

**TOWN OF RURAL HALL
AGENDA
APRIL 12, 2021
7:00 PM**

1. Meeting called to order by Mayor Timothy M. Flinchum
2. Pledge of allegiance to the flag led by Town Clerk Dora Moore
3. Moment of Silence
4. Adoption of Agenda
5. **SPECIAL PRESENTATION**
 - A. Presentation by Sheriff Bobby Kimbrough, Forsyth County Sheriff's Office
6. **APPROVAL OF MINUTES**
 - A. February 8, 2021 regular meeting and April 5, 2021 briefing
 - B. Approval and sealing of February 8, 2021 closed session
7. **PUBLIC COMMENT PERIOD**
8. **ANNOUNCEMENTS & MEETING UPDATES**
 - A. Introduction of new Town employees
 - B. February and March 2021 Flag Purchases (*Attachment #1*)
 - C. April 2021 Yard of the Month (*Attachment #2*)
 - D. Food Truck Tuesday – April 13
 - E. Proclamation – Municipal Clerks Week – May 2-8 (*Attachment #3*)
 - F. Proclamation – International Firefighters' Day – May 4 (*Attachment #4*)
 - G. Proclamation – National Day of Prayer – May 6 (*Attachment #5*)
 - H. Proclamation – Public Works Week – May 16-22 (*Attachment #6*)
9. **NEW BUSINESS**
 - A. Solid Waste Policy – Revised – Manager Megan Garner (*Attachment #7*)
 - B. 2020-2021 Fee Schedule – Revised - Manager Megan Garner (*Attachment #8*)
 - C. Fire Protection Automatic Aid Agreement with Mineral Springs Fire Department – Manager Megan Garner (*Attachment #9*)
 - D. Approval of Sale of Real Property – 0 Pine Street – Manager Megan Garner
 - E. 2020-2021 Audit Contracts – Manager Megan Garner (*Attachment #10*)
 - F. Strategic Planning Contract – Manager Megan Garner (*Attachment #11*)
 - G. Personnel Policy Revision (Fire Marshal position) – Manager Megan Garner (*Attachment #12*)
 - H. 2020-201 Budget Amendment (LPA basement renovations) – Manager Megan Garner (*Attachment #13*)
10. **ADJOURN**

Purchase of Flags

February 2021

In Memory

Flag purchased in memory of Faye Ray by Rural Hall Garden Club

In Honor

Flag purchased in honor of Public Works Department by Violet Simmons

March 2021

In Memory

Flag purchased in memory of William "Bill" Ashby by Friends & Neighbors of Sommerdale Court



**TOWN OF RURAL HALL
GARDEN SPOT OF THE WORLD**

**The Rural Hall Town Council
recognizes the
April 2021 Yard of the Month**

**MICHAEL & LESLIE WILMOTH
448 ACADEMY STREET**

TOWN OF RURAL HALL

Timothy M. Flinchum, Mayor
John N. McDermon, Mayor Pro Tem
Susan H. Gordon, Councilwoman
Ricky S. Plunkett, Councilman
Jesse A. Stigall, Councilman

Office of the Mayor:

Proclamation

MUNICIPAL CLERKS WEEK
MAY 2-8, 2021

Whereas: the Office of the Municipal Clerk, a time honored and vital part of local government exists throughout the world; and

Whereas: the Office of the Municipal Clerk is the oldest among public servants; and

Whereas: the Office of the Municipal Clerk provides the professional link between the citizens, the local governing bodies, and agencies of government at other levels; and

Whereas: Municipal Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all; and

Whereas: the Municipal Clerk serves as the information center on functions of local government and community; and

Whereas: Municipal Clerks continually strive to improve the administration of the affairs of the Office of the Municipal Clerk through participation in education programs, seminars, workshops, and the annual meetings of their state, provincial, county, and international professional organizations; and,

Whereas: it is most appropriate that we recognize the accomplishments of the Office of the Municipal Clerk.

Therefore: I, Timothy M. Flinchum, Mayor of the Town of Rural Hall, North Carolina, do recognize the week of May 2-8, 2021 as Municipal Clerks Week, and further extend appreciation to our Municipal Clerk, Dora Moore, and to all Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.

Proclaimed this the 12th day of April 2021.

