

Town of Boonville
February 6, 2018, Regular Meeting Minutes
Harvey E. Smith Municipal Building

The following were in attendance at the 2/6/18 regular meeting: Mayor Rusty Hunter, Commissioners William Paul Baity, Bonnie Lasky, and Tony Reece. Also in attendance were Town Administrator Sarah Harris, Police Chief Farron Jester, Public Works Director Jeff Jones, and Town Attorney, James Freeman. Commissioner Devin Carter, and Finance Officer/Town Clerk Kim Wells, were absent.

- I. Call to Order and Welcome:** Mayor Hunter called the 2/6/18 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 – 1/2 regular session, 1/2 closed session:** Commissioner Baity motioned to adopt the minutes of the 1/2 regular session, and 1/2 closed session. Commissioner Reece seconded, and the motion passed unanimously.
- IV. Public Comments:** None were voiced.
- V. Closed Session per NCGS 143-318(a)(3):** Commissioner Baity motioned to go in to closed session per NCGS 143-318(a)(3). Commissioner Lasky seconded, and the motion passed unanimously.

Commissioner Baity motioned to allow Municipal Engineering Services Company (MESCO) to initiate a letter to Turner Murphy Company to assess liquidated damages and/or special damages. Commissioner Reece seconded, and the motion passed unanimously.

VI. Old Town Business:

- A. Update on Water and Sewer Projects:** Public Works Director Jones informed the Board members that the parts for the sludge pump on Plant 2 are obsolete, and it would be in the Town's best interest to purchase a new pump. Commissioner Baity motioned to purchase a new sludge pump with complete electrical components at a cost of \$18,200 out of the sewer plant improvement project line item. Commissioner Lasky seconded, and the motion passed unanimously.
- B. Update on Environmental Study:** Town Administrator Harris discussed her meeting with West Consultants and their estimate of \$2,000 to conduct a Phase 1 environmental study on the property located at 125 West Main Street. The Davis Bacon Act does not apply since the cost is under \$50,000. Commissioner Lasky motioned to proceed with the environmental study. Commissioner Reece seconded, and the motion passed unanimously.
- C. QS1 Update:** Town Administrator Harris reported that the QS1 software needs to be upgraded to add ASP centralized collections at an annual cost of \$900. Commissioner Lasky motioned to proceed with the upgrade. Commissioner Reece seconded, and the motion passed unanimously.

VII. New Town Business:

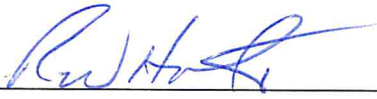
- A. Holiday Payout for Police Officers:** It has been the practice of the Town of Boonville to pay out police officer's holiday time at the end of the fiscal year. However, the new QS1 system runs on the calendar year. Therefore, it is recommended that holiday time be paid out to Officers Cranford, Weiss, and Slate now. Commissioner Lasky motioned to pay out the holiday time for Officers Cranford, Weiss, and Slate. Commissioner Baity seconded, and the motion passed unanimously.
- B. 2018 Audit Contract with Cannon & Company:** The 2018 Audit Contract with Cannon and Company was presented to the commissioners. Commissioner Baity motioned to approve the contract. Commissioner Reece seconded, and the motion passed unanimously.

VIII. Reports and announcements:

- A. Mayor's report:** Mayor Hunter expressed his sympathy at the passing of long-time Mayor and Fire Chief, Harvey Smith. To honor his legacy, Mayor Hunter suggested that the Town of Boonville plan a "Harvey Smith Day" coordinated with the Boonville Fire Department. Mayor Hunter will contact Mr. Smith's children.
- B. Town Administrator's report:** Town Administrator Harris reminded the Board members that the Town Board retreat is scheduled for February 15. She also reported on the awards given during the annual Yadkin County Chamber of Commerce Awards Banquet. Southland Transportation was presented with the Economic Development Award and Brent Hunter and Hunter Farms Family Produce & Beef was named Yadkin County Farmer of the Year. She also

reported that the Boonville Consumer Preference Survey is on line and has been distributed for input. She reminded the Board members that she will be attending the Yadkin Leadership session on February 21.

