

## **Audit RFP Evaluation and Recommendation**

### **Background:**

General Statute 159-34 requires the Town of North Topsail Beach (Town) to have its accounts audited by an independent auditor after the close of each fiscal year. The Town must prepare and publish an annual financial report in conjunction with its annual audit. The auditor's conclusions are to be set out in a report in the form of an opinion and comments relating to the financial statements. The auditor must be approved by, and reports to, the Board of Alderman, and is engaged through a contract executed by the Mayor and the Interim Finance Officer.

The Town solicited audit proposals based upon the established criteria in the RFP and recommended by the North Carolina Local Government Commission. We received responses from four firms. Beth Woods with GWI Tax reviewed the proposals and rated each on Expertise and Experience 50 points across (4 criteria) and Audit Approach 50 points across (4 criteria). Cost was not included in the ranking criteria.

The recommended audit firm is AAPG, LLC.

- The firm had the most experience with Single Audits
- The firm had the most hours dedicated to the Audit
- The volume of diverse Federal and State Grants must be isolated and tracked to ensure accurate reporting.

While we contract for audit services for one year at a time, it is typical for firms to quote audit services for three years, AAPG, LLC proposed to conduct the Town's FY 2025- 2027 audits for \$20,000, \$21,000, and \$22,050, respectively. The cost for the Single Audit Per Program is \$5,000; and the cost to write the financial statements for \$6,000.

### **Recommendation:**

It is recommended to engage AAPG, LLC for auditing services for the fiscal year ending June 30, 2025. The attached resolution appoints AAPG, LLC to perform the audit for a base fee of \$20,000, \$5,000 for the Single Audit per Program and \$6,000 to write the Financial Statements.

### **Action Requested:**

Approve the Resolution Approving and Awarding the Audit Contract to AAPG, LLC. and Authorizing the Mayor Pro Tem and Interim Finance Officer to Execute the Contract and to authorize the Town Manager to transfer funds necessary from contingency to the Governing Body FY 26 Budget.

**RESOLUTION 2025-04**

**Resolution Approving and Awarding the Audit Contract to AAPG, LLC and Authorizing the Mayor Pro Tem and Interim Finance Officer to Execute the Contract**

**Whereas**, North Topsail Beach (Town) is required by the General Statutes of the State of North Carolina to have its financial records audited at the termination of each fiscal year; and

**Whereas**, in April 2025, the Town solicited audit proposals based upon the established criteria listed in the RFP and recommended by the North Carolina Local Government Commission; and

**Whereas**, four firms submitted proposals and after evaluation of the Expertise and Experience 50 points across (4 criteria) and Audit Approach 50 points across (4 criteria) , that the firm AAPG, LLC be awarded the contract.

**Now, Therefore, Be It Resolved:**

1. That the contract between the Town of North Topsail Beach and AAPG, LLC for financial audit of the Fiscal Year Ending June 30, 2025, for \$20,000; \$5,000 per program for the Single Audit and \$6,000 for writing the financial statements and is hereby approved subject to approval by the North Carolina Local Government Commission.

2. That the Mayor Pro Tem and the Interim Finance Officer are hereby authorized to execute such contract AND to authorize the Town Manager to transfer funds necessary from contingency to the Governing Body's FY 26 Budget.

Adopted this 4<sup>th</sup> day of June, 2025.

---

Tom Leonard, Mayor Pro Tem

ATTEST:

---

Name and Title