Timothy M. Flinchum, Mayor

ATTEST:

Dora K. Moore, Town Clerk

Office of the Mayor:

Proclamation

INTERNATIONAL FIREFIGHTERS' DAY
MAY 4, 2021

- Whereas:** the loss of life or property by fire can cause our citizens and community a great sense of grief; and,
- Whereas:** saving lives in the face of fire and other life-threatening situations is a firefighter's primary concern; and,
- Whereas:** firefighters are always available to protect our citizens from structure fires, vehicle fires, and property fires that affect all segments of our society; and,
- Whereas:** firefighters assist law enforcement and other emergency personnel to control hazardous situations and provide excellent medical care.
- Therefore:** I, Timothy M. Flinchum, Mayor of the Town of Rural Hall, North Carolina, do hereby designate May 4, 2021 as International Firefighters' Day, and further extend appreciation to our firefighters for the vital service they perform and their exemplary dedication to our community.

Proclaimed this the 12th day of April 2021.

Timothy M. Flinchum, Mayor

ATTEST:

Dora K. Moore, Town Clerk

Office of the Mayor:

Proclamation

NATIONAL DAY OF PRAYER 2021
MAY 6, 2021

- Whereas:** the 70th observance of the National Day of Prayer will be held on Thursday, May 6, 2021 with the theme "Lord Pour Out Your Love, Life, and Liberty"; and
- Whereas:** a National Day of Prayer has been part of our national heritage since it was declared by the First Continental Congress in 1775 and the United States Congress in 1952 approved as a Joint Resolution, "That the President shall set aside and proclaim a suitable day each year, other than a Sunday, as a National Day of Prayer, on which the people of the United States may turn to God in prayer and meditation at churches, in groups and as individuals"; and
- Whereas:** the United States Congress, in 1988 by Public Law 100-307, as amended, establishes, "An act to provide for setting aside the first Thursday in May as the date on which the National Day of Prayer is celebrated,"; and
- Whereas:** leaders and citizens of our communities, cities, states, and nation are afforded the privilege of prayer with the joy of seeking divine guidance, strength, protection, and comfort from Almighty God; and
- Whereas:** recognizing the love of God, we, citizens of the Town of Rural Hall, treasure the freedom to gather in prayer, exercising reliance on God's power in the face of present challenges and threats, asking for His blessing on every individual of our city.
- Therefore:** I, Timothy M. Flinchum, Mayor of the Town of Rural Hall, do hereby proclaim Thursday, May 6, 2021, as "A DAY OF PRAYER" and I commend this observance to all our citizens.

Proclaimed this the 12th day of April 2021.

Timothy M. Flinchum, Mayor

ATTEST:

Dora K. Moore, Town Clerk

Office of the Mayor:

Proclamation

NATIONAL PUBLIC WORKS WEEK
MAY 16-22, 2021

- Whereas:** public works services provided in our community are an integral part of our citizens' everyday lives; and,
- Whereas:** the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as streets, public buildings and grounds, parks, solid waste collection, and snow removal; and,
- Whereas:** the health, safety, and comfort of this community greatly depends on these facilities and services; and,
- Whereas:** the quality and effectiveness of these facilities, as well as their planning, design, and construction, are vitally dependent upon the efforts and skill of public works employees; and,
- Whereas:** the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the community's understanding of the work they perform.
- Therefore:** I, Timothy M. Flinchum, Mayor of the Town of Rural Hall, North Carolina, do hereby designate the week of May 16-22, 2021 as National Public Works Week, and further extend appreciation to our public works department for the vital service they perform and their exemplary dedication to our community.

Proclaimed this the 12th day of April 2021.

Timothy M. Flinchum, Mayor

ATTEST:

Dora K. Moore, Town Clerk



Solid Waste Collection Policy

The solid waste collection services within this policy, offered by Town of Rural Hall, are provided only to residential properties. Businesses, apartment and multi-family complexes do not receive services.

All items for pickup must be placed at the edge of property away from obstacles listed below by 7am on the day of collection. All services are on Tuesday, year-round, unless delays occur due to holiday schedules or unexpected circumstances. Please refer to Town of Rural Hall email and social media for holiday schedules and changes in service.

- Fire hydrants
- Mailboxes
- Overhead utility lines
- Limbs
- Storm drains
- Vehicles
- Water and sewer covers

Section 1. Bulk Items and White Goods

Bulk items are household items of such size as to render them unsuitable for disposal in a household garbage container, but which can be loaded by grapple into a refuse truck. Extra bags of trash outside your garbage container are not considered bulk items and will not be collected by Town staff.

