Town of Boonville
May 5, 2020, Regular Meeting Minutes
Harvey E. Smith Municipal Building

The following were in attendance at the 5/5/20 regular meeting: Mayor Vaughn Benton, Commissioners William Paul Baity, Monica Craver, Richard Lasky, Justin Phillips, and Tony Reece. Also in attendance were Finance Officer/Town Clerk Kim Wells, Public Works Director Jeff Jones, Police Chief Jeff Hobson and Administrative Assistant Steve Hutchens. Town Attorney James Freeman attended electronically through Zoom.

I. **Call to Order and Welcome:** Mayor Benton called the 5/5/20 meeting to order at 7:01 p.m.

II. **Conflict of Interest Issues and Approval of Agenda:** Finance Officer/Town Clerk Wells stated that under adoption of minutes, the 4/7 regular session needed to be changed to 3/30 Budget Workshop, and that the AIA Grant needed to be placed as Item VII, A with current items A-G moved to items B-H. Commissioner Baity motioned to approve the agenda as amended. Commissioner Lasky seconded, and the motion passed unanimously.

III. **Pledge of Allegiance and Prayer:** Mayor Benton led the Pledge of Allegiance and the prayer.

IV. **Adoption of minutes:** The Board members discussed the 3/3/20 regular meeting minutes. Under item VI. C – Logo for Town Water Tank, the Board wanted to add "It was the consensus of the Board members to clarify in the March minutes that the logo fee would be a one-time purchase in the amount of $14,400 for one side of the tank, and that in the future, this should be included in the regular maintenance cost and should not be an additional fee per contract." Commissioner Baity motioned to approve the 3/3 regular, 3/3 closed session, and 3/30 budget workshop minutes as amended. Commissioner Phillips seconded, and the motion passed unanimously.

V. **Public Comments:** Shannon Keaton, Sunset Dr., spoke electronically via Zoom. He stated that he had a concern with the Police Department and would talk to Chief Hobson the next day.

VI. **Old Town Business:**

A. **Update on Water and Sewer Projects:** Public Works Director Jones updated the Board members on the current status of the work being performed at the sewer plant. He stated the new well on Sunset Drive was in the process of being connected into the water system.

B. **Town Parking:** Public Works Director Jones stated that he was in the process of obtaining contractor quotes. Per NC Department of Transportation officials, the intersection project will probably be pushed out another year due to the Covid-19 pandemic. Discussion followed. It was the consensus of the Board members to table the topic for now.

VII. **New Town Business:**

A. **AIA Grant:** Mike Koser and Ken Orie from WithersRavenel spoke via telephone to the Board members about applying for the AIA Grant. They stated this was a grant for an Asset Management Plan for Boonville and detailed how the project would include the condition of all assets, including the sewer plant. Discussion followed on the likelihood that the town would be awarded this grant. Mr. Orie stated there would be a 50 percent chance for the first year submission, but that the percentage would increase to 75 percent the second year. He stated that after year one, the Town would not need to contract with them again for future years. He said that the Town could take year one and update the figures for year two and beyond.

B. **RFP Audit Services for Fiscal Year 2020:** Finance Officer/Town Clerk Wells presented the Board members with a second quote from the RFP. She stated that no one else she contacted would submit a quote. She reviewed the two RFPs and recommended the Board members approve the least costly of the two, Gibson and Company. Commissioner Craver motioned to accept the Gibson and Company contract for audit services for FY 2020-2021. Commissioner Lasky seconded, and the motion passed unanimously.

C. **Utility Policy Update consensus:** Finance Officer/Town Clerk Wells reviewed the consensus she received from the Board members to change the Utility Policy to not allow disconnects during times of emergency. She stated there was one more update to remove the language regarding the acceptance of credit cards in Town Hall. Mrs. Wells explained the prior Board members' reasoning for removing the credit card processing equipment from Town Hall. Commissioner Baity motioned to approve the new Utility Billing and Collections Procedure Policy. Commissioner Phillips seconded, and the motion passed unanimously.

D. **Meeting Schedule revision consensus:** Finance Officer/Town Clerk Wells stated that there was a consensus by the Board members to update the 2020 meeting schedule to remove the April meeting because of the Covid-19 pandemic. Commissioner Baity motioned to ratify the new meeting schedule. Commissioner Craver seconded, and the motion passed unanimously.

E. **Town Truck consensus:** Public Works Director Jones reported on the consensus of the Board members for the emergency repair of the Town's International dump truck. Commissioner Baity motioned to pay Long's Garage up to $3,000 for repairs to the International dump truck. Commissioner Phillips seconded, and the motion passed unanimously.

F. **Budget Amendments:** Finance Officer/Town Clerk Wells reviewed her proposed budget amendments dated 5/5/20. Commissioner Baity motioned to approve the proposed budget amendments dated 5/5/20. Commissioner Lasky seconded, and the motion passed unanimously.

G. **Budget Workshop:** The Board members discussed potential dates for the first budget workshop. It was agreed that the budget workshop would be held on Wednesday, May 20, 2020, at 9:30 a.m. and should be concluded by noon.

H. **Heat Pump/Air Conditioner for the Police Department:** Police Chief Hobson asked the Board members to consider removing this item. He stated that after receiving quotes, he found someone who could service the unit. The vendor stated that the Town could possibly just replace the coil in unit for a significant savings.

VIII. Reports and announcements:

A. **Mayor's report:** Mayor Benton reported that larger municipalities are suffering and asked the Board members to look closely at their Department's spending in the upcoming year. He stated that he did not want to burden the citizens and taxpayers by having to raise rates.

B. **Finance Officer's report:** Finance Officer/Town Clerk Wells stated that she had heard that municipalities would likely not see a significant impact on tax funding through the State for a couple of months, and that the majority of the impact will not appear in fiscal year 2020. She then reviewed the Budget vs. Actual report.

C. **Public Works Director's report:** Public Works Director Jones reported that his sampler was damaged, and he had a quote of $8,000 to replace it, which also included the programing. Mayor Benton asked if the Town had been issued any citations from the State. Mr. Jones stated that they had been issued one for the sampler but had since had it calibrated. He said the new sampler would take two weeks to procure. Public Works Director Jones stated there were not funds appropriated for the purchase, but there were funds available to move in the budget to cover it. Mr. Jones stated that the rock bin rehabilitation was included in the budget and asked the Board members to approve that project. Discussion followed. Commissioner Baity motioned to approve up to $20,000 in Water and Sewer Capital Outlay for the relocation of the riprap bins. Commissioner Phillips seconded, and the motion passed unanimously.

D. **Police Chief's report:** Police Chief Hobson had nothing to report.

E. **Fire Department's Reports**: In Fire Chief Brandon Renegar absence, Finance Officer/Town Clerk Wells read the Fire Department's report.

F. **Departmental Commissioner's Reports**: Commissioner Craver reported that Steve Hutchens had been busy putting together a Welcome to Boonville Pamphlet for new residents. Mayor Benton asked if there had been any updates to the new zoning requirements. Administrative Assistant Steve Hutchens stated that he had been reading updates, but at that time, no major changes had occurred. He stated that he had created a database for ease in tracking zoning permits.

G. **Committee reports as needed:** None were voiced.

IX. Closed Session per NCGS 143-318.11(a)(6) – Personnel: Commissioner Baity motioned to go into closed session per NCGS 143-318.11(a)(6)-Personnel. Commissioner Phillips seconded, and the motioned passed unanimously at 8:14 p.m.

Commissioner Baity motioned to return to open session. Commissioner Phillips seconded, and the motioned passed unanimously at 8:25 p.m.

Commissioner Baity motioned to terminate the employment of Public Works Technician Justin Keaton and pay out whatever vacation he had accrued. Commissioner Lasky seconded, and the

motion passed unanimously. It was the consensus of the Board members to contact Workforce for a temporary employee.

XII. Recess: Commissioner Baity motioned to recess until 9:30 a.m., on May 20. Commissioner Phillips seconded, and the motioned passed unanimously. The meeting adjourned at 8:28 p.m.

R. Devaughn (Vaughn) Benton, Mayor

Kim Wells, Finance Officer/Town Clerk

Proposal for Audit Services
Cost Estimate
For the Years Ending June 30, 2020 through 2022

Prepared for

Boonville
Crossroads of the Yadkin Valley

March 4, 2020

Contact

Victor Blackburn, CPA, Partner
bripple@brccpa.com

1501 Highwoods Blvd, Suite 300
Greensboro, North Carolina 27410
336-232-4416
brccpa.com

brc Bernard Robinson & Company
Balanced. Responsive. Connected.

