

**Response to
Town of Boiling Springs and Boiling Springs
TDA, North Carolina
Request for Proposal
Audit Services**

**Submitted By:
Misty D. Watson, CPA, P.A.
Misty Watson, CPA
Phone: (704) 907-5053
Email: misty@mistywatsoncpa.com**

MISTY WATSON, CPA, P.A.
CERTIFIED PUBLIC ACCOUNTANT
PO BOX 2122
BOONE, NORTH CAROLINA 28607
TELEPHONE (704) 907-5053
FAX (888) 361-6553

May 31, 2023

Town of Boiling Springs and Boiling Springs TDA, North Carolina
Ms. Rhonda W. Allen
PO Box 1014
Boiling Springs, NC 28017

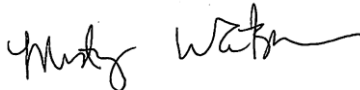
Ms. Allen,

On behalf of Misty Watson, CPA, P.A., we thank you for the opportunity to submit a proposal for audit services for the Town of Boiling Springs and the Boiling Springs TDA. This Response provides you with the information you requested in the RFP.

Our firm offers high-level audit services for all clients. You will work directly with the audit partner, Misty Watson, who has the expertise to go beyond minimum compliance and reporting and help meet the unique challenges the Town is facing. We understand meeting the LGC deadline is a high priority for the Town and we will work with you to ensure the deadline is met.

We will provide all of our firm's resources to ensure the highest level of service. We look forward to enhancing our relationship with the Town and the TDA. Please feel free to contact me anytime if you have any questions or desire further information.

Sincerely,

A handwritten signature in black ink that reads "Misty Watson". The signature is written in a cursive style with a long horizontal flourish at the end.

Misty Watson, CPA

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CERTIFIED PUBLIC ACCOUNTANT
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IN RESPONSE TO:
TOWN OF BOILING SPRINGS AND BOILING SPRINGS TDA, NORTH CAROLINA
REQUEST FOR PROPOSAL
AUDIT SERVICES

SECTION 1: PROFILE OF THE FIRM

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

Our firm is locally located in Boone, North Carolina. Misty Watson, CPA, is responsible for the RFP and the audit report.

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

Misty Watson will be in charge of the audit. Misty Watson opened her CPA firm in August 2013 and has had no turnover since. One staff accountant and one clerical staff will also be assigned to the audit.

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

Current:

Mitchell County, North Carolina – audit for 1 year
Town of Banner Elk, North Carolina - audit for 8 years
Village of Sugar Mountain, North Carolina - audit for 7 years
Town of Banner Elk TDA, North Carolina - audit for 8 years
Village of Sugar Mountain TDA, North Carolina - audit for 7 years
Town of Brookford – audit for 2 years
Town of Catawba – audit for 2 years

Previous:

Watauga County - 3 years audit – resigned to serve as Watauga County's Finance Director
Town of Beech Mountain, North Carolina - resigned to serve as Watauga County's Finance Director - audit for 5 years
Watauga County TDA – 3 years - resigned to serve as Watauga County's Finance Director
Beech Mountain TDA - resigned to serve as Watauga County's Finance Director – audit for 5 years
Town of Blowing Rock - resigned to serve as Watauga County's Finance Director – audit for 2 years
Town of Newland - resigned to serve as Watauga County's Finance Director – audit for 2 years

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).

Town of Banner Elk, North Carolina - preparation of the financial statements for 8 years
Village of Sugar Mountain, North Carolina - preparation of the financial statements for 7 years
Town of Banner Elk TDA, North Carolina – preparation of the financial statements for 8 years

Village of Sugar Mountain TDA, North Carolina – preparation of the financial statements for 7 years
Town of Blowing Rock - preparation of the financial statements for 2years
Town of Beech Mountain - preparation of the financial statements for 5 years
Beech Mountain TDA - preparation of the financial statements for 2 years
Town of Hertford, NC - preparation of the financial statements for 2 years
City of Elizabeth City, NC - preparation of the financial statements for 1 year
Watauga County – preparation of the financial statements for 5 years

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.