- (a) Items are to be placed at the curb or the edge of the street.
- (b) Residents who are unable to get their items to the curb will be required to sign a waiver to release the Town from any liability while on private property. All waivers will be kept on file at Town Hall.
- (c) No construction material, windows, doors, or mirrors will be collected.
- (d) Cardboard and glass containers should be recycled appropriately and will not be picked up by the Town.
- (e) Examples of items that will be collected:
 1. Appliances - refrigerator, freezer, water heater, stove, washer, dryer, etc.
 2. Furniture - couch, chair, table, mattress, box springs, etc.
 3. Other - Toilet, bike, grill (without fuel tank), rugs, etc.
- (f) This service is intended for occasional, single item disposal and not for whole home or property cleanouts.

Section 2. Leaf Pickup

Loose-leaf pickup will begin in mid-October and end in mid-January.

- (a) Residents are encouraged to start raking early and frequently.
- (b) Do not put leaves in bags.
- (c) Leaves need to be raked parallel with the edge of the road, not into the street or onto the sidewalk, in a row no wider than 5 feet.
- (d) Keep leaves free of other debris such as trash, limbs, brush, rocks, flowers, roots, or garbage.
- (e) Leaves will be picked up at least once a week.
- (f) Day of service and frequency could increase depending during peak periods.

Section 3. Limb and Brush Pickup

- (a) Place brush and tree trimmings neatly at the edge of the street with all limbs oriented in the same direction free of other debris such as trash, leaves, rocks, dirt, and metal.
- (b) Individual piles should not be stacked wider or higher than 5 feet with a minimum of 24 inches between piles.
- (c) Piles should be stacked and not pushed to curb with equipment such as a tractor or skid steer.
- (d) No limbs or trimmings should exceed six (6) inches in diameter or ten (10) feet in length.
- (e) Small pitchfork size piles of sticks, twigs, and trimmings should be placed in a yard waste cart for pickup. See Section 5. Yard Waste Carts for more detailed information.
- (f) Limbs and trimmings should be placed as not to interfere or obstruct the flow of traffic on streets and sidewalks.
- (g) Brush in excess of one (1) load (ten [10] cubic yards) shall be picked up at the curb upon request for a fee per load or fraction thereof. The amount to be charged is referenced in the Town's fee schedule. A bill will be sent to the homeowner/occupant once the excess brush has been picked up.
- (h) No stumps or root balls.
- (i) Limb and brush piles that do not meet the requirements of this policy will not be collected.

Section 4. Household Garbage/Recycling

The Town has contracted to provide fully automated garbage and recycling pickup. Garbage pickup is provided weekly while recycling is provided every other week. Residents can refer to the Town's website for an annual schedule.

- (a) Carts are serviced on Tuesday. Cart must be at the street on the evening before pickup.
- (b) Place cart on level ground within 5 feet of street with the lid closed and facing the street.
- (c) Place carts in excess of 3 feet from obstacles such as: other carts, mailboxes, vehicles, and not under utility lines and/or tree limbs.
- (d) All garbage should be bagged and inside of cart with the lid closed.

- (e) Recycling can be placed loosely inside of cart with the lid closed.
- (f) Garbage should not be placed in recycling container.
- (g) Carts not accessible by automated trucks will not be serviced.
- (h) After the cart is emptied, the cart is to be removed from the curb or street by midnight or be subject to a penalty per the Town's most current Fee Schedule as adopted by the Town Council.

Section 5. Yard Waste Carts

To receive this service, a resident must purchase a yard waste cart from the Town. The cart will be provided to the homeowner/occupant at the cost of the cart to the Town as referenced in the fee schedule. The cart will be assembled and delivered by Town personnel.

- (a) Only approved carts purchased from the Town will be serviced.
- (b) Cart must be placed at the curb or edge of the street with the lid closed and facing the street.
- (c) After the cart is emptied, the cart is to be removed from the curb or street by midnight or be subject to a penalty per the Town's most current Fee Schedule as adopted by the Town Council.
- (d) What goes in the cart:
 1. Grass clippings
 2. Leaves not picked up during loose leaf season
 3. Small branches, sticks, twigs, shrubbery clippings, and garden waste
- (e) The following will not be accepted:
 1. Rocks
 2. Stumps
 3. Large branches
 4. Bags, boxes, or garbage
 5. Glass, metal, or objects that will damage your cart
 6. Dirt
- (f) If the cart is too heavy for the equipment to pick up, it will not be serviced.
- (g) The yard waste cart belongs to the homeowner/occupant and is their responsibility to keep clean and in good repair. The Town may refuse to pick up carts in poor or unsafe condition. The Town does not have replacement parts for purchase.
- (h) While there is no maximum number of yard waste carts that may be purchased, a maximum of (3) carts will be serviced per week, per household.
- (i) No cart will be serviced on vacant or undeveloped lots.

