

ADDENDUM NO. 1
Request for Proposal (RFP) – Audit Services
Village of Bald Head Island, North Carolina

RFP Issue Date: April 15, 2026

Addendum Date: May 1, 2026

Purpose of Addendum

This Addendum is issued to provide responses to questions received regarding the RFP for Audit Services. These responses are intended to clarify the scope of work and expectations. This Addendum shall be considered part of the original RFP.

Questions and Responses

1. Finance Staff Background

Q: Please provide a brief description of the key finance staff members' background in governmental accounting.

A: Zachary Hewett, Finance Director, has over 12 years of local government finance experience and joined the Village in 2020. He has served as Finance Director and City Manager for the City of Randleman as well as Finance Officer for the BHM Regional Library system. Zack is a Certified Local Government Finance Officer (CLGFO) and holds a Bachelor of Science in Applied Economics and a Master of Business Administration from East Carolina University. He also serves as the current President of the North Carolina Government Finance Officers Association.

Cindy Novak, Deputy Finance Director, has over 15 years of local government experience and joined the Village in 2022. Her prior experience includes Guilford County, City of Greensboro, City of High Point, Town of Madison, and City of Winston-Salem. Cindy is a Certified Public Accountant and holds a Bachelor of Science in Accounting from UNC-Greensboro.

2. Staff Turnover

Q: Has there been any recent turnover in the finance department or other key management positions?

A: Yes, there has been turnover in the Accounts Payable position.

3. RFP Frequency

Q: Does the Village typically issue RFPs every 3–5 years? Why this year?

A: Yes. The Village periodically solicits audit services through a competitive process (generally every 3–5 years) to ensure best practices, competitive pricing, and service quality. This RFP is part of that regular rotation.

4. Adjusting Journal Entries (AJEs)

Q: How many auditor-proposed AJEs are typical? Can you provide the FY25 list?

A: Auditor-proposed AJEs typically range from 10–20 annually, with recent years trending lower. A copy of the FY25 AJE list will be available upon completion of the audit.

5. Fieldwork Schedule

Q: What is the typical fieldwork schedule?

A: Fieldwork is typically conducted in late fall following the June 30 fiscal year-end, with interim work performed earlier as needed. The Village prioritizes timely completion to meet LGC deadlines.

6. Financial Software

Q: Are there plans to change financial software during the contract period?

A: No changes are currently anticipated.

7. Remote Auditing

Q: What is your experience with remote auditing?

A: The Village has successfully participated in remote and hybrid audits and is open to remote or partially remote fieldwork, provided efficiency and communication are maintained.

8. AFIR and Nonattest Services

Q: Who prepares the AFIR? What nonattest services are provided?

A: The Village currently prepares the AFIR internally but may consider outsourcing in the future. Nonattest services are generally limited to financial statement preparation and related disclosures in accordance with independence standards.

9. Use of Consultants

Q: Does the Village utilize accounting consultants?

A: Not routinely. Consultants may be engaged on a limited, as-needed basis for specialized projects.

10. FY25 Audit Status

Q: What is the status of the FY25 audit and expected issuance date?

A: The FY25 audit is currently in process and expected to be issued in May 2026.

Q: What caused the delay?

A: The delay was due to staffing shortages during the October–December period. Those positions have since been filled.

11. Audit Findings

Q: Are any new findings expected in the FY25 audit?

A: None are anticipated at this time.

12. Grants / Single Audit

Q: Will FY26 require a federal or state single audit?

A: It is not currently expected; however, it will depend on activity levels. The Village may reach the threshold for a state single audit depending on expenditures related to wastewater and infrastructure grants (including AIA Water, AIA Sewer, and LASII grants).

13. Capital Projects

Q: Any significant new capital projects expected in FY26?

A: No.

14. Debt

Q: Any new debt expected in FY26?

A: No.

15. Leases / SBITAs

Q: Any new significant leases or SBITAs expected?

A: No.

16. IT / Cybersecurity Issues

Q: Any financial system or cybersecurity in general issues?

A: No general issues were experienced.

Acknowledgment

All proposers shall acknowledge receipt of this Addendum in their proposal submission.