Table of Contents

Specific Audit Approach and Programs (Item 1) 3

Statistical Sampling and Internal Control Testing (Items 2 and 3) 5

Computer Audit Specialist (Item 4) 6

Audit Team Organization and Percentage of Time (Item 5) 7

Management Letter (Item 6) 7

Town's Staff Assistance (Item 7) 8

Audit Timeline (Item 8) 8

Technical Review 10

Audit Fees (Item 9) 10

Summary of Audit Costs Sheet (Item 11) 12

Specific Audit Approach and Programs (Item 1)

The Firm uses audit programs developed by Thomson Reuters and published under "PPC Practice Aids". These audit programs will be modified to match specific risks identified during planning for the Town of Boonville to comply with the auditing standards related to risk assessment and are a combination of standard government audit programs and government compliance audit programs, as well as the audit programs developed by the Local Government Commission in conjunction with independent CPA's. The program developed by the Local Government Commission adds other features to a financial audit and includes internal control questionnaires, which include specific references to North Carolina General Statutes' requirements associated with local government entities operating in the State of North Carolina. The Local Government Commission also provides compliance audit programs pertaining to federal and State award programs which clearly segregate audit responsibilities for specific compliance audit procedures between state auditors and local auditors. The tailoring of these audit programs will be accomplished prior to and during the preliminary phase of the audit.

The purpose of any audit program and workpaper is to document the required sufficient audit evidence necessary to develop a reasonable basis for an expression of an opinion on the Town of Boonville's financial statements. Our audit approach complies with the auditing standards that require us to obtain an understanding of the Town of Boonville's significant financial statement account balances and classes of transactions, as well as those associated with compliance requirements associated with federal and State award programs (if applicable), to identify potential risks of material misstatements that could affect each area, as well as the overall financial statements, assess those risks, select an audit approach that appropriately tailors our response to each risk impacting the audit and linking each assessed risk to audit procedures that appropriately address those risks. Your risk assessment will take into account the Town of Boonville's materiality of significant account balances or classes of transaction, results of preliminary analytical procedures, information obtained from the engagement team about the Town of Boonville and its environment which includes internal controls, consideration of potential fraudulent activities, and other relevant information necessary to identify and assess risks.

The Town of Boonville's risk assessment process performed by the Firm is summarized below:

Assessment Area	Purpose
Significant Audit Area	For each audit area, the engagement team will identify those areas considered significant. An audit area includes the related account balances, transaction classes, and disclosures at the financial statement level (each fund). An audit area is generally significant if it contains a significant transaction class, material account balance, fraud risk or other significant risk, or requires significant disclosures.

Assessment Area	Purpose
Identified Risks/Assertions Affected	Risk assessment for each audit area includes unique accounting or audit issues related to the client or specific risks related to matters such as related party transactions, subsequent events, significant estimates, or disclosures. Based on our understanding of the entity obtained when performing risk assessment procedures, any specifically identified risk that is of a magnitude that could result in material misstatement of the financial statements and the related assertion is documented to be addressed. It is a presumption that we will identify improper revenue recognition and management override of controls as significant risks due to fraud as a risk of material misstatement.
Risk Assessment Documentation Approach	Of the identified risks of material misstatements noted above, we will indicate which risks are significant risks of material misstatement and assess those risks at the relevant assertion level. For audit areas that are not significant, or for significant areas where we have not identified any specific risks, we may document the risk assessment for the audit area as a whole. If this is done, the risk assessment is assumed to be the same for all assertions and should be the highest level of risk for any assertion in the area. However, for significant audit areas where we have identified one or more specific risks, the risk assessment is documented at the assertion level. When documenting the risk assessment at the assertion level, an assessment is made and documented for each relevant assertion regardless of whether any identified specific risks related to that assertion. Consideration of the following assertions are used in making our risk assessments: Existence or Occurrence (E/O) Completeness (C) Rights or Obligations (R/O) Accuracy or Classification (A/CL) Valuation or Allocation (V) Cutoff (CO)
Inherent and Control Risk Assessment	Document the assessed level of inherent risk and control risk as high, moderate, or low for each assertion. This assessment is based on our understanding of internal control and if applicable, the results of tests of controls performed during planning.

Assessment Area	Purpose
Audit Approach	Select the audit approach that is appropriate to respond to the risk assessment. Possible audit approaches used by the engagement team are as follows: Limited Procedures—Preliminary analytical procedures, other risk assessment procedures, and final analytical procedures are considered sufficient to address the related assertions for these areas. Basic Procedures—Basic procedures in this core audit program are deemed sufficient to address these assertions and include primarily substantive analytical procedures and certain tests of details, many of which are required by the SASs. Extended Procedures—Procedures in the basic procedure core audit program will be supplemented by one or more extended or other audit procedures. If this approach is selected, appropriate extended procedures will be developed or selected to respond to the risks at the relevant assertion level.

Selection of audit procedures used to obtain required audit evidence necessary to address each significant risk identified by the engagement team involves considerable judgment in many cases. Effectiveness and efficiency are part of that process, but overall audit testing to address the assertions for each identified risk is of primary importance to the engagement team. The engagement team is responsible for selection of the audit approach that is best suited to the overall engagement.

The detailed audit procedures selected by the engagement team serves to direct the efforts of the engagement team in the execution of the audit, document audit work performed and conclusions reached from work performed, identify potential internal control issues to be addressed with management and the Town of Boonville, and facilitate the review of overall workpapers.

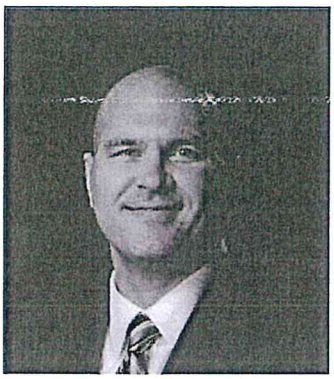
Similar risk assessment processes will be performed on the Town of Boonville's major federal and State award programs (if applicable), but will be focused on the risk of noncompliance with applicable compliance requirements associated with each award, as well as the overall noncompliance with laws and regulations of the Town of Boonville that might impact the financial statements.

Statistical Sampling and Internal Control Testing (Items 2 and 3)

The Firm will use sampling methods utilized by its PPC Practice Aids for selecting the Town of Boonville's documents for testing. Those methods consist of selecting a sample using individually significant items, or the haphazard, random or systemic approach. The sample sizes and selection method will be determined based on the Firm's assessment of the Town of Boonville's control and inherent risk, amount and volume of transactions and complexity of obtaining documentation.

Internal control testing will be performed on selected financial areas of the Town of Boonville that relate specifically to identified compliance requirements associated with the Town of Boonville's major federal and State award programs (primarily Allowable Costs and Allowable Activities) (if necessary) to reduce the risk of material misstatement and noncompliance with applicable compliance requirements below maximum. Other identified compliance requirements that are not directly associated with financial areas of the Town of Boonville (ex. Eligibility) will also have internal testing performed to determine potential risks associated with the awards and related sample sizes.

Computer Audit Specialist (Item 4)



A. Ben Hunter III, CPA, CISA, CRISC, CFE, Manager, Risk Advisory Services is a Manager in our Firm's Risk Advisory department and has over 7 years of experience in public accounting and IT Risk Advisory. He specializes in Cybersecurity and Information Technology Audits and Assessments. Ben began his cybersecurity career in the US Marine Corps. After his service, Ben went to UNC Greensboro and earned his Master of Science in Accounting. After becoming a Certified Public Accountant, he continued his cybersecurity and IT Audit training by obtaining the ISACA certifications: Certified Information Systems Auditor (CISA) and Certified in Risk and Information Systems Control (CRISC). Ben is also a Certified Fraud Examiner (CFE). Ben's unique perspective into the financial and information technology worlds allows him to communicate the technology risks in clear language for the decision makers.

Ben has experience performing and evaluating various Cyber assessments and Information Technology Audits, including:

- Cybersecurity Risk and Control Assessments,
- HIPAA Security and Privacy Audits,
- Social Engineering / Phishing training / Security Awareness training,
- Ransomware Prevention, Detection and Awareness training,
- Business Continuity Planning / Disaster Recovery (BCP/DR) planning and testing
- IT Internal Audits,
- Sarbanes-Oxley (SOX) Control Testing,
- Systems Vulnerability Scanning Assessments,
- Vendor Security Assessments,
- Wireless Communications Vulnerability Assessments

Ben will assist us in documenting the computer control policies and procedures used by the Town of Boonville that will assist us in planning the engagement. Ben is primarily responsible for planning, developing, implementing, and supporting information technology solutions. Ben is involved with project management, business continuity planning, process improvement, and training Firm staff and clients. He supports the audit function with client IT control and security assessments, accounting data extraction and analysis. He also provides technology consulting services including support for computers and networks, and accounting software.

Ben's continuance on the engagement will be based on the complexity of the Town of Boonville's system and the audit information needed, as determined by the engagement team, to comply with professional standards.

In addition to Ben's participation in the development of the Town of Boonville's computer processes and controls, Ben will assist the engagement team in converting data files requested during the audit to a database that is used by the engagement team to select items for the audit to test (such as major transactions, journal entries, etc.) and to identify unusual items that might require more in-depth examination or understanding.