- C. Finance Officer's report:** Finance Officer Wells was absent so there was no report.
- D. Public Works Director's report:** Public Works Director Jones reported that the Oak Drive sewer line project should begin soon. There was a question related to the Holly Street property where a house had burned. Town Administrator Harris will investigate the status of the property. Public Works Director Jones reported that testing needs to be performed on the new well that has been drilled but there is difficulty accessing the site. He suggested that an access road be installed. There was additional discussion regarding potential future invoices from MESCO.
- E. Police Chief's report:** Police Chief Jester reported that Andrew Combs would like to be added to the schedule, so he has been activated.
- F. Departmental Commissioner's Reports:** No items were reported.
- G. Committee reports as needed:** No items were reported.
- IX. Recess/Adjourn:** Commissioner Lasky motioned to recess until February 15, 2018, at 6:00 p.m. Commissioner Reece seconded, and the motion passed unanimously.



Russell (Rusty) Hunter, IV, Mayor



Bonnie Lasky, Commissioner

Turner Murphy Co., Inc.

Booneville WWTP

Date 1/19/2018

CO#6

WWTP#2 Sludge Pump

Code

	Description	QTY	Units	Unit Prices	+/-	Amount	
Material	3000 psi Concrete	5	cy	125.00		625.00	
	Sludge Pump	1	LS	7260.00		7260.00	
	Piping/Valves	1	LS	2359.00		2359.00	
	Tax	7.00%				717.08	
Labor	Place and Finsh	5	cy	75.00		375.00	
	Pump	1	LS	645.00		645.00	
	Piping/Valves	1	LS	500.00		500.00	
Sub Sun	Welding	1.00	LS	750.00		750.00	
	Electrical	1	LS	2000.00		2000.00	
	Small Tools	7%				71.40	
	Labor Burden 36%	36%				367.20	
	Bond Adjustment	1%				180.20	
	Fee/Office OH	15%				2350.45	
Deducts							
Total							

DEDUCT
ADD
ET TOTAL

0
18,200
\$18,200

Total Days

13



Sarah Harris <townadmin@boonvillenc.com>

Boonville Library Phase I ESA

Benjie Thomas <bthomas@west-consultants.com>

Thu, Jan 25, 2018 at 10:17 AM

To: Sarah Harris <townadmin@boonvillenc.com>

Cc: David Poore <dpoore@west-consultants.com>

Hi Sarah,

David and I reviewed the photos and discussed what I observed yesterday at the site. We normally charge \$2,500 for a Phase I ESA but in this case it would be \$2,000. Please let us know if that is acceptable and if so we will proceed. We expect that it would be complete within 4 weeks.

Thanks,

Benjie Thomas

(828) 522-4728

From: Sarah Harris [mailto:townadmin@boonvillenc.com]

Sent: Wednesday, January 24, 2018 9:47 AM

To: Benjie Thomas <bthomas@west-consultants.com>

Subject: Re: Boonville Library Phase I ESA

Good morning Benjie,

1:00 sounds great, Jeff and I will meet you there. The garage is located at 125 W Main Street Boonville, NC 27011. Pin number 499007574737. Here is the link to Yadkin County GIS <http://www.yadkincountync.gov/index.aspx?NID=292>

Sincerely,

Sarah Harris
Town Administrator

PO Box 326

Boonville, NC 27011

336.367.7941

336.367.4205(f)

www.boonvillenc.com

Town of Boonville
S/I Data Systems
01/29/2018

PROPOSAL FOR TOWN OF BOONVILLE

PREPARED BY: WILL CAUTHEN

TOWN OF BOONVILLE
110 N. CAROLINA AVE
BOONVILLE, NC 27011

EXHIBIT A

SOFTWARE COSTS

QTY	MODEL	DESCRIPTION	MTHLYASP
1	F0120	ASP Centralized Collections	\$75.00
TOTAL MONTHLY ASP SOFTWARE COST.....			\$75.00

Town of Boonville
S/I Data Systems
01/29/2018

Terms of Contract

Software prices in this quote are valid for a period of 30 days.

Invoicing

Invoices for this order will be issued according to the *Initial Payment Terms* shown below. Maintenance invoices will be issued separately. These invoices are due and payable upon receipt. **Your account must be paid 15 days from the billing date.** Amounts not paid when due will be subject to a finance charge of 1.5% per month (18% per year).

