Request for Proposal (RFP) To Provide Audit Services

Date of Issue: January 23, 2026

Proposals Due: February 13, 2026 at 4:00 PM (EST)

Village's Contact Information:

Name: Dana Van Nostrand
Title: Financial Services Director, Village of Pinehurst
Address: 395 Magnolia Road, Pinehurst, NC 28374
Phone: 910.295.8646
Email: dvannostrand@vopnc.org

Request for Proposal

The Village Council of the Village of Pinehurst, North Carolina (hereinafter called the "Village") invites qualified independent auditors (hereinafter called "auditor") having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

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

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

Type of Audit

1. The audit will encompass a financial and compliance examination of the unit's Annual Comprehensive Financial Report (ACFR) in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with:
 - a. Generally accepted auditing standards (GAAS);
 - b. Government Auditing Standards (GAGAS);
 - c. Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), if applicable;
 - d. North Carolina State Single Audit Implementation Act, if applicable; and
 - e. All other applicable laws and regulations.
2. The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of proposal submission. This includes, but is not limited to Governmental Accounting Standards Board (GASB) statements and GAGAS. Although some pronouncements will not be in effect until after the first year of the audit, estimates for future years should include pronouncements that will become effective during that contract period. The audit firm will be expected to advise appropriate Village staff on the applicability of accounting and reporting standards as they become effective.
3. The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, each major fund and the remaining fund information, and component units, as applicable and required by generally accepted accounting principles (GAAP), which collectively constitute the basic financial statements.
4. The auditor shall perform procedures on required supplementary information and other supplementary schedules in accordance with applicable standards.
5. The compliance audit opinions will include:
 - a. A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with GAGAS;
 - b. A report on compliance for the major federal and/or state programs, as applicable;
 - c. A report on internal control over compliance required by the Federal Uniform Guidance and/or State Single Audit Implementation Act, as applicable.

6. The working papers shall be retained for no less than three (3) years from the date of the audit report and shall be made available to the Village upon request.
7. The audit will also include the following:
 - a. Pre-planning conference with Village Finance staff where both the auditor and Finance staff discuss their expectations of the audit;
 - b. Interim audit work prior to fiscal year end;
 - c. Year-end fieldwork performed on-site and remotely;
 - d. Timely communication of audit findings, recommendations, and proposed adjusting entries;
 - e. Preparation and submission of all reports and required documentation to the Local Government Commission (LGC), including the LGC Data Input Workbook;
 - f. Assistance with submission to the Federal Audit Clearinghouse, if a federal Single Audit is required;
 - g. Attendance by a partner or manager at the Village Council meeting at which the audit is presented (within 45 days of the issuance of the ACFR) to present the required communications to those charged with governance and answer any questions.
8. The audit should encompass all funds and entity-wide activities as reported in the Village's ACFR at prior year-end and any additional funds, entity-wide activities, or changes in the reporting entity that may be made subsequent to that date.
9. If required, the audit firm will issue a management letter to the Village Council after completion of the audit and assist management in implementing recommendations, as is practical. Village staff also request that an informal letter be addressed to the Financial Services Director with any efficiency, internal control or accounting improvements that could be made based on the audit staff's observation during their fieldwork. All content must be discussed with the Financial Services Director prior to issuance.
10. The Village staff may require the auditor's guidance or input on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as inclusion in the Village's financial statements. Guidance may be required for new GASB standards, note disclosures, all outstanding and effective authoritative standards and other reporting requirements at June 30 year-end. Cost for providing these services should be included in the auditor's base fee quote and will not be considered extra for additional billings. In cases, however, where services requested would require a more in-depth scope and require work significantly above the original fee quote, such additional fees must be negotiated prior to commencement of work.

Auditor Requirements

The audit firm is considered to be an independent contractor and will be wholly responsible for the services and the supervision of its own employees and permitted sub-contractors.

A planning meeting will be held each year to determine schedules that the Village will be responsible for preparing. Estimated timeframes will be established and interim audit work will be planned. Adequate notification will be given prior to any changes in estimated times.

By accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in GAGAS. **The Auditor must provide a copy of their most recent peer review report with their proposal.**

The Village will:

1. Designate an individual with suitable skills, knowledge, and experience to oversee the audit;
2. Prepare standard year-end schedules, reconciliations, supporting documentation, and any other items requested by the Auditor on the Prepared by Client listing;
3. Prepare the ACFR, including the basic financial statements, required supplementary information, supplementary information, and schedule of expenditures of federal and state awards;
4. Assess the applicability of new GASB pronouncements or other GAAP, and for applicable standards, perform analysis and calculations necessary to implement the new standards, and prepare memoranda and other necessary documentation to evidence the Village's procedures, analysis, and conclusions;
5. Prepare and submit the Annual Financial Information Report (AFIR) to the LGC;
6. Provide access to financial records, staff, and elected officials as necessary.