Audit Team Organization and Percentage of Time (Item 5)

We anticipate that the audit of the Town of Boonville would be segmented timing (interim, fieldwork and final) and team member. Our anticipated segmentation of the audit, by hours, is as follows:

	Partner	Manager	Staff Accountant	Total
Interim:				
Engagement planning and preliminary fieldwork	1	2	16	19
Fieldwork:				
On-site financial audit	4	8	40	52
Final:				
Financial draft review	1	2	5	8
Total hours	6	12	61	79

The engagement team time estimates, in percentages, are as follows:

	Partner	Manager	Staff Accountant	Total
Totals	7	16	77	100

Management Letter (Item 6)

Any material weaknesses or significant deficiencies identified for the Town of Boonville's internal controls over financial reporting and on compliance and other matters related to GAS audits are required to be reported in a separate letter that is issued as part of your financial audit.

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.

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.

Management letters issued by the Firm will include any deficiencies that do not meet the requirements of a material weakness or significant deficiency and other operational suggestions identified during the audit for management's analysis and discussion.

Town of Boonville's Staff Assistance (Item 7)

During the planning process of the engagement, the Firm will obtain a detailed understanding of the Town of Boonville's internal control structure and overall accounting policies and procedures. From this understanding, the engagement team will determine the specific risks associated with the Town of Boonville's financial statement audit that will be addressed during the audit. Through the determination of these risks, the Firm will develop a Prepared by Client ("PBC") list that is unique to the Town of Boonville, requesting assistance from the Town of Boonville in preparing for the audit. The Firm will review and discuss the PBC list with the Town of Boonville's management to ensure complete understanding of the information being requested and the availability of the information to meet the Town of Boonville's reporting deadline of October 1st.

For the first year of the audit, the engagement team will plan on testing the opening balances of some of the most significant areas of the Town of Boonville in May/June 2020. With the skills, qualifications and ability of the Town of Boonville's staff, we will work with the Town of Boonville to design workpapers to be prepared by your staff to ensure the most efficient audit possible to meet your deadlines, but only if determined that those schedules and reports used by the Town of Boonville during their normal financial closing process would not provide the necessary audit evidence needed to opine on the Town of Boonville's financial statements.

Based on the assistance listed within the RFP, we do not believe the Town of Boonville will need to provide additional assistance. However, if additional assistance is deemed necessary we will discuss prior to the start of the audit.

Audit Timeline (Item 8)

	2020		
	May/June	September	October
Understand the Town of Boonville: Identify processes and controls for material accounts and significant transaction cycles (including various federal and State award programs, if applicable). This also includes meeting with those in charge of governance to discuss the audit process and potential concerns that could impact the audit process.	✓		
Assess Overall Controls: Assign control and inherent risk factors to identified controls to assess risk of material misstatements.	✓		

	2020		
	May/June	September	October
Determine Nature and Extent of Testing: Develop overall planning for risk of material misstatements identified during planning and steps to address those risks (including development of the PBC request list).	✓		
Tests of Controls: Perform testing on various controls identified for material accounts and significant transaction cycles to support our planned assessments for control risk. This phase includes performing required compliance testing on major federal and state financial assistance programs as required by Single Audit, if applicable.	✓		
Substantive Testing: Perform audit testing on information provided by the Town of Boonville's personnel from the PBC requested workpapers and completion of the open compliance testing items.		✓	
Management Wrap-up Meeting: Summarize and discuss potential control weaknesses and compliance findings identified during the audit (if any) to ensure all pertinent information has been reviewed and addressed.		✓	
Review Draft Financial Statements with note disclosures and draft the audit reports and compliance section reports and schedules.			✓
Release of Final Financial Statement Opinions: Face to face meeting to discuss various reports, management's responses to findings and any other open items.			✓
Meeting with Management and the Town of Boonville's Finance Committee and Board at end of audit, time to be determined: to discuss the audit results and reports issued.			✓

Technical Review

In order to meet the Town of Boonville's time line of starting the audit the middle of August and having the drafted financials statements available to the Town of Boonville by the first of October, technical reviews of the workpapers and financial statements will occur throughout the week, as sections are completed.

Audit Fees (Item 9)

Audit Fee Quotations

Staff Member	Interim Work	On-Site Year-End Work	Review Work	Total Hours	Average Rate Per Hour	Total Cost
Partner	1	4	1	6	$345	$ 2,070
Manager	2	8	2	12	227	2,724
Staff	16	40	5	61	149	9,089
Direct Expenses						200
Total	19	52	8	79		$ 14,083
Less Discount						(1,583)
						$12,500

Total all-inclusive maximum price:

	FY 2020	FY 2021	FY 2022
Base charge:			
Financial Audit	$12,500	$13,000	$13,500
TOTAL	$12,500	$13,000	$13,500

Basis/methodology of fee quote:

Based on review of the Town of Boonville's June 30, 2019 financial statements, discussion with the Town of Boonville's management, and prior experience with similar town funds and grants we determined the engagement hours at our current billing rates. Higher cost associated with normal first year audit have been spread across the three-year contract.

The above fees are based on current Firm policy to give governmental and not for profit clients an off-season discount from standard billing rates. Proposed fees are based on an anticipated increase each year not to exceed 5%, assuming no significant changes in the scope of the audit.

Basis for determining fee quotes, which would be used in price negotiations after the initial three-year contract.

Factors used in determining any increases or decreases:

Engagement team will evaluate the total engagement hours associated with the audits (financials and compliance) and current billing rates to determine starting point for price negotiations. Engagement team and management then can sit down to determine how to potentially reduce engagement hours to reduce engagement fees, if deemed necessary.

These fees for the audit of the Town of Boonville include the following services:

- Financial statement and compliance audit.
- Travel and other related costs.
- Review of the annual financial statements and related notes.
- Preparation of management letter (if applicable).
- Preparation of any other applicable letters (e.g., communication with the Town of Boonville relating to the conduct of the audit as required by *Government Auditing Standards)*.
- Meetings with the Town of Boonville's management to discuss planning, progress of fieldwork, audit reports, letters and suggestions.
- Meeting with the Town of Boonville Council to present the results of the audit and review issued reports.
- Year-round consultation provided that no significant time is involved to respond or develop a solution.

Summary of Audit Costs Sheet (Item 11)

		2020	2021	2022
1	Base Audit Includes Personnel costs, travel, and on-site work.	$12,500	$13,000	$13,500
2	Financial Statement Preparation	-	-	-
3	Extra Audit Service, $150 per hour	-	-	-
4	Other (explain) travel reimbursements, etc.	-	-	-
5	Other (explain)	-	-	-
	TOTAL	$12,500	$13,000	$13,500

BIDDER:	Bernard Robinson & Company, L.L.P.	Contact:	Victor Blackburn, Partner
Address:	1501 Highwoods Blvd., Suite 300	Telephone:	336-294-4494
	Greensboro, North Carolina 27410	Fax:	336-294-4495
Authorized Signature:		E-mail:	vblackburn@brccpa.com
		Date:	March 4, 2020

By Signing above, I Certify that I have carefully read and full understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

Town of Boonville

Proposal – Audit Services
First Section

February 5, 2020

GIBSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

GIBSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

February 5, 2020

Ms. Kim Wells, CMC, Finance Officer/Town Clerk
Town of Boonville
PO Box 326
Boonville, NC 27011

Dear Ms. Wells:

Thank you for the opportunity to submit this proposal to serve as independent auditor for the Town of Boonville for the years ended June 30, 2020, 2021, and 2022.

As you requested, our proposal is being submitted in two sections and will address the specific requested items as outlined in your request for proposal.

1. **Office location handling your audit**

Our office at 1411 Old Mill Circle Winston-Salem, NC 27103 will be handling the audit. The firm is registered with the North Carolina Secretary of State.

2. **Personnel that will be participating on your engagement**

The partners/principals of the firm are as follows:

R. Harold Gibson, CPA, Managing Partner/Principal

-53 years public accounting experience.
-Extensive experience with audits, reviews, compilations, and taxation for a variety of industries and nonprofit organizations.
-30 years experience with municipals and nonprofit organizations.
-Graduate of Wake Forest University.

