



Request for Proposal for Auditing Service

Elizabeth City – Pasquotank County
Tourism Development Authority

Proposals Due by 3:00pm EST on June 9, 2021

Any questions should be directed **via email only** to Susan Hartley, Secretary to the Board,
Susan@VisitElizabethCity.com

REQUEST FOR PROPOSAL

The Elizabeth City – Pasquotank County Tourism Development Authority d.b.a. Visit Elizabeth City (hereinafter called VEC) 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 Visit Elizabeth City 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 Visit Elizabeth City. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Pasquotank County, North Carolina.

Type of Audit

The audit will encompass a financial and compliance examination of VEC’s basic financial statements, supplementary information and compliance reports in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards; and all other applicable laws and regulations.

Period

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

July 1, 2021 to June 30, 2022

July 1, 2022 to June 30, 2023

July 1, 2023 to June 30, 2024

Requirements

The audit must be conducted in accordance with generally accepted auditing standards, Government Auditing Standards, July 2011 revisions issued by the Comptroller General of The United States, requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, and any other applicable procedures for the audit of a government's financial statements prepared in accordance with GAAP.

The auditor will prepare an electronic draft of the Financial Report by September 30. The auditor will communicate all recommendations, revisions and suggestions for improvement to the Finance Officer and Deputy Finance Officer. VEC's Deputy Finance Officer or Finance Officer will prepare the MD&A. A preliminary draft of the audit and required adjusting journal entries must be submitted to the Finance Officer by October 1 for proofing and reconciliation to VEC's records to allow ample time for review and corrections before it is sent to the Local Government Commission. VEC's Finance Officer will return the draft to the auditor with proposed revisions within 10 working days. The auditor will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information and all applicable compliance reports.

The audit must be completed and final reports rendered no later than October 31 following the fiscal year end. Twelve copies of each audit report, management letter, and other applicable reports must be supplied to the Finance Committee within the time frame cited above. In addition, the auditor is responsible for submission of the required reporting to the staff of the Local Government Commission (LGC).

The auditor will provide a presentation to VEC's Board of Directors at a regularly scheduled Board meeting in December (typically the first or second Thursday in December) following the fiscal year end.

The financial audit opinion will cover the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund.

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

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

Audit Contract & Payment of Audit Fees

The audit contract must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC staff prior to processing by VEC for payment. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the staff of the LGC and their approval of the audited financial statements.

Description of Selection Process

Seven copies of the proposal should be submitted at the time and place indicated under the section entitled "Time Schedule for Awarding Contract." VEC's Finance Committee will evaluate the auditor/firm on educational and technical qualifications. The firm best meeting the experience, audit approach, and cost requirements will be selected.

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

Visit Elizabeth City requests that no Board members be contacted during this process. The Secretary may be contacted only to clarify questions concerning this RFP.

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

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

Proposals

Proposals should include the following information, IN THE ORDER LISTED BELOW.

1. Indicate the number of people (by level) that will handle the audit.
2. Provide a list of the office's current and prior tourism authority or government audit clients, indicating the type(s) of services performed and the number of years served for each. Provide names, addresses, and telephone numbers of personnel of at least two current and two prior tourism authority or governmental audit clients who may be contacted for reference.
3. Indicate the experience of the 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.
4. 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.
5. Describe the professional experience in government audits of each senior and higher-level person assigned to the audit, including years on each job and his/her position while on each audit. Indicate the percentage of time each senior and higher-level personnel will be on site. Relevant experience with the new reporting model should be clearly communicated.
6. 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.
7. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions.

8. 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.
9. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2011 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
10. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
11. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.
12. Describe any additional assistance or information that you would provide to Visit Elizabeth City outside of the performance of the audit. This may include response to requests for information and workpapers, access to continuing education opportunities, or discussion of application of new pronouncements.

Additional Information

All proposals should also include the following requested information:

1. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
2. Information that will be contained in the management letter.
3. Assistance expected from the Authority's staff, if other than that outlined in the RFP.
4. Tentative schedule for completing the audit within the specified deadlines of the RFP.
5. Specify costs using the format below for the audit year **July 1, 2021 to June 30, 2022**. For the two audit years which follow, list the estimated costs. The cost for the audit year ending **June 30, 2022**, is binding, while the two years that follow are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.
 - a. Personnel costs - Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
 - i. Estimated hours - categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor's office.
 - ii. Rate per hour.
 - iii. Total cost for each category of personnel and for all manpower costs.
 - b. Travel - itemize transportation and other travel costs separately.
 - c. Cost of supplies and materials - itemize.
 - d. Other costs - completely identify and itemize.
6. Please list any other information the firm may wish to provide.