The firm began operations in August 2013 and has participated in a peer review every 3 years as required by the AICPA. Please see attached peer review in Appendix B.

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.

Misty Watson, CPA, Partner - Town of Banner Elk, North Carolina – preparation of the financial statements and audit for 8 years; on site 100%.

Misty Watson, CPA, Partner - Village of Sugar Mountain, North Carolina –preparation of the financial statements and audit for 7 years; on site 100%.

Misty Watson, CPA, Partner - Town of Banner Elk TDA, North Carolina – preparation of the financial statements and audit for 8 years; on site 100%.

Misty Watson, CPA, Partner - Village of Sugar Mountain TDA, North Carolina – preparation of the financial statements and audit for 7 years; on site 100%.

Misty Watson, CPA, Partner - Town of Blowing Rock - preparation of the financial statements and audit for 2 years; 100% on site.

Misty Watson, CPA, Partner Town of Beech Mountain - preparation of the financial statements and audit for 5 years; on site 100%.

Misty Watson, CPA, Partner - Beech Mountain TDA - preparation of the financial statements and audit for 2 years; on site 100%.

Misty Watson, CPA, Partner - Watauga County -audit for 3 years; on site 100%.

Misty Watson has held her CPA license since 1999 taking a minimum of 40 hours of continuing education annually. Misty D Watson, CPA, PA is a member of the AICPA and NCACPA. Misty Watson maintains a minimum of 24 hours annually of GASB courses in order to stay abreast of GASB pronouncements. Misty is aware of GASB 87, accounting for leases, which was implemented in fiscal year end June 30, 2022. And GASB 96, accounting for subscription-based information technology agreements implemented in fiscal year end June 30, 2023. The firm subscribes to the Journal of Accountancy, which is a monthly magazine with all new GASB pronouncements.

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.

Misty Watson graduated with a B.S. in Accounting from North Carolina State University in 1997. She became a CPA in 1999 after completing the required two years of work experience in public accounting. She has been in the audit field since 1997 performing governmental, not-for-profit and for-profit audits.

Classes in 2019 include: Governmental Accounting and Financial reporting for 31 hours through the School of Government, Ethics for 2 hours and Latest Developments in Governmental Accounting and Auditing for 8 hours.

Classes in 2020 include: Ethics for 2 hours, Basic principles of Government Purchasing for 17 hours through the School of Government, NC State Treasurer's Auditing, Reporting and Review through the State Treasurer's office for 8 hours, Fraud in Not-For-Profit and Governments for 8 hours and 2020 Public Finance Educational Seminar for 2 hours.

Classes in 2021 include: GASB 87, Leases, through the School of Government for 4 hours, NC State Treasurer's Auditing, Reporting and Review through the State Treasurer's office for 10 hours, Ethics for 2 hours, NCCMT public finance educational seminar for 3.3 hours and Governmental Challenges for 4 hours.

Classes in 2022 include: Ethics for 2 hours, Local Government Commission conference for 5 hours, latest developments in governmental accounting for 8 hours, the complete guide to yellow book for 8 hours, new audit standards for 4 hours, leases for 4 hours, and accounting changes and corrections for 2 hours.

8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., Water/Sewer, Electric service function).

Misty Watson has audited a County (including Medicaid and other federal programs), Towns and Tourism Development Authorities. Functions include general governmental activities, a landfill, water and sewer fund, sanitation (pick-up), projects, and special revenue funds.

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).

Misty Watson was Finance Director for Watauga County for four years, giving her the experience of both sides of finance. Being finance director has given the skills to work hand in hand with the Board of Commissioners and all departments. On the other side, being the auditor has provided the skills to work with Town Managers, Finance Officers and all departments as well as Town Councils and Board of Commissioners. She is a member of the AICPA and NCACPA.