2. **Personnel that will be participating on your engagement (continued)**

Monty R. Pendry, CPA, Partner/Principal

-25 years public accounting experience.
-Extensive experience with audits, reviews, compilations, and taxation for a variety of industries and nonprofit organizations.
-25 years experience with municipals and nonprofit organizations.
-Graduate of University of North Carolina at Wilmington

Other personnel that will be participating on your engagement:

Craig V. Hopkins, CPA, Manager

-26 years public accounting experience
-Extensive experience with audits, reviews, compilations, agreed upon procedures and taxation for a variety of industries and not for profit organizations.
-26 years experience with municipals and not for profit organizations
-BS, Accounting, University of North Carolina at Greensboro

Amanda S. Scott, CPA, Senior Accountant

-5 years public accounting experience concentrating on small to medium size entities.
-Experience with audits, compilations, agreed upon procedures, and taxation for a variety of industries and not for profit organizations.
-3 years experience with nonprofit organizations and 3 years with municipals.
-BS, Accounting, High Point University

3. **Current and prior government audit clients**

Current

Village of Tobaccoville
Audit (GAAS, GAGAS, and Single Audit)
27 years
Dan Corder, Village Administrator
PO Box 332
Tobaccoville, NC 27050
336-983-0029

3. **Current and prior government audit clients (continued)**

Current — Town of Walkertown
Audit (GAAS, GAGAS, and Single Audit)
20 years
Scott Snow, Town Manager
PO Box 39
Walkertown, NC 27051
336-595-4212

Current — Town of Bethania
Audit (GAAS and GAGAS)
19 years
Brent Rockett, Finance Officer
Karen Keller, Town Clerk
PO Box 259
Bethania, NC 27010
336-922-4744

Current — Town of Lewisville
Audit (GAGAS and Single Audit)
19 years
Pam Orrell, Finance Officer
PO Box 547
Lewisville, NC 27023
336-945-5558

Current — City of Trinity
Audit (GAGAS and Single Audit)
14 years
Debbie Hinson, City Manager/Finance Officer
PO Box 50
Trinity, NC 27370
336-431-2841

3. Current and prior government audit clients (continued)

Current
Town of Sparta
Audit (GAGAS and Single Audit)
13 years
Peggy Choate, Finance Officer
PO Box 99
Sparta, NC 28675
336-372-4257

Current
Town of Walnut Cove
Audit (GAAS and GAGAS)
11 years
Kim Greenwood, Town Manager
208 West 3rd Street
Walnut Cove, NC 27052
336-591-4809

Current
Town of Dobson
Audit (GAGAS)
5 years
Laura Neely, Town Manager
Marlene Lopez, Finance Officer
PO Box 351
307 North Main Street
Dobson, NC 27017
336-356-8061

Current
Town of North Wilkesboro
Audit (GAGAS and Single Audit)
5 years (June 30, 2015, 2016, 2017, 2018, 2019)
3 years (June 30, 2001, 2002, and 2003)
Connie Bauguess, Finance Officer
PO Box 218
832 Main Street
North Wilkesboro, NC 28659
336-667-7129

3. Current and prior government audit clients (continued)

Current	Town of Stoneville Audit (GAGAS and Single Audit) 4 years Joanna Dalton, Finance Officer 101 Smith Street Stoneville, NC 27048 336-573-9393
Current	Town of Summerfield Audit (GAAS) 3 years Dee Hall, Finance Officer 4117 Oak Ridge Road Summerfield, NC 27358 336-643-8655
Current	Town of Gibsonville Audit (GAGAS) 2 years Chad Coble, Finance Officer 129 West Main Street Gibsonville, NC 27249 336-449-4144
Prior	Town of Rural Hall Audit (GAGAS) 4 years Megan Garner, Town Manager/Finance Officer PO Box 549 423 Bethania-Rural Hall Road Rural Hall, NC 27045 336-969-6856
Prior	Town of Pilot Mountain Audit (GAAS, GAGAS, and Single Audit) 12 years

3. **Current and prior government audit clients (continued)**

Prior	Town of Wallburg Audit (GAAS) 1 year

4. **Additional services to governmental clients**

Village of Tobaccoville – Assistance in setting up accounting records in initial year and general assistance with accounting needs (24 years).

Town of Walkertown – Assistance with accounting needs in earlier years.

Town of Bethania – Assistance in setting up accounting records in initial year and general assistance with accounting needs in earlier years.

Town of Walnut Cove – Assistance with AFIR (7 years).

Town of North Wilkesboro – Assistance with an agreed upon procedures engagement, assistance with the Housing and Urban Development (HUD) reporting, assistance with recording a significant lease transaction, and the planned implementation of *GASB Statement No. 87, Leases*.

5. **Quality control programs**

Gibson & Company, P.A. has successfully participated in the American Institute of Certified Public Accountants sponsored (Private Companies Practice Section) triennial peer reviews in the years 1990, 1993, 1996, 1999, 2002, 2005, 2008, 2011, 2014, and 2017. An unqualified opinion was received for each review. (See latest peer review report attached.)

6. **Professional experience in governmental audits**

Name	Governmental Years	Position	Experience/ Duties	% Time on Site
R. Harold Gibson	30	Partner	Partner (30) years	10%
Monty Pendry	25	Partner	Partner (12) years Manager (3) years In charge (8) years Staff Accountant (2) years	10%
Craig Hopkins	26	Manager	Manager (17) years Partner (5) years In charge (2) years Senior Accountant (2) years	100%
Amanda Scott	3	Senior	Senior Accountant (2) years Staff Accountant (1) year	100%

7. **Educational background within the past three years**

The following is a listing of seminars and courses attended within the past three years. Governmental and related courses are in ***bold*** letters.

R. Harold Gibson

02/01/17	Best Federal Tax Update
05/10/17	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
05/12/17	Annual Accounting and Auditing Update
05/24/17	***Fraud and Abuse in Not-for-Profit Entities and Governments***
06/01/17	***Latest Developments in Governmental and Nonprofit Accounting and Auditing***
06/13/17	2017 Professional Ethics and Conduct
12/18/17	***Not-for-Profit Financial Statements***
02/15/18	Best Federal Tax Update
05/14/18	Audits of 401 (K) Plans: New Developments and Critical Issues
05/16/18	Advanced Concepts in SSARS 21 and Nonattest Services
05/30/18	***How to Do a GAAS Audit***
06/27/18	2018 Professional Ethics & Conduct
07/16/18	***The Essential Course for Preparing Not-For-Profit Financial Statements Under ASU NO. 2016-14***
07/25/18	Annual Accounting and Auditing Update
06/03/19	Audits of 401 (K) Plans: New Developments and Critical Issues

7. Educational background within the past three years (continued)

06/10/19	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
06/18/19	Best Federal Tax Update
07/02/19	Annual Accounting and Auditing Update
07/08/19	**A Complete Guide to the New Yellow Book**
07/18/19	***Latest Developments in Governmental and Nonprofit Accounting and Auditing***
08/20/19	2019 Professional Ethics and Conduct

Monty Pendry

02/01/17	Best Federal Tax Update
05/10/17	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
05/12/17	Annual Accounting and Auditing Update
05/18/17	***Essential Course for Performing Single Audits Under the New Uniform Guidance for Federal Awards***
05/24/17	***Fraud and Abuse in Not-for-Profit Entities and Governments***
06/01/17	***Latest Developments in Governmental and Nonprofit Accounting and Auditing***
06/13/17	2017 Professional Ethics and Conduct
01/12/18	***2017 Governmental Auditing Quality Control Annual Update***
02/15/18	Best Federal Tax Update
05/14/18	Audits of 401 (K) Plans: New Developments and Critical Issues
05/16/18	Advanced Concepts in SSARS 21 and Nonattest Services
05/30/18	***How to Do a GAAS Audit***
06/29/18	***The Essential Course for Preparing Not-For-Profit Financial Statements Under ASU NO. 2016-14***
07/25/18	Annual Accounting and Auditing Update
08/23/18	2018 Professional Ethics & Conduct
06/03/19	Audits of 401 (K) Plans: New Developments and Critical Issues
06/05/19	Best Federal Tax Update
06/10/19	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
06/28/19	***2019 Governmental Auditing Quality Control Annual Update***
07/02/19	Annual Accounting and Auditing Update
07/08/19	**A Complete Guide to the New Yellow Book**

7. **Educational background within the past three years (continued)**

07/18/19	***Latest Developments in Governmental and Nonprofit Accounting and Auditing***
08/20/19	2019 Professional Ethics and Conduct

Craig Hopkins

02/01/17	Best Federal Tax Update
05/10/17	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
05/12/17	Annual Accounting and Auditing Update
05/18/17	***Essential Course for Performing Single Audits Under the New Uniform Guidance for Federal Awards***
06/01/17	***Latest Developments in Governmental and Nonprofit Accounting and Auditing***
06/08/17	Guide to the New Revenue Recognition Model for All CPAs
06/13/17	2017 Professional Ethics and Conduct
06/21/17	Fraud Basics
02/15/18	Best Federal Tax Update
05/14/18	Audits of 401 (K) Plans: New Developments and Critical Issues
05/16/18	Advanced Concepts in SSARS 21 and Nonattest Services
05/30/18	***How to Do a GAAS Audit***
06/27/18	2018 Professional Ethics & Conduct
07/16/18	***The Essential Course for Preparing Not-For-Profit Financial Statements Under ASU NO. 2016-14***
07/25/18	Annual Accounting and Auditing Update
08/07/18	Accountant's Liability: Positioning Your Firm for Success
06/03/19	Audits of 401 (K) Plans: New Developments and Critical Issues
06/05/19	Best Federal Tax Update
06/10/19	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
07/02/19	Annual Accounting and Auditing Update
07/08/19	**A Complete Guide to the New Yellow Book**
07/18/19	***Latest Developments in Governmental and Nonprofit Accounting and Auditing***
08/20/19	2019 Professional Ethics and Conduct

Amanda Scott

12/18/17	Not-For-Profit Financial Statements
12/19/17	Compilations, Reviews, and New Preparations

7. Educational background within the past three years (continued)

02/15/18	Best Federal Tax Update
03/17/18	NC Accountancy Law: Ethics, Principles & Profession al Responsibilities
05/30/18	***How to Do a GAAS Audit***
06/29/18	***The Essential Course for Preparing Not-For-Profit Financial Statements Under ASU NO. 2016-14***
07/25/18	Audit Skills Training: Level 1 – New Auditors Consecutive 2-Day Course
08/01/18	Audit Skills Training: Level 2 – Staff Accountant – Consecutive 2-Day Course
08/02/18	Audit Skills Training: Level 2 – Staff Accountant – Consecutive 2-Day Course
08/07/18	Accountant's Liability: Positioning Your Firm for Success
06/05/19	Best Federal Tax Update
06/10/19	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
07/02/19	Annual Accounting and Auditing Update
07/08/19	**A Complete Guide to the New Yellow Book**
07/18/19	***Latest Developments in Governmental and Nonprofit Accounting and Auditing***
08/20/19	2019 Professional Ethics and Conduct
08/30/19	**How to do a GAAS Audit**

8. Professional experience

The staff of Gibson & Company, P.A. has experience with various governmental and business-type funds to include capital project funds, agency funds, and stormwater funds. Gibson & Company, P.A. has also performed various 'Single Audits' including but not limited to USDA, Powell Bill, Department of Homeland Security, FEMA, and Human & Health Services. Please also refer to Number 6 "Professional Experience in Governmental Audits" above.

