



BLACKBURN, CHILDERS
& STEAGALL, PLC

PROPOSAL FOR SERVICES

**CITY OF
HENDERSONVILLE**

Section 2 – Audit Approach

1. Thomson Reuters Practitioners Publishing Company's (PPC) provides our assurance audit programs and referenced checklists. We utilize a combination of audits of Local Governments and Single Audits programs, if applicable, in our governmental audits.
2. Sampling is used often in our audit testwork, specifically with regard to testing of grants, inventory, cash receipts, cash disbursements, payroll, etc. BCS utilizes the PPC practice aids in determining appropriate sample sizes depending on the testing to be performed. We occasionally utilize ActiveData within excel to assist in sampling, when needed.
3. BCS will obtain an understanding of the city's internal control processes and develop procedures appropriate for testing those internal controls as deemed necessary. Our understanding of key controls will be based on client inquiries, policy reviews, and walkthroughs performed on significant audit areas.
4. A computer audit specialist is not expected to be necessary for this engagement. If the need arises, we have an audit partner, Chad Kisner, and audit supervisor, Kim Buckles, with the training and experience to assist. Chad has completed the Certified Information Systems Auditor (CISA) designation and the Certified Information Technology Professional (CITP) designation. Kim Buckles has a Bachelor of Science degree in Computer Information Systems.

5.

Name	Title	FY2024 % of time	FY2025 % of time	FY2026 % of time
Tara Fenner	Partner	26%	26%	26%
Siena Rambo (Technical Review)	Senior Manager	1%	1%	1%
Erik Stewart	Supervisor	29%	29%	29%
Jennifer Baxter	Staff	21%	21%	21%
To Be Determined	Intern	22%	22%	22%
Marti Vanthournout (Clerical)	Audit Coordinator	1%	1%	1%
	TOTAL	100%	100%	100%

6. None noted at this time.
7. Interim Onsite Work: During the week of June 10th
Onsite Fieldwork: During the week of August 19th
Wrap-Up: To be completed in our office prior to October 1st
8. See attached.
9. Pricing estimates include procedures associated with implementation of GASB statements effective for those years.
 - a. See Attached
 - b. See Attached
 - c. N/A
 - d. N/A

Section 2 – Audit Approach

10. Our firm is committed to staying current in the dynamic area of technology. Our audit teams operate in an almost paperless working environment and make full use of networking and remote access technologies. We use audit software that fully integrates trial balance data into the engagement management interface.

Working in a paperless audit environment has proved to be efficient for our clients and BCS. The engagement software allows your data to be easily accessible to all members of the engagement team, and portability allows for data to be easily imported from or exported to other software. For our firm's research needs, we make full use of our online subscription to Checkpoint RIA from Thomson Reuters.

Through the use of BCS's secure online portals, **you will have your own secure portal**. All final reports will also be prepared electronically and available to you through this portal. We utilize Suralink for electronic requests for audit information. It is unique to assurance engagements and integrates audit request lists and workflow features. You can also upload any audit documentation securely through Suralink. It helps streamline file sharing and provides greater transparency through real-time updates all while following strong security protocols and using enterprise banking encryption technology.

Utilizing the technology that we have allows us to reduce the time spent on site while conducting some of the testing and audit procedures in our offices. This is dependent on your comfort level and ability to provide documentation in an electronic format. We can tailor our approach to fieldwork to what will work best for your staff.

11. See attached.

FY2024 Estimated Hours										
Title	On-Site Interim Work	Yearend On-site Work	Work Performed in Auditors' Office		Total Hours	Billing Rate	FY2024 Total Personnel Costs	FY2024 Estimated Transportation	FY2024 Estimated Hotel	FY2024 Total (Not to Exceed)
			On-site	Off-site						
Partner	16	32	24	2	72	\$ 248	\$ 17,856	\$ 450	\$ 350	\$ 18,656
Senior Manager (technical review)	-	-	2	225	2	225	450	-	-	450
Supervisor	16	32	32	180	80	180	14,400	450	350	15,200
Staff (remote only)	-	-	60	158	60	158	9,480	-	-	9,480
Intern	16	32	16	90	64	90	5,760	-	-	5,760
Audit Coordinator (clerical)	-	-	2	117	2	117	234	-	-	234
	48	96	136		280		\$ 48,180	\$ 900	\$ 700	\$ 49,780

FY2025 Estimated Hours										
Title	On-Site Interim Work	Yearend On-site Work	Work Performed in Auditors' Office		Total Hours	Billing Rate (~5% increase)	Estimated FY2025 Total Personnel Costs	FY2025 Estimated Transportation	FY2025 Estimated Hotel	FY2025 Estimated Total
			On-site	Off-site						
Partner	16	32	24	2	72	\$ 260	\$ 18,720	\$ 450	\$ 350	\$ 19,520
Senior Manager (technical review)	-	-	2	472	2	236	472	-	-	472
Supervisor	16	32	32	189	80	189	15,120	450	350	15,920
Staff (remote only)	-	-	60	166	60	166	9,960	-	-	9,960
Intern	16	32	16	95	64	95	6,080	-	-	6,080
Audit Coordinator (clerical)	-	-	2	123	2	123	246	-	-	246
	48	96	136		280		\$ 50,598	\$ 900	\$ 700	\$ 52,198

FY2026 Estimated Hours										
Title	On-Site Interim Work	Yearend On-site Work	Work Performed in Auditors' Office		Total Hours	Billing Rate (~5% increase)	Estimated FY2026 Total Personnel Costs	FY2026 Estimated Transportation	FY2026 Estimated Hotel	FY2026 Estimated Total
			On-site	Off-site						
Partner	16	32	24	2	72	\$ 273	\$ 19,656	\$ 450	\$ 350	\$ 20,456
Senior Manager (technical review)	-	-	2	496	2	248	496	-	-	496
Supervisor	16	32	32	198	80	198	15,840	450	350	16,640
Staff (remote only)	-	-	60	174	60	174	10,440	-	-	10,440
Intern	16	32	16	100	64	100	6,400	-	-	6,400
Audit Coordinator (clerical)	-	-	2	129	2	129	258	-	-	258
	48	96	136		280		\$ 53,090	\$ 900	\$ 700	\$ 54,690

SUMMARY OF AUDIT COSTS SHEET --FIRM NAME Blackburn, Childers & Steagall, PLC

	FY24	FY25	FY26
	<i>Binding</i>	<i>Estimate</i>	<i>Estimate</i>
Base Audit Fee: Includes all personnel costs, travel, and on-site work, supplies and materials – provide separate detail as described below	\$ 39,580	\$ 41,498	\$ 43,490
Financial Statement Preparation: Includes preparation and printing of ACFR	\$ 10,200	\$ 10,700	\$ 11,200
Extra Audit Services (if needed) <i>n/a at this time</i>			
Other Costs: (Explain) <i>n/a at this time</i>			
TOTAL:	\$ 49,780	\$ 52,198	\$ 54,690

Separately provide detail for the following components of the *Base Audit Fees*:

Personnel costs – [See attached pricing breakdown](#)

Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

Estimated hours – categorize estimated hours into the following:

of Hours -On-site interim work, # _____ Rate per hour _____

of Hours -Year-end on-site work, # _____ Rate per hour _____

of Hours -Work performed in the auditor’s office # _____ Rate per hour _____

Total cost for each category of personnel and for all personnel costs in total.

Travel – itemize transportation and other travel costs separately.

Cost of supplies and materials – itemize.

Other costs – completely identify and itemize.

If applicable, note your method of determining increases in audit costs on a year to year basis.