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

Town of Banner Elk, North Carolina
Reference: Rick Owen, Town Manager
PO Box 2049
Banner Elk, NC 28604
(828) 898-5398

Village of Sugar Mountain, North Carolina
Reference: Sue Phillips, Town Manager
251 Dick Trundy Lane
Sugar Mountain, NC 28604
(828) 898-9292

Town of Brookford, North Carolina
Reference: Marshall Eckard, Finance Officer
1700 S Center Street
Hickory, NC 28602
(828) 322-4903

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

In all matters relating to our audit work, the Town and our firm will be free from personal, external and organizational impairments to independence. If we use an outside specialist, we will ensure the specialist is not impaired. For services provided that are outside the scope of the audit, we will evaluate and ensure supplemental safeguards (if required) are complied with as mentioned in the Yellow Book Standards. If such non-audit services would impair our independence, we would not perform the non-audit service. An excerpt from the firm's Quality Control Manual containing the Statement of Policy and Procedures related to independence for all attest engagements is provided at Appendix A. Our firm is active in monitoring the firm and team member relationships with our clients to adhere to all applicable independence standards including surveying our audit team members annually.

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

The firm consistently maintains appropriate insurance coverage including professional liability insurance in amounts we feel are adequate to meet any claims that may arise.

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

There has been no regulatory action taken against our firm from any oversight body.

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

The firm is actively involved with the School of Government and the NC LGC. The firm currently is on the weekly calls hosted by Kara Millonzi regarding American Rescue Plan funds. The audit partner, Misty Watson, regularly attends continuing education with both the LGC under the State Treasurer's office and the School of Government as noted above in continuing education. Misty Watson has numerous times reached out to Kara Millonzi and Greg Allison at the School of Government to provide further guidance with any questions. We connect specifically with Sharon Edmundson and James Burke at the LGC when questions or issues arise for their input and advice.

Appendix A – Statement of Policies and Procedures:

RELEVANT ETHICAL REQUIREMENTS It is the firm's policy that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the Code of Professional Conduct, the State of North Carolina Board of Accountancy, and the State of North Carolina CPA Society in discharging their professional responsibilities. Furthermore, it is the policy of our firm that, for engagements subject to Government Auditing Standards and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards and that personnel will always act in the public interest. Any transaction, event, circumstance, or action that would impair independence or violate the firm's relevant ethical requirements policy on an audit, attestation, review, compilation engagement, or other service subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee (as required under Rules 201 and 202) is prohibited. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats but such situations are not specifically addressed by the independence rules of the AICPA Code of Professional Conduct, the situation will be evaluated by referring to the Conceptual Framework for AICPA independence Standards and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach. Although not necessarily all-inclusive, the following are considered to be prohibited transactions and relationships: 1. Investments by any partner or professional employee in a client's business during the period of an attest engagement, including a commitment to acquire any direct or material indirect financial interest in a client. 2. An investment in an entity or property by any of the following individuals and the client (or the client's officers or directors, or any partner who has the ability to exercise significant influence over the client) that enables them to control (as defined by GAAP for consolidation purposes) the entity or property: a. An individual on an attest engagement team. b. An individual in a position to influence the attest engagement by doing any of the following: 1) evaluating the performance or recommending the compensation of the attest engagement partner, 2) directly supervising or managing the attest engagement partner and all of that partner's superiors, 3) consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or 4) participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement. Page 1 of 4 5 c. A partner or manager who provides nonattest services to the attest client beginning once he or she provides ten or more hours of nonattest services to the client within any fiscal year and ending on the later of the date: 1) the firm signs the report on the financial statements for the fiscal year during which those services were provided, or 2) he or she no longer expects to provide ten or more hours of nonattest services to the attest client on a recurring basis. d. A partner in the office in which the lead attest engagement partner primarily practices with respect to the attest engagement. e. The firm and its employee benefit plans. 3. Borrowing from or loans to a client, or client's personnel during the period of a professional engagement by any of the individuals listed in items 2. a—e., except as grandfathered or permitted. 4. Accepting or offering gifts or entertainment from or to a client unless reasonable in the circumstances and approved by the managing partner. 5. Certain family relationships between professional personnel and client personnel. (Consult the managing partner for a ruling on such relationships.) Notwithstanding the preceding policy and list of prohibited transactions and relationships, at the managing partner's discretion, certain prohibitions can be waived if it is deemed to be in the best interest of the firm. However, in so doing, the engagement service performed for the client must be limited to that allowed by AICPA professional standards. The firm ensures compliance with this policy by implementing the following procedures: 1. All professional personnel are required to sign a representation letter when hired (and annually thereafter) that acknowledges their familiarity with the firm's relevant ethical requirements policy and procedures, particularly with regard to independence. Such signed representation letters are also required from part-time, seasonal, and contract professionals and any other individuals who work on accounting and auditing engagements and are required to be independent. Ethics training is provided for professional personnel on a periodic basis. Such training covers the firm's relevant ethical