Investment Totals

Hardware & Installation	\$0.00
Sales Tax of 5% based on \$0.00	\$0.00
Freight	\$0.00
Total Hardware (due upon delivery of hardware)	<u>\$0.00</u>
 Total Training (due at start of training per application)	 <u>\$0.00</u>
Total Initial Expenditure (Hardware + Training)	\$0.00
 Annual ASP Service Cost: (12 months @ \$75.00/mo.)	 \$900.00
First Year Total Cost	\$900.00

100-500-41000-40002
PAGE 1
SALARIES EXPENSE
12/29/17
Governing Body

BOONVILLE, TOWN OF
ACCRUED LEAVE LIABILITY REPORT

PD Holiday Time
Balance @ year end

EMPLOYEE - 4 - CRANFORD DANIEL M	ANV MTH - OCT	PAY
FR - HB		
** SICK ** HOURS 242.48	AMOUNT 3756.0152	
** HOLIDAY ** HOURS 56.00	AMOUNT 867.4400	
** VACATION ** HOURS 240.00	AMOUNT 3717.6000	
EMPLOYEE - 19 - HARRIS SARAH E	ANV MTH - MAR	PAY
FR - HB		
** SICK ** HOURS 159.50	AMOUNT 3834.3800	
** HOLIDAY ** HOURS 16.00	AMOUNT 384.6400	
** VACATION ** HOURS 45.25	AMOUNT 1087.8100	
EMPLOYEE - 26 - HIGGINS BRIAN	ANV MTH - DEC	PAY
FR - HB		
** SICK ** HOURS 8.00	AMOUNT 94.8800	
** VACATION ** HOURS 4.00	AMOUNT 47.4400	
EMPLOYEE - 12 - HUTCHENS STEPHEN B	ANV MTH - SEPT	PAY
FR - HB		
** SICK ** HOURS 342.25	AMOUNT 4808.6125	
** HOLIDAY ** HOURS 16.00	AMOUNT 224.8000	
** VACATION ** HOURS 98.43	AMOUNT 1382.9415	
EMPLOYEE - 18 - JESTER FARRON	ANV MTH - MAR	PAY
FR - SB		
** SICK ** HOURS 897.00	AMOUNT 23438.6100	
** HOLIDAY ** HOURS 32.00	AMOUNT 836.1600	
** VACATION ** HOURS 92.00	AMOUNT 2403.9600	
EMPLOYEE - 15 - JONES JEFFREY	ANV MTH - OCT	PAY
FR - HB		
** SICK ** HOURS 611.77	AMOUNT 16205.4814	
** HOLIDAY ** HOURS 21.00	AMOUNT 556.2795	
** VACATION ** HOURS 137.62	AMOUNT 3645.4850	
EMPLOYEE - 2 - LOPEZ PEDRO M	ANV MTH - JUNE	PAY
FR - HB		
** SICK ** HOURS 353.75	AMOUNT 4991.4125	
** HOLIDAY ** HOURS 16.00	AMOUNT 225.7600	
** VACATION ** HOURS 207.32	AMOUNT 2925.2852	
EMPLOYEE - 13 - PARKS LLOYD A	ANV MTH - JAN	PAY
FR - HB		
** SICK ** HOURS 274.25	AMOUNT 3757.2250	
** HOLIDAY ** HOURS 16.00	AMOUNT 219.2000	
** VACATION ** HOURS 98.68	AMOUNT 1351.9160	
EMPLOYEE - 9 - RUTLEDGE BRYAN K	ANV MTH - JUNE	PAY
FR - HB		
** SICK ** HOURS 714.18	AMOUNT 10541.2968	
** HOLIDAY ** HOURS 32.00-	AMOUNT 472.3200-	
** VACATION ** HOURS 224.00	AMOUNT 3306.2400	
EMPLOYEE - 11 - SLATE STEPHEN	ANV MTH - JULY	PAY
FR - HB		
** SICK ** HOURS 1142.80	AMOUNT 16867.7280	
** HOLIDAY ** HOURS 56.00	AMOUNT 826.5600	
** VACATION ** HOURS 215.65	AMOUNT 3182.9940	
EMPLOYEE - 23 - WEIS JASON	ANV MTH - AUG	PAY
FR - HB		
** SICK ** HOURS 32.00	AMOUNT 472.3200	
** HOLIDAY ** HOURS 40.00	AMOUNT 590.4000	
** VACATION ** HOURS 16.00	AMOUNT 236.1600	

CONTRACT TO AUDIT ACCOUNTS

Of Town of Boonville, North Carolina
Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 9th day of January, 2018

Auditor: Cannon and Company, LLP Auditor Mailing Address: 2160 Country Club Road

Winston-Salem, NC 27104

Hereinafter referred to as The Auditor

and Town Council (Governing Board(s)) of Town of Boonville, North Carolina
(Primary Government)

and N/A: hereinafter referred to as the Governmental Unit(s), agree as follows:
(Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2017, and ending June 30, 2018. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). **County and Multi-County Health Departments:** The Office of State Auditor (OSA) will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by OSA and in accordance with the instructions and timeline provided by OSA.
3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's Auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unqualified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unqualified opinion on the financial statements of the unit, the Auditor shall contact the SLGFD staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

Contract to Audit Accounts (cont.) Town of Boonville, North Carolina

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end.
Audit report is due on October 31, 2018. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoices shall be sent via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net> Subject line should read "Invoice - [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (Note: Fees listed on Fees page.) This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).