9. Specialized skills and training

Gibson & Company, P.A. is a member of both, the "Governmental Audit Quality Center" and the "Private Companies Practice Section," of the American Institute of Certified Public Accountants. All individuals are members of the North Carolina Association of Certified Public Accountants and the American Institute of Certified Public Accountants. Harold Gibson has in the past served as speaker and instructor at several seminars.

10. Client References

Please refer to Number 3 "Current and Prior Government Audit Clients" above.

11. Gibson & Company, P.A.'s policy and procedures regarding independence

Gibson & Company, P.A. ensures that professional independence standards are met by keeping all professional personnel knowledgeable of rules and regulations of the American Institute of Certified Public Accountants, the North Carolina Association of Certified Public Accountants, and the North Carolina State Board of Accountancy. We keep our personnel informed through technical manuals, seminars, in house meetings and up to date client lists. Written representation is obtained from each individual annually to confirm their familiarity of and compliance with the firm's independence policies and procedures. Gibson & Company, P.A. adheres to independence as promulgated in Government Auditing Standard, Amendment 3. Our firm policy is to follow Practitioners Publishing Clearinghouse's *Guide to Audits of Local Governments*. (Gibson & Company, P.A. does not have a Statement of Policy and Procedures other than the above referenced documents.)

12. Liability insurance coverage

- We feel we have adequate coverage.
- Limits of liability under current policies:
  $1,000,000 each claim
  $2,000,000 aggregate

13. Regulatory action

Gibson & Company, P.A. has never experienced any regulatory action by any oversight body.

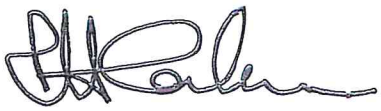
14. NC Local Government Commission and UNC School of Government

Gibson & Company, P.A. enjoys a good relationship with the North Carolina Local Government Commission and the University of North Carolina School of Government at Chapel Hill. We have consulted with members such as Sharon Edmundson, Becky Dzingeleski, Jim Burke, and Greg Allison on various matters over the years.

We appreciate the opportunity to submit this first section of the proposal. We sincerely hope that our experience and the qualifications of our personnel will allow us to be considered for the second section.

Sincerely,

Gibson & Company, P.A.



R. Harold Gibson
Managing Partner/Principal

SHEILA GAHAGAN, CPA
229 Penland Street
Clyde, NC 28721
Phone: 828-627-1040 Fax: 828-627-2329

Report on the Firm's System of Quality Control

July 7, 2017

To: Gibson & Company, P.A. and the Peer Review Committee of the North Carolina Association of CPA's

I have reviewed the system of quality control for the accounting and auditing practice of Gibson & Company, P.A. (the firm) in effect for the year ended March 31, 2017. My peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope; limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firms Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Governmental Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As part of my peer review, I considered reviews by regulatory entities communicated by the firm, if applicable, in determining the nature and extent of my procedures.

Opinion

In my opinion, the system of quality control for the accounting and auditing practice of Gibson & Company, P.A. in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gibson & Company, P.A. has received a peer review rating of *pass*.

Sheila Gahagan, CPA

Town of Boonville

Proposal – Audit Services
Second Section

February 5, 2020

GIBSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

GIBSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

February 5, 2020

Ms. Kim Wells, CMC, Finance Officer/Town Clerk
Town of Boonville
PO Box 326
Boonville, NC 27011

Dear Ms. Wells:

Following is the second section of our proposal to serve as the independent auditor for the Town of Boonville. Accordingly, we will respond to each of the specific requested items in your request for proposal.

1. **Audit program**

We plan to use standardized governmental audit programs designed by Practitioners Publishing Company especially for governmental units. We plan to customize these audit programs to fit the particular circumstances related to the audit herein.

2. **Statistical sampling**

We expect that we will use statistical sampling in certain selected areas to include test of controls and test of compliance with laws and regulations and selection of accounts receivable and capital assets for testing.

3. **Automated Processes**

Each accountant assigned to the engagement is computer literate and capable of recognizing, understanding and evaluating the internal accounting control aspects of the utilization of computers in the accounting process.

4. **Computer audit specialists**

Gibson and Company, P.A. being a small local firm does not have specific individuals who are designated solely as computer audit specialists. However, each accountant assigned to the engagement is computer literate and capable of recognizing, understanding and evaluating the internal accounting control aspects of the utilization of computers in the accounting process.

1411 Old Mill Circle
Winston-Salem, NC 27103

336/760-8910
FAX 336/760-8913

5. Audit team

The audit team is expected to consist of:

Name	Position	% of Audit
R. Harold Gibson	Partner	10%
Monty Pendry	Partner	10%
Craig Hopkins	Manager	45%
Amanda Scott	Senior	35%

6. Management letter

Typically, the management letter will include all significant deficiencies and material weaknesses and also suggestions and/or comments regarding operating or administrative efficiencies. A draft of the management letter will be submitted with the draft of the financial statements for review before finalizing.

7. Assistance expected from the Town's staff

No additional assistance is expected. The assistance detailed in the request for proposal should be adequate to ensure the engagement is efficient and cost effective. This is based on the assumption that Charles E Scott CPA, P.A. or a comparable firm will perform the year-end write up services including adjustments, account reconciliations, preparation of trial balance and other non-attest functions including the writing of the financial statements.

8. Tentative schedule

Procedure	Time	When
Pre-Planning meeting	4 hours	Late April
On-site interim work	2 - 3 days	Early June
Year-end on-site work	3 - 4 days	Early August
Final in-office work	2 - 3 days	Early September
Post-Closing Trial Balance	1 day	Mid September
Exit conference	1 - 2 hours	September 30 (or before)
Final report submitted to Local Government Commission		Mid October

9. Cost for the 6/30/20 audit and estimates for the 6/30/21 and 6/30/22 audits

The audit will encompass a financial and compliance examination of the Town of Boonville's basic financial statements, supplementary information, and compliance reports in accordance with the laws and/or regulations of the State of North Carolina which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, State, and local funding sources in accordance with generally accepted auditing standards; *Government Auditing Standards*, July 2011 revisions and 2018 revisions; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of *Title 2* U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the State Single Audit Implementation Act; and all other applicable laws and regulations.

A. Personnel costs

	Snr - AS	Mgr - CVH	Prtnr - MRP	Prtnr - RHG	Totals
On-Site Interim	8	8			16
Year-End On-Site	11	11			22
In-Office	5	10	7	7	29
Total Hours	24	29	7	7	67
Hourly Billing Rate	$140	$180	$200	$280	
Standard amount	$3,360	$5,220	$1,400	$1,960	$11,940
Adjustment – up (down)					(4,690)
Net amount					**$7,250**
Realization %					61%

The fees for the following years are estimated with a 3% cost of living increase as follows:

2020-2021	$7,470
2021-2022	$7,695

B. Travel cost
None

C. Cost of supplies and materials
None

D. Other costs
None

E. Method of determining increase
Cost of living adjustments only

10. Other information

We will work closely with you and other management personnel in designing how we deliver our services. The exact approach and timing of our activities will be established jointly in the manner most beneficial to you. We will work with you to achieve the maximum effectiveness in conducting our services and in developing ongoing accounting, internal control, budget and other advisory services to meet your specific needs. By working together closely and with thorough planning, we are convinced that the engagement will be a smooth and productive experience.

The size of our firm is advantageous in that we have more than adequate capabilities to meet the needs of the Town of Boonville for professional services while still being small enough to provide personalized services. Typically, one of our partner/principals and/or manager is actively involved in the engagement almost every day.

Gibson & Company, P.A. has practiced as Certified Public Accountants in Winston-Salem, North Carolina continuously since 1990. The firm specializes in providing services that are personable and highly responsive to the client's specific needs.