requirements policy and procedures and the independence and ethical requirements of all applicable regulators. 2. All professional personnel review the firm's current client list in conjunction with completing the representation letter for identification of threats to, or breaches of, independence. The current client list is maintained by the Firm Administrator and changes to the list are communicated on a timely basis from the Board of Directors. When hired (and annually thereafter), all professional personnel are required to sign a representation that confirms this responsibility. 3. Ethics training is provided for professional certified personnel at least annually as required by the State of North Carolina Board of Accounting. Additional training is provided as needed (or Page 2 of 4 6 required) that covers the firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators. 4. To ensure that independence is properly addressed at the engagement level, the engagement partner will consider relevant information about client engagements and evaluate the overall effect, if any, on independence requirements as part of the engagement and acceptance decision. In making this determination, any familiarity threat related to senior personnel recurring on an audit or attest engagement for five years or more will be considered, including any other specific rotation requirements of regulatory agencies or other authorities. Additionally, the work programs and terms in the accounting and auditing manuals used by the firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, those manuals contain reporting guidance for the types of engagements where a lack of independence is allowed. 5. All professional personnel are required to promptly notify the Quality Control Partner of any circumstances or relationships that may create a potential threat to independence (such as a potential prohibited transaction) or an independence breach, so that appropriate action can be taken. To acknowledge that responsibility, professional personnel are required when hired (and annually thereafter) to sign a representation letter and to list known circumstances and relationships that may create a potential threat to independence or violate the firm's relevant ethical requirements policy. 6. If a potential threat to independence is identified, the Quality Control Partner accumulates and communicates relevant information to appropriate personnel so (a) firm management and the engagement partner can determine whether they satisfy independence requirements, (b) the engagement partner can take appropriate action to address identified threats to independence, and (c) the firm can maintain current independence information. 7. If the firm is engaged as principal auditor and another firm is engaged to audit a subsidiary, branch, division, governmental component unit, or to perform procedures on an element or account grouping within a client's financial statement, the engagement team is required to obtain a written representation regarding the other firm's independence with respect to the client. The auditing manuals used by the firm contain examples of representation letters to use in such situations. Furthermore, in a review or attestation engagement, if another firm performs work on a segment of the engagement, a representation (either written or oral) regarding the other firm's independence is required. The engagement programs in the accounting and auditing manuals used by the firm contain steps to ensure compliance with this procedure. 8. The engagement partner (or the accountant in charge under the partner's supervision) has the primary responsibility for determining if there are unpaid fees on any of his clients that would impair the firm's independence. The engagement work programs and standard forms used by the firm contain steps to ensure compliance with this procedure. The firm's client accounts receivable listing and the engagement partner's knowledge of unbilled fees should be considered in making this determination. In addition, the Quality Control Partner has secondary responsibility to review the firm's accounts receivable listing on a periodic basis to identify potential independence problems. 9. The engagement partner has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services impair independence with respect to that client. Reviewing nonattest services performed for attest clients includes obtaining and documenting an understanding with the client regarding the client's responsibilities for the nonattest services performed by the firm. Where applicable, this includes determining Page 3 of 4 7 whether such nonattest (nonaudit) services impair independence under the independence rules in Government Auditing Standards for ongoing, planned, and future audits. Firm engagement work programs for all attest and compilation engagements include steps to ensure compliance with this procedure. 10. The engagement partner has the primary responsibility for determining whether actual or threatened litigation has an effect on the firm's independence with respect to the client. The firm's independence could be impaired by