Time Schedule for Awarding the Contract

- Request for proposal packages will be published on May 11, 2021.
- Written proposals must be submitted on or before June 9, 2021 before 3:00 pm Eastern Standard Time for consideration. **Late proposals cannot be accepted.**
- Response must be dated and signed by principal of firm.
- Envelopes containing proposals should be clearly identified on the front with the words "RESPONSE TO RFP FOR AUDIT SERVICES".
- VEC's Finance Committee will review the proposals and make a recommendation to VEC's Board of Directors no later than June 24, 2021 at which time the contract will be awarded.
- A digital version of our 2020-2021 audit is available to interested audit firms upon request. Contact Susan Hartley.

Submit 7 printed copies of your proposal to:

Susan Hartley, Secretary to the Board
Visit Elizabeth City
501 S Water Street
Elizabeth City, NC 27909
252.335.5330

Please also submit one electronic version of your proposal via WeTransfer or other file-sharing means to:

Susan@VisitElizabethCity.com

Description of the Governmental Entity and its Accounting System Entity

The Elizabeth City-Pasquotank County Tourism Development Authority is a Public Authority in North Carolina with a mission to promote overnight visitation that drives economic impact in Elizabeth City and Pasquotank County as provided in Session Law 2005-16, House Bill 351 (HB351), of the 2005 Session of the North Carolina General Assembly.

Fund and Account Groups

Visit Elizabeth City maintains the following funds:

Governmental Funds: General Fund

Budgets

VEC budgets all funds on the modified accrual basis of accounting as required by North Carolina law. Budgeted revenues are estimated at approximately \$650,000 for the fiscal year ending June 30, 2021. Appropriations are made at the departmental level. The budgetary system is integrated with the accounting system to provide easy comparison with actual expenditures.

Accounting Records

Visit Elizabeth City currently contracts with Donna H Winborne, CPA, located at 1393 North Broad Street, Edenton NC 27932 for bookkeeping services, using Peachtree software.

Assistance Available to Proposer

VEC will make available to the auditor sufficient help to pull and file records, and prepare and mail all necessary confirmations. The following accounting procedures will be completed and documents prepared by VEC's staff no later than August 31:

1. The books of account will be fully balanced.
2. All subsidiary ledgers will be reconciled to control accounts.
3. All bank account reconciliations for each month will be completed.
4. VEC's bookkeeper or staff will prepare the following items:

General

- a) All normal year-end adjusting entries.
- b) Working Balance Sheet for each fund.

- c) Working Statement of Revenues, Expenditures (Expenses), and Changes in Fund Balance (Retained Earnings) for each fund.
- d) A copy of the final budget as of June 30, the original budget, and all amendments.
- e) A copy of the operating leases in force during the audit period.
- f) A copy of board policies, including travel and investment policies.
- g) Copies of all correspondence with the staff of the LGC, including semiannual Cash and Investment Reports (LGC-203), VEC letters, faxes regarding the audited financial statements and compliance reports for the previous year.

Cash and Investments

- a) All bank reconciliations for each month.
- b) List of outstanding checks by account, showing check number, payee, date, and amount.
- c) Schedule of all investments for all funds at the audit date, showing book value and estimated market value at statement date.

Receivables

- a) Listing of outstanding receivables by account as of the fiscal year end.

Other Assets

- a) Schedule of insurance coverage.

Capital Assets

- a) Schedule of all capital outlays during the audit year.
- b) Schedule of all capital dispositions during the audit period.
- c) Printout of depreciation expense posted for the audit year.

Current Liabilities

- a) Schedule of accounts payable.

Long-Term Debt

- a) Computation of vested vacation payable as of the audit date.
- b) OPEB calculation.

Conversion

- a) Entries to convert from fund to government-wide statements.
- b) Reconciliation of fund and government-wide statements.
- c) Worksheet for determination of major and non-major funds.

Size and Complexity of VEC

Personnel/Payroll

| | | |
|----------------------|----------------|-------------|
| Number of employees | 3 Full-Time | 1 Part-time |
| Frequency of payroll | Bi-weekly | |
| Payment method | Direct Deposit | |

Bank Accounts

| | | |
|--------------------------|--------------------------------|--|
| Number of bank accounts | 4 (including 1 NCCMT accounts) | |
| Average monthly activity | | |
| Number of deposits | 1-2 | |
| Number of checks | 23 | |
| Payroll direct deposits | 4/pay period | |

Contact Information

Name: Susan Hartley
Title: Secretary to the Board
Address: Visit Elizabeth City
501 South Water Street
Elizabeth City, NC 27909

Email: Susan@VisitElizabethCity.com

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