We believe that professional accounting and auditing services should be viewed as a factor contributing to better business and administrative practices and, when properly conducted, should evaluate financial practices and identify potential problem areas, if any exist. We feel that our approach to client service will be especially beneficial to the Town of Boonville since it will ensure that we conduct an efficient, cost-effective engagement, that places a minimum burden on management.

We believe that while our engagement must necessarily maintain a certain degree of independence, we feel we are likewise obligated to work within a framework and spirit of cooperation with you and your representatives.

Further, it is our policy to discuss immediately with you and resolve any potential adjustments or problems if and when they arise. We feel that this early detection and resolution process is a basic principle of good and fair relations with our clients. Our policy of having a partner/principal and/or manager involved in the day-to-day engagement activities greatly enhances this process.

Specifically, to ensure an effective and timely product, our engagement methodology would involve several key phases, more fully described in the following paragraphs.

- Planning

  As soon as we are notified of our appointment as your independent auditors, we will meet with you to discuss deadlines, potential problem areas, and preliminary procedures to improve the efficiency of field work time.

10. **Other information (continued)**

- Field work

  We will work in your office or by email to gather the necessary data and to identify required adjusting entries, if any.

- Reports

  We will provide a preliminary draft of your financial statements and letters for your review before issuing the final report. We will issue a management letter summarizing our recommendations for improving internal accounting controls and operating efficiency. Also, we will issue a governance letter regarding significant audit findings and other matters.

- Continuing involvement

  Throughout the year, we will be available to answer questions or resolve any problems that may arise. In addition, we will make ourselves available, at your discretion, to attend board and other meetings periodically throughout the year. The more we understand your needs, the more responsive we can be.

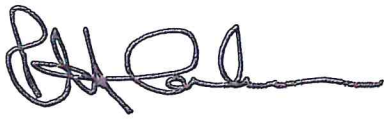
11. **Summary of Audit Costs Sheet**

See attached.

The Town of Boonville will be a very important and valued client to Gibson & Company, P.A. We appreciate the opportunity to present this proposal and would be pleased to discuss it further at your convenience if you so desire. We understand that you will be making a decision in the near future regarding your auditing needs. We look forward to hearing from you regarding the possibility of Gibson & Company, P.A. providing these services.

Sincerely,

Gibson & Company, P.A.



R. Harold Gibson
Managing Partner/Principal

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit
   Includes Personnel costs, travel, and on-site work $ 7,250

2. Extra Audit Services

   $ Per hour $

3. Other (explain)

   _____ $

4. Other (explain)

   _____ $

TOTAL $ 7,250

FIRM: Gibson & Company, P.A.	Primary Contact: R. Harold Gibson
Address: 1411 Old Mill Circle	Telephone: 336-760-8910
Winston-Salem, NC 27103	Fax: 336-760-8913
	E-mail: harold@gibcocpa.com
	Date:

PROPOSAL CERTIFICATION

Proposers Signature _____ **Date** 2-5-20

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

BY (Printed): R. Harold Gibson

TITLE: Managing Partner/Principal

COMPANY: Gibson & Company, P.A.

ADDRESS: 1411 Old Mill Circle Winston-Salem, NC 27103

TELEPHONE: 336-760-8910

EMAIL: harold@gibcocpa.com

LGC-205 **CONTRACT TO AUDIT ACCOUNTS** Rev. 9/2019

The Governing Board: Board of Commissioners

of Primary Government Unit (or charter holder): Town of Boonville

and Discretely Presented Component Unit (DPCU) (if applicable): N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and Auditor Name: Gibson & Company, P.A.

Auditor Address: 1411 Old Mill Circle Winston-Salem, NC 27103

Hereinafter referred to as Auditor

for

Fiscal Year Ending	Audit Report Due Date
06/30/20	10/31/20

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). 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 GAAS. 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 requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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).

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 unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC 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.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she 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 the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) 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 U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

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 LGC staff within four months of fiscal year end. 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 GAAS include a review of the Governmental Unit's (Units') 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/her 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 (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) 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 invoice marked 'approved 'with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs 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. 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 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. 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(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) 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 upon completion.

13. 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(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final 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 LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). 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(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. 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 modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or 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 (pre-audit requirement does not apply to charter schools or hospitals). 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 to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this 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 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.
None other than attached engagement letter

19. 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.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. 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.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. 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.

26. 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.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). 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. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. 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).

None

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards,2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☐Auditor ☐Governmental Unit ☑Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	*Title and Unit / Company:*	*Email Address:*
Kim Wells	Finance Officer/Town of Boonville	boonvillefo@embarqmail.com

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. 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 below. 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 billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Boonville
Audit Fee	$ 7,250.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$ -0-
Writing Financial Statements	$ -0-
All Other Non-Attest Services	$ -0-
75% Cap for Interim Invoice Approval *(not applicable to hospital contracts)*	$ 5,438.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$
All Other Non-Attest Services	$
75% Cap for Interim Invoice Approval *(not applicable to hospital contracts)*	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Gibson & Company, P.A.	
Authorized Firm Representative (typed or printed)* R. Harold Gibson, Managing Partner/Principal	Signature*
Date* 3-4-20	Email Address* harold@gibcocpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Boonville	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Vaughn Benton, Mayor	Signature*
Date	Email Address vaughn.benton@boonvillenc.com

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer* (typed or printed) Kim Wells, Finance Officer	Signature*
Date of Pre-Audit Certificate*	Email Address* boonvillefo@embarqmail.com

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed)* N/A	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

February 10, 2020

Town of Boonville Finance Department
Attn: Kim Wells, Finance Officer
PO Box 326
Boonville, NC 27011

Dear Ms. Wells:

Thank you for asking our firm to propose on the audit for the Town of Boonville, NC beginning with the fiscal year ending June 30, 2020. At this time, however, we respectfully decline to submit a proposal.

Please consider us again for your future audit contract bids.

Sincerely,

Marcela J. Spivey

Marcela J. Spivey, CPA
Partner

730 13th Avenue Drive SE ♦ Hickory, NC 28602 ♦ 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, NC 28681 ♦ 828-632-9025 ♦ Fax 828-632-9085
800-948-0585 ♦ www.martinstarnes.com

Other agencies contacted but did not submit RFP;

- Eddie Carrick, CPA from Lexington
- Dixon Hughes Goodman, LLP from Winston-Salem

Got the name of Bernard Robinson & Co from the Town of Yadkinville. I contacted them Friday, February 28 to see if they would be interested in submitting a quote.

TOWN OF BOONVILLE
Utility Billing and Collections Procedure Policy

The following utility billing and collections procedure policy is a general policy, which will be enforced for the collection of payment for utility services provided by the Town of Boonville. This policy is effective as of September 26, 2013.The following policy will be enforced strictly and will apply to any and all customers of utility services provided by the Town of Boonville.
Any questions regarding utility service, policy, or billing should be addressed to Boonville Town Hall at 336-367-7941.

Billing and Collections

a) Water meters will be read during the last week of each month.
b) Utility bills for the previous billing cycle will be mailed to customers on the first day of each month. If the first day of the month falls on a weekend or holiday, utility bills will be mailed on the next business day.
c) Payments can be made in person at Boonville's Town Hall, left in the locked box at Boonville's Town Hall, mailed, or made online with a debit or credit card. All debit and credit card payments~~, whether made online or in person,~~ will be assessed a convenience fee that is paid directly to the credit card processing company. The Town does not keep the convenience fee.
d) Utility bills are due on the last day of the month.
e) A late fee of 10% will be applied to any unpaid utility account on the first day of each month. This includes accounts where only a partial payment has been received
throughout the month. If the first day of the month falls on a weekend or holiday, the 10% late fee will be applied on Monday or the next business day.
f) To avoid a late payment fee, utility payments must be either received in person prior to the first day of the month, made online prior to the first day of the month, or placed in the drop box (located on the side of Town Hall) on the morning of the first day of the month before 8:00 a.m. Any payments made in person or online on the morning of the first day of the month after 8:00 a.m. will be considered late.
g) Once a utility bill has been mailed at the U.S. Post Office, the Town of Boonville is no longer responsible for the utility bill. Payment of the utility bill is due by the last day of each month to the Town even if the customer does not receive a utility bill in the mail. Any questions regarding utility service or billing should be addressed to Boonville's Town Hall at 336-367-7941.