Section 6. Contracted Work

Tree and shrubbery branches, limbs, trimmings, and yard waste cut by landscapers, tree service contractors, commercial workmen, day laborers, or resulting from land being cleared by a contractor shall not be collected by the Town. This applies to large acreage tracts or vacant lots being developed within the Town as well as residential property. It is the responsibility of the occupant/property owner and contractor to remove items/debris resulting from contracted work.

Section 7. Prohibited Collections

- (a) Heavy bulk accumulations such as brick, concrete, lumber, ashes, dirt, plaster, sand, gravel, and dead trees shall not be collected by the Town but disposed of by the owner or person controlling the premises.
- (b) No waste building materials from houses or other structures under construction or recently completed.
- (c) No collection shall be made from vacant or undeveloped lots.
- (d) No collection will be made as a result of land clearing, whether by the property owner or contractor.
- (e) No large rocks, tree trunks, or stumps.
- (f) No hazardous materials.
- (g) No automobile frames or parts.

Listed below is a partial list of hazardous materials that will not be picked up by the Town but can be taken to other locations.

1. Paint
2. Flammable liquids and/or tanks
3. Driveway sealant
4. Acid
5. Herbicides and/or pesticides
6. Asbestos
7. Freon
8. Compact fluorescent lightbulbs (CFL)
9. Pallets
10. Motor oil & filters
11. Electronic items (computers, televisions, radios, microwaves, etc.)
12. Tires, batteries, and other automotive parts

Section 8. Enforcement and Penalties

Failure to remove carts from the curb or street by midnight on the day of service subjects the property owner to a citation resulting in fees and civil penalties per the Town's most current Fee Schedule as adopted by the Town Council. If such charge has not been paid within thirty (30) days, the violation shall be delinquent and subject to additional civil penalties.

The civil penalties imposed herein and the proceeds there from, as collected by payment, civil action, or otherwise, shall belong to the Town and shall be paid into the general fund of the Town under such conditions, if any, as prescribed in the Town of Rural Hall's annual budget.

For additional information regarding solid waste collection or this policy, contact the Town of Rural Hall at 336-969-6856.

TOWN OF RURAL HALL

FEE SCHEDULE

2020-2021

<u>ADMINISTRATION</u>	<u>2020-2021</u>
Agenda - Sunshine List - Annual	\$ 10.00
Bond Review Fee	\$ 200.00
Checks - Returned	\$ 25.00
Community Watch Sign (With Post)	\$ 11.00
Community Watch Sign (Without Post)	\$ 7.00
Copies (per page)	\$ 0.10
Filing Fee (Municipal Election)	\$ 5.00
Flag Purchase	\$ 20.00
Mailbox Only	\$ 55.00
Mailbox (With Treated Post)	\$ 65.00
Solicitation Permit	\$ 50.00
Street/Alley Closing Fee	\$ 3,000.00
Street Plan Review Fee	\$ 3,000.00
Town Memorabilia	
1974 History Book	\$ 12.00
1999 History Book	\$ 12.00
Baseball Cap	\$ 6.00
Chairs - Folding Camp Chair	\$ 30.00
Charm w/ Town Seal	\$ 2.50
Lapel Pin w/ Town Seal	\$ 2.50
License Plate	\$ 7.50
T-Shirt	\$ 10.00
Sweatshirt	\$ 15.00
 <u>CEMETERY</u>	
Baby Plot (Residents Inside Town Limits)	\$ 250.00
Baby Plot (Residents Outside Town Limits)	\$ 500.00
Grave Plot (Residents Inside Town Limits)	\$ 500.00
Grave Plots (Residents Outside Town Limits)	\$ 3,000.00
Permanent Marker Deposit	\$ 400.00
Permanent Marker Deposit (Marker Already Erected)	\$ 300.00
 <u>CODE ENFORCEMENT</u>	
Abatement Nuisance (First Hour or Fraction of Hour) plus any applicable disposal fees	\$ 500.00
Abatement Nuisance (Each Additional Hour or Fraction of Hour)	\$ 400.00
Animal Ordinance Violation - First	\$ 50.00
Animal Ordinance Violation - Second	\$ 75.00
Animal Ordinance Violation - Third	\$ 100.00
Late penalty (Additional Civil Penalty)	\$ 50.00
Noise Ordinance Violation (Upon Conviction) (Per Day)	\$ 50.00
Parking Ordinance	\$ 25.00
Smoking Ordinance	\$ 25.00