The Village management will ultimately be responsible for the preparation and fair presentation of the financial statements, which includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements.

Meeting LGC deadlines is a high priority for the Village. **While the LGC requires the Village's audit report be issued by December 31, the Village would prefer to continue to issue its audit report by October 31.** The Village of Pinehurst prefers interim fieldwork be completed before the fiscal year end (June 30). Year-end fieldwork should begin by mid-August and be completed by mid-September. Documents can be shared electronically to the extent it is practical. The Village expects that the audit firm staff will perform fieldwork both onsite and remotely, including manager and partner level staff for at least a portion of the onsite work. **An agreed upon post-closing trial balance must exist by September 30.** The Financial Services Director will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences and open items lists during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

Should the audit report not be issued by the LGC deadline of December 31 by no fault of the Village, there will be a reduction in the audit fee of \$100.00 per week late.

A PDF file of each audit report, management letter, and other applicable reports and communications must be supplied to the Financial Services Director within the time frame cited above. In addition, the auditor is responsible for complying with the requirements of the LGC for submitting the audit and all associated documents and forms (including the required Data Input Workbook) as required for the year under audit when (or prior to) submitting the final invoice for audit services rendered to the LGC.

The auditor will complete and submit the necessary Single Audit information to the Federal Audit Clearinghouse on behalf of the Village, if applicable.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the Village Council and submitted to the LGC for approval.

Either the manager or partner of the audit staff is required to attend the Village Council's meeting in which the audit report is presented (within 45 days of the issuance of the audit report). The Auditor will present the required communications to the Village Council, as well as general comments regarding the audit process and the results of the audit. The Financial Services Director will coordinate the date and time of the meeting with the Auditor.

Audit Contract: Period & Payment of Audit Fees

The Village intends to continue the relationship with the auditor for no less than three (3) years on the basis of annual negotiation after the completion of the first-year contract. Each year after negotiation has taken place, an annual contract documenting the terms of the audit will be signed. The remaining years of the agreement are subject to annual approval by the Village Council. The Village of Pinehurst reserves the right to request proposals at any time following the first year of this contract. It is requested that proposals be prepared for the following years, with year one being the only obligated year:

July 1, 2025 to June 30, 2026 (FY 2026)

July 1, 2026 to June 30, 2027 (FY 2027)

July 1, 2027 to June 30, 2028 (FY 2028)

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

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

Description of Selection Process

After the proposal issue date, all communications between the Village and prospective auditors regarding this RFP shall be in writing. **Any inquiries, requests for interpretation, technical questions, clarification, or additional information shall be directed to Dana Van Nostrand by emailing dvannostrand@vopnc.org.** Any additional information disclosed to participating audit firms prior to bid submission will be shared with all interested parties. **All questions shall be received no later than 5:00 pm, Friday, February 6, 2026.**

Prospective auditors may not have communications, verbal or otherwise, concerning this RFP with any Village personnel or officials, other than the persons listed in this section.

Potential respondents should email dvannostrand@vopnc.org noting "Audit RFP" in the subject header, to acknowledge receipt of the RFP and to inform the Village of its intent to respond. Provide the name, title, address, telephone, and email address of the individual who can address inquiries related to this RFP and the respondent's proposal.

Proposals will be submitted in two sections and must be physically signed by an authorized representative of the Audit firm. The first section will be comprised of the audit firm's prior experience and qualifications of its personnel in performing governmental audits. The second section will consist of completed cost estimate sheets. Village Finance staff will evaluate the auditor/firm on educational and technical qualifications. In the Village's sole discretion, the firm best meeting the

Village's expectations for experience, audit approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor will not be a sole determining factor. Unusually low bids that are obviously out of line with other proposals will raise concern. The lowest bid will not automatically be awarded preferential consideration.

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

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

Section 1 - Profile of the Firm

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

1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.
2. Indicate the number of people (by level) located within the Audit firm's local office that will handle the audit.
3. Provide a list of the audit firm's local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.
4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
5. Describe your audit organization's participation in AICPA sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review report.
6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Relevant experience and education with the new GASB reporting requirements should be clearly communicated.
7. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions.
9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.