10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue

Contract to Audit Accounts (cont.) Town of Boonville, North Carolina

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

bond rate covenant. Additionally, the Auditor shall submit to the SLGFD simultaneously with the Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the fiscal year end.
12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit shall not be billed for the pre-issuance review. The pre-issuance review shall be performed **prior** to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.
13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the SLGFD.

The SLGFD's process for submitting contracts, audit reports and invoices is subject to change. Auditors shall use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is <http://nctreasurer.slgfd.leapfile.net> No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

Contract to Audit Accounts (cont.) Town of Boonville, North Carolina

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.
17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and the Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is <http://nctreasurer.slgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item #16 for clarification).
-
-

SIGNATURE PAGES FOLLOW FEES PAGE

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ 4,935

**** NA if there is to be no interim billing**

FEES – DPCU (IF APPLICABLE)

AUDIT: \$ N/A

WRITING FINANCIAL STATEMENTS: \$ _____

ALL OTHER NON-ATTEST SERVICES: \$ _____

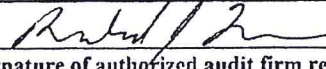
For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ _____

**** NA if there is to be no interim billing**

By Richard J. Tamer
Authorized Audit firm representative name: Type or print


Signature of authorized audit firm representative

Date 1/9/18

rtamer@cannon.pro
Email Address of Audit Firm

Governmental Unit Signatures:
Town of Boonville, North Carolina
Name of Primary Government
By Rusty Hunter, Mayor
Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By N/A
Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson

Date

*** If Governmental Unit has no audit committee, mark this section "N/A"*

Act.

By Kim Wells

Primary Government Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

(Pre-audit Certificate must be dated.)

boonvillefo@embarqmail.com

Email Address of Finance Officer

Date Primary Government Governing Body
Approved Audit Contract - G.S. 159-34(a)

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Name of Discreetly Presented Component Unit

By _____
DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date _____

By _____
Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson

Date

** If Governmental Unit has no audit committee, mark this section "N/A"

**

Control Act or by the School Budget and Fiscal Control Act.

By _____
DPCU Finance Officer:
Type or print name

DPCU Finance Officer Signature

Date _____
(Pre-audit Certificate **must be dated.**)

Email Address of Finance Officer

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>
5. Item No. 9 – Please note that the new fee section has been moved to page 5.
6. Item No. 16 – Has the engagement letter been attached to the contract that is being submitted to SLGFD?
 - a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *“In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence.”*
 - b. Does the engagement letter contain an indemnification clause? **The audit contract shall not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the fees page; please note:
 - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we shall compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/default.aspx select “audit fees”

Please call or email Lorna Hodge at 919-814-4299 lorna.hodge@nctreasurer.com if you have any questions about the fees on this list.

 - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

that is a Public Authority that falls under the Local Government Budget and Fiscal Control Act, it shall be named in this contract and the Board Chairperson of the DPCU also shall sign the contract in the area indicated. If the DPCU is filing a separate audit, a separate audit contract is required for that DPCU.

9. Please place the date the Primary Government's Governing Board and the DPCU's Governing Board (if applicable) approved the audit contract in the space provided.
 - a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.
 - b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?
 - c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board and the DPCU's Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?
10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the fees page.
11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.
12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to PDF. **When submitting for approval combine and send the documents as one PDF file to include the Audit contract, any applicable addendums, the engagement letter and Peer Review Report.** Submit these documents using the most current submission process which can be obtained at the NC Treasurer's web site
<https://www.nctreasurer.com/slg/Audit%20Forms%20and%20Resources/Instructions%20for%20Contract%20Submission.pdf>
13. If an audit cannot be completed by the due date, the Auditor or Governmental Unit shall file an Amended Contract form (Amended LGC-205). This form shall be signed by the Governmental Unit representative and the Auditor. The explanation for the delay in completing the audit is part of this contract amendment form and shall be provided. The parties that signed the original audit contract shall sign the amended contract form as well. If the signing representatives are unable to sign the amended contract, please include an explanation for this in the submitted amended contract form.