litigation (a) between the client and the firm, (b) with the client company's securities holders, and (c) from other third parties. 11. If the firm is engaged as principal auditor to report on the basic financial statements of a financial reporting entity, all professional personnel must be independent of the financial reporting entity. If the firm is engaged as principal auditor to report on a major fund, nonmajor fund, internal service fund, fiduciary fund, or governmental component unit of the financial reporting entity, all professional personnel must be independent of the fund or entity the firm reports on. The engagement partner has the primary responsibility for determining whether the firm's relationship with entities in the governmental financial statements has an effect on independence. 12. The Quality Control Partner has the primary responsibility for determining whether the firm was a party to a cooperative arrangement with a client that was material to the firm or the client. 13. The engagement partner is responsible for obtaining the representation letters, reviewing them for completeness, and accumulating relevant information relating to identified threats to relevant ethical requirements matters (including questions from the representation letters and those from other sources). In determining a resolution, firm management should consider the AICPA's Conceptual Framework for AICPA Independence Standards and, when necessary, consult the AICPA or the North Carolina State CPA Society for assistance in interpreting independence, integrity, and objectivity rules. Documentation of the resolution of a relevant ethical requirements matter should be filed in the client's permanent workpaper files. Firm management is also responsible for determining actions to be taken when professional personnel violate firm independence policies and procedures. The action for each incident is determined based on its unique circumstances and may include eliminating a personal impairment, requiring additional training, drafting a reprimand letter, or even termination. 14. The Quality Control Partner, in conjunction with the engagement partners, are responsible for monitoring the firm's independence of attest clients at which partners or other senior personnel have been offered management positions or have accepted offers of employment. The independence, integrity, and objectivity questionnaire used by the firm and the client acceptance procedures used by the firm in attest engagements include questions to help ensure compliance with this requirement. 15. If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to (a) the engagement partner, who (along with the firm) has the responsibility to address the breach and (b) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action. The engagement partner confirms to the firm when required corrective actions related to the breach and noncompliance with these policies and procedures have been taken. 16. At least annually, the ethics partner reviews the firm's relevant ethical requirements policy and procedures to determine if they are appropriate and operating effectively.

Appendix B – Peer Review:



Report on the Firm's System of Quality Control

To the Shareholder of Misty D Watson, CPA, P.A. and the
Peer Review Committee, North Carolina Association
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Misty D Watson, CPA, P.A. (the firm) in effect for the year ended April 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Misty D Watson, CPA, P.A. in effect for the year ended April 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Misty D Watson, CPA, P.A. has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

October 28, 2020

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919 782 9265
919 783 8937 FAX

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919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

SECTION 2 AUDIT APPROACH:

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

Misty Watson uses a risk-based, common-sense approach to auditing. We start with standard governmental audit programs and tailor them based on our understanding of the internal control structure and the overall inherent and control risks for each type of transaction and account balance. Our goal is to provide a thorough and meaningful audit while eliminating unnecessary steps that cause inefficiencies and do not add value.

2. Use of statistical sampling

We will design our audit procedures based on our understanding of the Town’s operations, transactions, and account balances obtained during planning procedures. We will employ a variety of techniques including analytical procedures, inquiry and confirmations, inspection of records, observation, and recalculation. Statistical-based audit sampling will be used as appropriate for certain transactions, account balances, internal controls, and compliance requirements.

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

We design our audit procedures related to testing the Town’s automated processes and internal control procedures for key controls and processes. These areas are focused in payroll processes, cash disbursement processes and revenue billing and collection processes.

4. Use of computer audit specialists

The Town’s IT environment and controls will be evaluated at a general level as part of the planning process to the extent that the financial reporting process relies on them. Our procedures will include questionnaires, interviews, and observation as part of our walkthrough of IT general controls.

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

Our commitment will include a high level of involvement from the partner assigned to the engagement. Typically, three staff will be assigned to the financial audit.