11. Describe the firm's Statement of Policy and Procedures regarding Independence under GAGAS. Provide a copy of the firm's Statement of Policy and Procedures.
12. Describe liability insurance coverage arrangements.
13. Describe any regulatory action taken by any oversight body against the proposing audit firm or local office.
14. Comment on your knowledge of and relationship with the LGC and the University of North Carolina School of Government in Chapel Hill.

Section 2 – Audit Approach

Proposals should include completed cost estimate sheets and any other necessary cost information in a separate, sealed envelope marked "Cost Estimate." The Village will evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

1. Description of audit methodology and approach.
2. Type of audit software program used (tailor-made, standard government, or standard commercial).
3. Use of statistical sampling.
4. Use of automated processes and internal control testing methods.
5. Use of specialists.
6. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
7. Information that will be contained in the management letter.
8. Assistance expected from the government's staff, if other than outlined in the RFP.
9. Tentative schedule for completing the audit within the specified deadlines of the RFP, including a description of work that will be performed on-site vs. remotely.
10. Specify costs using the format below for the audit year July 1, 2025 to June 30, 2026. For the subsequent two audit years, list the estimated costs. The cost for the audit year ending June 30, 2026 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.
 - a. Audit firm personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
 - i. Estimated hours: please categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed remotely.

- ii. Rate per hour.
 - iii. Total cost for each category of personnel and for all personnel costs in total.
- b. Travel – itemize transportation and other travel costs separately.
 - c. Cost of supplies and materials – itemize.
 - d. Other costs – completely identify and itemize.
 - i. If applicable, note your method of determining increases in audit costs on a year-to-year basis
11. Please list any other information the firm may wish to provide.
12. Please include the Summary of Audit Costs Sheet with your proposal.

Time Schedule for Awarding the Contract

RFP Release Date	<i>January 23, 2026</i>
Deadline for RFP Questions *	<i>January 30, 2026 by 5:00 pm</i>
Questions to be Answered No Later Than	<i>February 6, 2026 by 5:00 pm</i>
Deadline for Receipt of Proposals **	<i>February 13, 2026 by 4:00 pm</i> Village of Pinehurst Attn: Dana Van Nostrand 395 Magnolia Road Pinehurst, NC 28374
Notice of Recommended Firm	<i>March 6, 2026</i>
Council Approval ***	<i>March 24, 2026</i>

* Any questions should be directed to Dana Van Nostrand, Financial Services Director, at dvannostrand@vopnc.org.

** Proposals can either be submitted electronically via email to Dana Van Nostrand at dvannostrand@vopnc.org or on paper by February 13, 2026. Envelopes containing proposals on paper should be clearly identified on the front with the words “RESPONSE TO RFP FOR AUDIT SERVICES”.

1. Your email should include two separate pdf attachments for sections 1 and 2.
2. Envelopes should include two copies of the bound proposal (separating section 1 and 2).

*** The Financial Services Director and Village Manager will review the proposals and make a recommendation to the Village Council on March 24, 2026, at which time the contract will be awarded.

The Village of Pinehurst reserves the right to request additional information deemed necessary to aid in the selection process. The Village reserves the right to reject any and/or all proposals.

Description of the Governmental Entity and Its Accounting System

Reference should be made to the most recent ACFR for a general overview of the Village. A PDF copy of the most recent ACFR is located on the Village's website at <https://www.vopnc.org/our-government/departments/financial-services/comprehensive-annual-financial-report>.

The Village of Pinehurst maintains the following funds as of the release of the RFP for audit services:

Governmental Funds:

General Fund

Sandhills Metropolitan Planning Organization (SMPO) Special Revenue Fund

Library Expansion Capital Project Fund

Grants, Entitlements, and Shared Revenues

A copy of the Schedule of Federal and State Expenditures and a Summary of Auditor's Results showing the major programs for the year ended June 30, 2025 can be found in the ACFR located on the Village's website.

Budgets

The Village's annual budget is adopted for the General Fund and SMPO Special Revenue Fund. A multi-year project ordinance is adopted for capital project funds.

All budgets are prepared using the modified accrual basis of accounting. All appropriations are made at the departmental level for annually budgeted funds and at the project level for the multi-year funds. The Village also maintains an encumbrance system. Both the budgetary and encumbrance systems are integrated with the accounting system to provide comparison with actual expenditures.

Accounting Records

The Village maintains all its accounting records at the Finance office located in Village Hall, 395 Magnolia Road, Pinehurst, North Carolina 28374. All accounting journals and subsidiary ledgers are maintained in the Microsoft Dynamics GP on-premises software.