Service Disconnection

a) If full payment of the previous utility bill, including any additional fees or past due interest, is not received in Boonville's Town Hall office by the 14th day of the month

at 5:00 p.m., utility services will be disconnected at 9:00 a.m. on the morning of the 15th day of the month. If the 14th day of the month falls on a weekend or Town observed holiday, payments must be received by 5:00 pm the next regular business day. If not paid by this timeframe, utility services will be disconnected at 9:00a.m. the following business day. This applies to all utility customers regardless of their account history with the Town of Boonville.

b) Ifutility services are disconnected due to non-payment, the customer must pay the administrative fee of $30.00 in addition to any amount owed for the previous billing cycle before services can be reconnected. Boonville Public Works Department personnel cannot accept payments from utility customers.

c) On the 15th day of each month (cut-off day), a customers' utility service is considered disconnected when the cut-off list is given to Public Works Department personnel. If a customer comes into Town Hall to make a payment after the list has been given to Public Works Department personnel, the customer will still be required to pay the $30.00 administrative fee whether services have been disconnected or not.

d) Utility payments for reconnections must be received in person at Boonville's Town Hall by 4:30 p.m. in order to have utility services reconnected on the same day. No reconnections will be made after these times. Regular business hours for Boonville's Town Hall are 8:00 a.m.-5:00 p.m.

e) If water is disconnected from a service location that is a food provider, then the Town of Boonville will contact the Yadkin County Health Department prior to reconnection.

f) All water bills have the due date printed on the back for previous billing information, as well as information pertaining to reconnection fees. Your current bill will serve as your second and final notice for any previous billing amounts.

g) No services will be disconnected on a Friday unless requested by a customer or in an emergency situation.

h) In the event of a town issued State of Emergency, there will be no disconnection of services until the State of Emergency has been lifted. In addition to the suspension of disconnections, there will also be no penalties or additional fees added to the account during this time.

Collection of Delinquent Accounts

a) The Town of Boonville will collect delinquent water, sewer and trash debts through the NC Local Government Setoff Debt Clearinghouse per G.S. 105A. This program allows municipalities to attach a debtor's NC refund check for any feasible fine or charge issued by the municipality.

b) In the event that a former delinquent utilities customer requests any future utility service(s) from the Town of Boonville, that individual will be required to pay in full the past due balance plus the required deposit(s) before services will be offered to the customer.

Meter Tampering

a) If Public Works Department personnel determine that a meter has been tampered with, service will be disconnected and a fee will be imposed on the account of the owner or

resident of that property. This fee will be at cost of time and material of any damage caused with the meter tampering. The tampering fee must be paid prior to utility services being reconnected. Meter tampering includes connecting and disconnecting of utility services at the Town's meter by the property owner, resident, or any representative thereof. By law, meter tampering is a Class I Misdemeanor offense.

Return Check Policy

a) If the Town of Boonville receives a returned check for utility services, the customer's utility service will be disconnected. In order to have utility services reconnected, the customer will be responsible for paying ng the Town of Boonville the face amount of the check in addition to a $25.00 returned check fee and a $30.00 reconnection fee.
b) If the returned check was written to avoid late fees, the 10% late fee will be assessed on the account and must be paid along with all other fees.

Refunding and Applying Deposits

a) When a utility customer wishes to discontinue their services with the Town of Boonville, it is the customer's responsibility to contact Boonville's Town Hall. At this time, the customer will need to inform Town *Hall* personnel the date to disconnect services and provide a forwarding address. Customers are responsible for any charges for usage until the Town of Boonville is informed that the customer has moved -even if the location is vacant.
b) After notifying the Town of Boonville of their move, a final billing will be processed for each utility account. Final bills are processed on a weekly basis as needed. If a customer decides to move mid-billing cycle, the final billing is prorated for that month.
c) A customer will be refunded the full deposit paid if the customer's account has a zero balance. If the customer departs and owes a balance, the deposit will be applied to the customer's account within 60 days. The portion of the deposit that remains will be refunded to the customer.
d) Deposits made by non-profit organizations are intended to be returned to the non-profit organization unless they request the deposit to be given to the account holder.

Utility Service Connection

a) All required deposits and connection fees must be paid to have utility services connected at any property. This applies to all property owners, residents, and businesses. Any balance owed for utility services must be paid in order to be connected.
b) Prior to utility services being connected, an application must be filled out at Town Hall, and the applicant must provide identification with a picture.
c) If a customer is transferring continuous utility service from one street address to another, no additional connection fee will be required. All balances on the old account must be paid before deposit for utility service will be transferred to the new address. If balances are not paid within the time reflected on the final billing, the services at the new address will be disconnected for lack of deposit, and a connection fee will be

assessed on the new account.

d) If a customer is transferring from owner status to renter status, the customer will be required to pay the difference in the deposit amount before services can be transferred. If a customer is transferring from renter status to owner status, the customer will be subject to a refund of the difference in the deposit amount. The refund can be made in the form of a check or a credit applied to the new account.
e) An owner of a property can put down a deposit on any rental property. If a rental unitt becomes vacant and the owner has a deposit on file for that address, it is the owner's responsibility to contact Boonville Town Hall personnel and inform them of the transfer.
f) Any utility service account must be opened under the name of a person if the business has a sole proprietor.

Water Leak Adjustment

a) Any in-town or out-of-town water customer whose water consumption is in excess of 200% from one month to the next month due to a leak may request a water leak adjustment for his or her water bill and sewer bill. This percentage amount will be used to verify qualifying ng water leak adjustments (no gallons).
b) However, a water leak adjustment will only be made if one or more of the following criteria apply. Underground leaks in water lines running from a water meter on the user's side. Also, leaks in the plumbing of a structure, which are not easily detected. Excessive water usage due to running ng toilets, leaking water faucets, leaking water hoses; or for watering livestock, yards, washing cars, gardening, etc., shall not constitute a sufficient cause for a water leak adjustment.
c) If a water leak adjustment is justified, based upon the aforementioned criteria, the Mayor, or his or her designee will make the adjustment to both the water and sewer portion of the bill, once the consumer has identified the source of the leak, resolved the problem, and/or provided documented proof that the leak is repaired. Documented proof may consist of a plumber's bill or recent receipts for plumbing repair parts.
d) Only one water leak adjustment in a 12-month period may be granted by the Mayor or his or her designee. Such charges shall be determined by averaging the customer's monthly-metered consumption rate for six (6) consecutive prior months.
e) Adjustments for a leak can only be honored for one billing cycle. If a continuous leak occurs during two or more billing cycles, the Town of Boonville will apply the adjustment to the highest bill. The customer will be responsible for the other bills and must pay them in full.
f) Adjustments for pools are allowed. If a customer intends to request a sewer adjustment to fill a pool, it is the customer's responsibility to obtain a meter reading before and after filling the pool. These numbers will need to be submitted to Town Hall to obtain the sewer adjustment.

Water Leak Payment Plan

a) Any in-town or out-of-town water customer whose water consumption is in excess of

500% from one month to the next month due to a leak may request a payment plan for his or her water bill. Payment plan, when justified, will consist of six equal payments added to the water bill for the next six consecutive months.

b) However, a payment plan will only be made if one or more of the following criteria applies. Underground leaks in water lines running from a water meter on the user's side. Also, leaks in the plumbing of a structure which are not easily detected. Excessive water usage due to running toilets, leaking water faucets and leaking water hoses shall not constitute a sufficient cause for a payment plan.

c) If a payment plan is justified, based upon the aforementioned criteria, the Mayor, or his or her designee will make the payment plan, once the consumer has identified the source of the leak and resolved the problem. Only one payment plan in a 12-month period may be granted by the Mayor or his or her designee. Additional bill reductions or payment plans shall first be approved by the Town Board.

Disputing a Water Bill

a) All water customers have the right to dispute a bill.
b) At the customer's request, the Town of Boonville will inspect a water meter if the customer feels their meter is malfunctioning g. Ifa determination is made that the water meter is malfunctioning, a new meter will be installed at no cost to the customer. If the meter is functioning properly, the customer will be charged a fee of $25, which will be added to the customer's next water bill. The meter will be reinstalled.
c) The customer may request a report detailing their water usage. A $25 service charge will be assessed for the report. Depending on size of the report, the customer may also be subject to the Town of Boonville's copy fee of $0.10 per page.

Town's Right to Suspend Service

The Town reserves the right to suspend service, without notice, for the following:

a) Prevention of fraud or abuse, i.e. meter tampering;
b) Customer's willful disregard of the Town's rules and regulations;
c) Emergency repairs;
d) Insufficient supply due to circumstances beyond the Town of Boonville's control;
e) Legal procedures;
f) Direction of authorized public authorities;
g) Failure of a customer to permit town employees access to their water meter at all reasonable times;
h) Strike, riot, flood, accident, or any unavoidable cause(s).

This policy was revised by motion by the Town of Boonville Board of Commissioners on _____ to add Suspending Disconnections and fees during Town issued State of Emergency. The original policy was adopted on September 26, 20 13, with additional revisions on September 1, 2015.

