

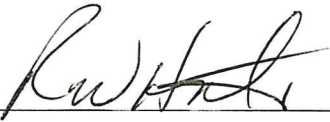
Town of Boonville
December 5, 2017, Regular Meeting Minutes
Harvey E. Smith Municipal Building

The following were in attendance at the 12/5/17 regular meeting: Mayor Rusty Hunter, Commissioners Devin Carter, Bonnie Lasky, William Paul Baity, and Tony Reece. Also in attendance were Town Administrator Sarah Harris, Police Chief Farron Jester, Finance Officer/Town Clerk Kim Wells, and Public Works Director Jeff Jones.

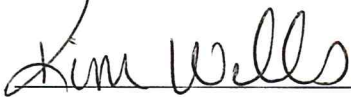
- I. Call to Order and Welcome:** Mayor Hunter called the 12/5/17 meeting to order at 7:00 p.m.
- II. Conflict of Interest Issues and Approval of Agenda:** Commissioner Baity motioned to adopt the agenda. Commissioner Reece seconded, and the motion passed unanimously.
- III. Adoption of minutes – 11/7 public hearing, 11/7 regular session, 11/7 closed session:**
Commissioner Lasky motioned to adopt the minutes of the 11/7 public hearing, 11/7 regular session, and 11/7 closed session. Commissioner Baity seconded, and the motion passed unanimously.
- IV. Public Comments:** Ellen Reece, President of the Boonville Friends of the Boonville Library, informed the Board members of library expansion plans and asked the Board to consider adding her to the agenda in January to further discuss these plans.
- V. Old Town Business:**
 - A. Update on Water and Sewer Projects:** Public Works Director Jones updated the Board members on the status of the Sewer Plant Project and the proposed well site.
- VI. New Town Business:**
 - A. 2017 Audit Presentation by Cannon & Company:** Valerie Kiger presented the Fiscal Year 2016-2017 audit. She stated the audit had a clean, unqualified opinion. She reviewed the profit/loss from Fiscal Year 2016 to Fiscal Year 2017 and explained that because of the loans, the audit package is larger than before. She stated that the loans had to be prepared in single audits because of the amount of Federal funds being used. Mrs. Kiger then reviewed two accompanying letters: one addressing Internal Control issues because the Town staff is so small, and the other stating there were no additional findings.
- VII. Reports and announcements:**
 - A. Mayor's report:** Mayor Hunter commented on the Christmas parade.
 - B. Town Administrator's report:** Town Administrator Harris commented on the Small Business Saturday event. She informed the Board members of a new business located on Cranberry Road. Ms. Harris asked the Board members to consider possible dates for the upcoming Board Retreat. She also reported on the status of Boonville Elementary School.
 - C. Finance Officer's report:** Finance Officer Wells reported on the status of the QS1 accounting software stating that all modules are up and running except for the utility billing section. She stated that the staff was working on data input and hoped to have the system on line and working in January.
 - D. Public Works Director's report:** Public Works Director Jones updated the Board members on the DOT upgrades for wheelchair ramps and the crosswalk in front of the elementary school and the NC-67/River Road intersection. Mr. Jones suggested that the Board members consider purchasing a new snow plow vs. contracting out snow removal.
 - E. Police Chief's report:** Police Chief Jester reported that training records were currently being submitted to the State. He stated the police officers were assisting with the Holiday Booze-It and Lose-It program.
 - F. Departmental Commissioner's Reports:** No items were reported.
 - G. Committee reports as needed:** Sarah Harris reported that the BBDDA was distributing Facade Improvement Grant letters to the downtown business owners. She stated these applications are due in March.
- VII. Closed Session per NCGS 143-318(a)(6):** Commissioner Lasky motioned to go into closed session per NCGS 143-318(a)(6). Commissioner Carter seconded, and the motion passed unanimously at 7:26 pm.

Commissioner Carter motioned to approve the hiring of Anthony Brian Higgins as a full-time Public Works Technician, Step 2, at a salary of \$24,668.80 effective 12/6/17. Commissioner Lasky seconded, and the motion passed unanimously.

VIII. Recess/Adjourn: Commissioner Lasky motioned to adjourn. Commissioner Carter seconded, and the motion passed unanimously. The meeting ended at 7:35 p.m.



Russell (Rusty) Hunter, IV, Mayor



Kim Wells, Finance Officer/Town Clerk



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Certified Public Accountants L.L.P.

To the Honorable Mayor
and Members of the Board of Commissioners
Town of Boonville
Boonville, North Carolina

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Boonville as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Boonville's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Boonville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Boonville's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies.

Due to the size of the staff, the Town is not able to fully segregate all accounting functions. The Town of Boonville's governing board does not believe the cost of correcting this significant deficiency exceed the benefits to be derived from doing so.

This communication is intended solely for the information and use of management, the governing board, federal and state awarding agencies, and pass-through agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Cannon & Company, P.C.

October 20, 2017



cannon&company
Certified Public Accountants

October 20, 2017

Honorable Mayor and Members of the Board of Commissioners
Town of Boonville,
Boonville, North Carolina

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Boonville, North Carolina for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 27, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Boonville are described in Note A to the financial statements. As described in Note B to the financial statements, the Town changed accounting policies related to accounting for financial reporting for the law enforcement special separation allowance by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* in 2017. Accordingly the cumulated effect of the accounting change as of the beginning of the year is reported in the Statement of Activities. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of audit procedures that were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 20, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary schedules and other schedules which accompany the financial statements but are not RSI. With respect to the this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the Town of Boonville and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Cannon & Company, L.L.P.

Cannon and Company, L.L.P.