Assistance Available to Auditor

The Village has designated the Financial Services Director as the person with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. The Village will make available to the auditor sufficient help to pull and re-file records and prepare necessary confirmations. An electronic version of the trial balance with budgeted amounts will be made available in mid-August.

The following accounting procedures will be completed, and documents prepared by the Village's staff by early August:

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

The Village's personnel will prepare the following items:

General

1. Working Balance Sheet for each fund.
2. Working Statement of Revenues, Expenditures, and Changes in Fund Balance for each fund.
3. General Ledger transaction detail report for each account.
4. A copy of the original budget, all amendments, and the final budget for the fiscal year.
5. A copy of all project ordinances and all amendments for active projects during the audit period.
6. A copy of Council policies, including travel policies, investment policies, fund balance policies and purchasing policies including how the pre-audit process is performed.
7. Copies of all signed Council meeting minutes.
8. Copies of all correspondence with the staff of the LGC, including semiannual Cash and Investment Reports (LGC-203), unit letters, letters regarding the audited financial statements and compliance reports for the previous year.
9. Support for required supplementary information, e.g. actuarial information for the Law Enforcement Officers' Separation Allowance.

Cash and Investments

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

Receivables

1. Listing of outstanding receivables by account as of the fiscal year end.
2. Listing of outstanding receivables in detail as of the fiscal year end.
3. Schedule of miscellaneous receivables booked as of the fiscal year end.

Other Assets

1. Schedule of insurance coverage.

Capital Assets

1. Listing of all capital assets.
2. Listing of all capital asset acquisitions made during the audit year and CIP placed in service.
3. Listing of all capital asset dispositions made during the audit year.
4. Detail of depreciation expense posted for the audit year.
5. Capital asset rollforward of cost and accumulated depreciation balances by asset category for the audit year.

Current Liabilities

1. Schedule of accounts payable, accrued accounts payable, and retainage payable.
2. Schedule of accrued payroll.

Long-Term Debt

1. Computation of compensated absences as of the audit date.
2. Debt Schedule for each debt issue and related payments.
3. Supporting schedules for lease and subscription liabilities.

Grants

1. Schedule of Expenditures of Federal and State Awards (SEFSA) for the fiscal year.

The following will be compiled for each grant listed on the (SEFSA):

1. Grant agreement.
2. Grant budget.
3. All financial reports.
4. Correspondence with the grantor agency, including monitoring reports.
5. Assistance listing number and/or pass-through grant number.

Size and Complexity of the Village

Personnel/Payroll

Number of employees	<u>FT 165/ PT 82</u>
Frequency of payroll	<u>Bi-weekly</u>
Number of payroll direct deposit advices	<u>Average of 200</u>

Property Tax Collected by Moore County

Total dollar amount of most recent year's collections (FY2025)	<u>\$13,560,399</u>
Total dollar amount of levy	<u>\$ 13,573,619</u>

Purchasing

Number of purchase orders issued (FY 2025)	<u>454</u>
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Bank Accounts

Number of bank accounts	<u>1</u>
Number of investment accounts (NC Cash Management Trust Government Portfolio, NC Investment Pool)	<u>2</u>
Average monthly deposits in bank account	<u>\$ 2,100,000</u>
Average number of deposits per month	<u>150</u>
Average number of check/ACH payments per month	<u>200</u>

The following financial applications are on the computer system:

- General Ledger
- Accounts Payable
- Purchasing
- Payroll
- Capital Assets
- Accounts Receivable
- Cash Receipts
- Bank Reconciliation

DebtBook is used for right-to-use lease and subscription assets and liabilities

UKG Ready is used for timesheets for payroll and maintaining accrual balances

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit – Village of Pinehurst Financial Audit (includes personnel costs, travel, and other fees):

Fiscal Year 2025-2026:	\$ _____
Fiscal Year 2026-2027:	\$ _____
Fiscal Year 2027-2028:	\$ _____

2. Extra Audit Services

\$ _____ per hour	\$ _____
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3. Single Audit Services (if necessary)	\$ _____
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4. Other (explain)	
_____	\$ _____

5. Other (explain)	
_____	\$ _____

<u>TOTAL</u>	\$ _____
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FIRM:	Primary Contact:
Address:	Telephone:
	Fax:
	E-mail:
	Date:

PROPOSAL CERTIFICATION

Proposers
Signature _____ **Date** _____

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

BY (Printed): _____

TITLE: _____

COMPANY: _____

ADDRESS: _____

TELEPHONE: _____

EMAIL: _____