Mayor

ATTEST:

_____

CLERK

TOWN OF BOONVILLE
2020 TOWN BOARD MEETING SCHEDULE

Revised via consenus on 3/27/20 - to be ratified via vote on 5/5/20

DAY/DATE	TYPE OF MEETING	TIME	
Tuesday, Janaury 7, 2020	TOWN BOARD	7:00 PM	
Tuesday, February 4, 2020	TOWN BOARD	7:00 PM	
Tuesday, March 3, 2020	TOWN BOARD	7:00 PM	
~~Tuesday, April 7, 2020~~	~~TOWN BOARD~~	~~7:00 PM~~	Cancelled for the Corona Virus epidemic
Tuesday, May 5, 2020	TOWN BOARD	7:00 PM	
Tuesday, June 2, 2020	TOWN BOARD	7:00 PM	
Tuesday, August 4, 2020	TOWN BOARD	7:00 PM	
Tuesday, September 1, 2020	TOWN BOARD	7:00 PM	
Tuesday, October 6, 2020	TOWN BOARD	7:00 PM	
Tuesday, November 3, 2020	TOWN BOARD	7:00 PM	
Tuesday, December 1, 2020	TOWN BOARD	7:00 PM	

Proposed Budget Amendments -May 5, 2020

By Kim Wells, Finance Officer

	Account Number	Description	Current Budget $	Amendment	Ending Budget $	
General Fund						
Revenues						
	100 - 402 - 40002 -	30000 Taxes Adv - Current	358,715	26,285	385,000	Projected for Year End
	100 - 402 - 40002 -	30004 Taxes Adv - 4th and older	3,000	200	3,200	Projected for Year End
	100 - 402 - 40002 -	31100 Tax Discounts	(4,007)	(5)	(4,012)	Adj to actual
	100 - 406 - 40006 -	33500 Misc Rev	9,000	680	9,680	Record surplus guns
	100 - 409 - 40009 -	34500 Local Option Sales Tax	195,000	10,000	205,000	Projected for Year End
	100 - 422 - 40022 -	39910 Beginning Fund Balance	125,017.00	(35,610)	89,407.00	To balance budget
				1,550		
Expenses						
Administration	100 - 420 - 50400 -	40054 Professional Insurance	3,428	925	4,353	Adj to actual
	100 - 420 - 50400 -	40254 Group Insurnace	11,700	(925)	10,775	To cover overage in other lines
Police	100 - 510 - 50000 -	40002 Salaries	214,015	(23,000)	191,015	Projected for Year End
	100 - 510 - 50000 -	40006 Salaries - Part Time	9,000	23,000	32,000	Projected for Year End
	100 - 510 - 50400 -	40017 M & R Vehicles	3,500	500	4,000	Projected for Year End
	100 - 510 - 50400 -	40033 Supplies & Materials	800	800	1,600	To record gun suprlus of 680/plus projected for year end
	100 - 510 - 50400 -	40054 Professional Insurance	11,000	(2,000)	9,000	To cover overage in other lines
	100 - 510 - 50400 -	40075 Computer Expense	5,000	300	5,300	Projected for Year End
	100 - 510 - 50400 -	40131 Tires	1,000	400	1,400	Projected for Year End
Streets	100 - 560 - 50400 -	40013 Utilites	23,000	(500)	22,500	To cover overage in other lines
	100 - 560 - 50400 -	40016 M & R Equipment	5,500	1,000	6,500	Projected for Year End
	100 - 560 - 50400 -	40054 Professional Insurance	4,000	(500)	3,500	To cover overage in other lines
Powell Bill	100 - 570 - 50400 -	40073 Other Improvements	23,320	(5,500)	17,820	To cover overage in other lines
	100 - 570 - 50400 -	40573 Maintenance of Streets	12,000	5,500	17,500	Paving Ellen and Wreen
Sanitation	100 - 580 - 50400 -	40031 Gas & Oil	200	50	250	Projected for Year End
	100 - 580 - 50400 -	40038 Tipping Fees - Landfill	8,000	1,500	9,500	Projected for Year End
				1,550		
Enterprise Fund						
Revenues						
	300 - 406 - 40006 -	33503 Insurance Proceeds	-	1,500	1,500	Adj to actual
	300 - 412 - 40012 -	37300 Tap and Connection Fees	5,000	9,500	14,500	Adj to actual
	300 - 422 - 40022 -	39910 Beginning Fund Balance	229,680.00	-	229,680.00	To balance budget
				11,000		
Expenses						
Water	300 - 810 - 50000 -	40002 Salaries	65,700	16,000	81,700	To move salaries for Work Force Temp
	300 - 810 - 50100 -	40035 R & A	12,000	(5,000)	7,000	To cover overage in other lines
	300 - 810 - 50400 -	40016 M & R Equipment	15,000	(7,500)	7,500	To cover overage in other lines
	300 - 810 - 50400 -	40033 Supplies & Materials	15,000	2,500	17,500	Projected for Year End
	300 - 810 - 50400 -	40057 Misc Rev	200	100	300	Projected for Year End
Sewer	300 - 820 - 50400 -	40013 Utilites	7,000	500	7,500	Projected for Year End
	300 - 820 - 50400 -	40033 Supplies & Materials	9,000	2,700	11,700	Projected for Year End
	300 - 820 - 50400 -	40036 Uniform	1,300	25	1,325	Adj to actual
	300 - 820 - 50400 -	40053 Dues and Subscription	4,000	250	4,250	Adj to actual
	300 - 820 - 50400 -	40254 Group Insurnace	21,500	3,500	25,000	Projected for Year End
Sewer Plant	300 - 830 - 50400 -	40013 Utilites	18,000	(2,375)	15,625	To cover overage in other lines
	300 - 830 - 50400 -	40054 Professional Ins	1,500	300	1,800	Projected for Year End
				11,000		

Kim Wells

From: Police Chief <policechief@boonvillenc.com>
Sent: Thursday, April 23, 2020 10:03 AM
To: Kim Wells
Subject: Fwd: HVAC QUOTES
Attachments: Boonville PD-1 001.jpg; Boonville PD 001.jpg

KV heating and air quote was $5014.00 for just a/c unit, $5334.00 for a heat pump

chael Parks quote was $5200 for heat pump and $4800 for just an a/c unit ← Quote by Phone

looks like david hutchins is the way to go.

---------- Forwarded message ---------
From: **DAVID HUTCHENS** <ycrs962@yahoo.com>
Date: Wed, Apr 22, 2020 at 10:56 PM
Subject: HVAC QUOTES
To: POLICECHIEF@BOONVILLENC.COM <policechief@boonvillenc.com>

Jeff , Here are the quotes, Look them over and give me a call, I will go over them in detail.
Thanks, David @ 336-469-3800

--
Jeff Hobson
Chief of Police
PO Box 326
Boonville, NC 27011
336.367.7828
336.367.4356(f)
www.boonvillenc.com

Crossroads of the Yadkin Valley

Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties

HUTCHENS HEATING AND AIR

NC Liscense # 28282
2808 Indian Heaps Rd.
East Bend NC, 27018
Phone 336-469-3800

Estimate

Date	Estimate #
4/16/2020	35

Name / Address
Boonville PD Jeff Hobson

Project

Description	Qty	Rate	Total
Job Description Unit Replacement for PD office All Options Include the Following Items, New outdoor unit, unit pad if needed, New evaporator coil, with duct work modifications as needed, up grade line set to correct size, all wiring, condensation drain, new digital thermostat, and all permits and fees. Option # 1 Furnish/Install- Goodman 2 ton 14 SEER, air condition system $ 3200.00 Option # 2 Furnish/Install- Goodman 2 ton 14 SEER, heat pump, with existing gas furnace as back up, heat pump and gas will switch based off outside temp. $ 3840.00 Option # 3 Furnish/Install- Coleman 2 ton 14 SEER air condition system $ 3625.00 Option # 4 Furnish/Install- Coleman 2 ton 12 SEER heat pump with existing gas furnace as back up, gas and heat pump will switch based off outside temp. $ 4152.00 Equipment warranty			
		Total	

TOWN OF BOONVILLE

BUDGET VS ACTUAL

Apr-20 **83%**

	GENERAL		ENTERPRISE	
REVENUE	82%	**REVENUE**	54%	*(Water = 80% , Sewer = 73%)*
EXPENSES		**EXPENSES**		
GOV BODY	66%	WATER	56%	
ADMIN	47%	SEWER	62%	
POLICE	66%	PLANT	71%	
STREET	57%			
POWELL	49%			
SANITATION	78%			
NON DEPT	31%			
ZONING	0%			
TOTAL EXPENSES	61%	**TOTAL EXPENSES**	60%	

Kim Wells

From: Brandon Renegar <brenegar@bvfd27011.org>
Sent: Tuesday, May 5, 2020 9:48 AM
To: Kim Wells
Subject: May Meeting

Kim, may not be able available for the zoom meeting tonight. Only thing the fire department to share if you will in case I cant join in is the following:

We responded to 34 incidents in April with no significant incidents occurring within the town however of those 34 incident, 6 were in the town limits (5 medical calls and 1 electrical hazard for a power line down at the elementary school). Also, we responded to two working building fires in April. One was in Boonville at Hunter Farms just outside of town and the other was in Fall Creek.

Hydrant testing is being conducted this month and will hopefully be complete with the water flow portion by the middle of next week. Painting will be done after that.

Lastly, I have some budget related things I would like to share with the town officials but would rather it be done with me in person either in open or closed session so I guess I will keep it until the June meeting unless they would like me to Email what I have to each one of them. Please check with everyone on this and I will do whichever pleases them.

Brandon L. Renegar, Fire Chief
Boonville Fire Department
207 S. Carolina Ave
Boonville, NC 27011
336-367-3018 *station*
336-695-3538 *cell*
brenegar@bvfd27011.org