Anticipated number of hours

	Misty Watson Partner	Staff Accountants	Clerical	Total
No. of individuals for financial statement audit and compliance	1	1	1	3
Total hours estimated	60	8	10	78
Percent of Total audit hours	77%	10%	13%	100%

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

The management letter will be used to communicate findings to Town Council that were deemed important reportable deficiencies or suggestions that did not meet the threshold to be reported as a significant deficiency or material weakness. Minor issues, findings or suggestions will be discussed with the Finance Officer as they arise. In addition, we will issue a report to the Town Council to communicate information as required by audit standards. This report will include key operating statistics, related trends and charts as identified by management, if deemed beneficial by

management. We make every effort to ensure management is informed of potential findings or recommendations as they are found during the audit. Potential issues discovered could have mitigating controls or the perceived issue may not be valid. Timely communication about such matters will help clarify the issues.

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

In general, we expect items outlined in the Prepared by Client (PBC) List to be made available at the beginning of fieldwork and for you to prepare any necessary calculations and to prepare and post year-end closing entries prior to providing us with the trial balance. We may request additional information or data to obtain a greater understanding and for testing of particular accounts, or to expand our analytical analysis for particular transactions. The assistance outlined the RFP is sufficient.

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

April: Planning procedures including: Planning conference with Management, audit planning to include creation of tailored audit programs, documentation of initial risk assessments, the general audit approach implementation, organizational charts, manuals and programs, and development of initial overall audit plan, and provide a list of items needed for interim.

May: Interim fieldwork including: Finalize systems documentation and walkthroughs, preliminary review, setup and linking of the financial statements, and provide client a list of items needed for year end.

September: Final fieldwork including: Testing of June 30th accounts / funds, substantive and analytical analysis.

September/October: Review final draft for management review; preparation of communication reports to Council; review financial statement draft.

October: Issuance of financial statement and presentation of audited financial statements and communication to the Council in November.

9. Specify costs using the format below for the audit year July 1, 2022 to June 30, 2023. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2023 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.

Anticipated number of hours

	Misty Watson Partner	Staff Accountants	Clerical	Total hours
Interim Work	8	-	-	8
Year-End Site Work	16	8	-	24
Work Performed in Auditor's Office	36	-	10	46
Total hours	60	8	10	78
Rate per hour	\$150	\$80	\$60	
Total cost	\$9,000	\$640	\$600	\$10,240

Travel and costs of materials are included in the above time and rate.

AUDIT FEE QUOTES

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Base Charge-Financial Audit	10,200	10,500	10,800
Other Charges	-	-	-
TOTAL	<u>\$ 10,200</u>	<u>\$ 10,500</u>	<u>\$ 10,800</u>

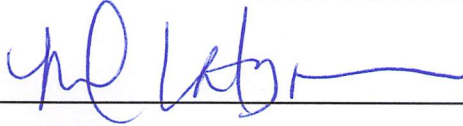
10. Please list any other information the firm may wish to provide.

My firm enjoys helping clients and we love what we do. Misty Watson has 25 years of experience in auditing with 14 years auditing governmental entities. Also, we have experience auditing federal programs including Medicaid. Misty started the firm in 2013 with great success having many clients transition with her. Prior to 2013, Misty worked for a firm in Boone specializing in governmental auditing. As a smaller firm, the turnaround time as well as overhead is highly efficient.

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

PROPOSAL CERTIFICATION

Proposers
Signature



Date

5/31/2023

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):

Misty Watson

TITLE:

Partner

COMPANY:

Misty D. Watson CPA PA

ADDRESS:

Po Box 242; Boone, NC 28607

TELEPHONE:

704-907-5053

EMAIL:

misty@mistywatsoncpa.com

SUMMARY OF AUDIT COSTS SHEET

1	Base Audit - Town of Boiling Springs and Boiling Springs TDA	\$	8,500
2	Extra Audit Service		-
3	Other - financial statement preparation		1,700
4	Other		-
	Total	\$	<u>10,200</u>

Firm:	Misty Watson	Primary Contact:	Misty Watson
Address:	PO Box 2122	Telephone:	704-907-5053
	Boone, NC 28607	Fax:	888-361-6553
		Email:	misty@mistywatsoncpa.com
		Date:	5/31/2023