LICENSE PLATE AGENCY

Notary Fee - First Signature	\$	5.00
Notary Fee - Second Signature	\$	6.00
Notary Fee - Third Signature	\$	7.00

PUBLIC WORKS

Abatement Nuisance (First Hour or Fraction of Hour) plus any applicable disposal fees	\$	500.00
Abatement Nuisance (Each Additional Hour or Fraction of Hour)	\$	400.00
Excess Brush & Limbs (Per Load)	\$	100.00
Disposal Fee - Banned Landfill Items	\$	50.00
Yard Waste Cart	\$	70.00
Disposal Fee - Yard Waste not in Cart (Habitual)	\$	70.00
Graffiti Abatement by Town Employees (First Hour or Fraction of Hour) + cost of materials	\$	100.00
Graffiti Abatement by Town Employees (Each Additional Hour or Fraction of Hour)	\$	50.00
Graffiti Abatement by Contractor		Cost + 15%
Solid Waste Collections Policy - First Offense	\$	-
Solid Waste Collections Policy - Second Offense	\$	25.00
Solid Waste Collections Policy - Third Offense	\$	35.00
Solid Waste Collections Policy - Fourth and Subsequent Offense(s)	\$	45.00

RECREATION

Ball Field (Per Hour)	\$	15.00
Concession Stand Deposit	\$	100.00
Maintenance Fee (Per Hour, Per Employee)	\$	50.00
Picnic Shelter Reservation (Residents Inside Town Limits)	\$	40.00
Picnic Shelter Reservation (Residents Outside Town Limits)	\$	80.00
Tournament Deposit (Nonrefundable if tournament is not held)	\$	100.00

TAXICAB

License Fee, Annual	\$	15.00
Vehicle Fee	\$	15.00

FIRE PROTECTION AUTOMATIC AID AGREEMENT FOR STATION LOCATION

This agreement made and entered into ____/____/2021, by and between Mineral Springs Volunteer Fire & Rescue, Inc. in Forsyth County, NC and Rural Hall Fire & Rescue Department in Forsyth County, NC.

Witnessed:

That, whereas; both of the above Fire Department desire to participate in Automatic Aid, and

Whereas, both above-named Fire Departments desire to provide the highest level of fire protection possible to their respective fire districts along with the lowest possible ISO public protection classification ratings, and

Whereas, both above Fire Departments desire to enter into an agreement whereby automatic aid assistance as described therein will be provided for all structure fire calls.

Now therefore, in consideration of the mutual covenants contained herein by and among the parties hereto, it is hereby agreed:

1. That automatic aid assistance will be provided in the following areas:
 - a. The automatic aid assistance will be provided in the areas within the Mineral Springs Volunteer Fire & Rescue, Inc. district. The specific areas covered under this agreement are outlined on the attached district map, under which is hereby incorporated into this agreement.

2. The Automatic Aid department shall be dispatched with the initial alarm to the area(s) defined on the attached map to all structures fires.
3. Automatic Aid assistance received from Rural Hall Fire & Rescue Department will be comprised of;
 - a. 1 Class A Pumper/Certified Engine.
4. Each party to this agreement shall assume all costs of salaries, wages, bonuses, or other compensation for its own personnel that responds for duty under the terms of this agreement and shall also assume all costs involving the use of apparatus, equipment, tools used specifically in response to the request for aid and shall make no charge for such use to the party requesting assistance.
5. Both parties will work with their respective Emergency Communications Center to maintain accurate information pertaining to this automatic aid agreement.
6. Any party may, at any time, terminate this agreement upon a 60-day written notice to the other party.

Therefore, the governing boards of each fire department agrees to this automatic aid agreement and authorizes the Fire Chief to execute and maintain this document.

Mineral Springs Volunteer Fire & Rescue, Inc. (Primary)

Fire Chief Signature

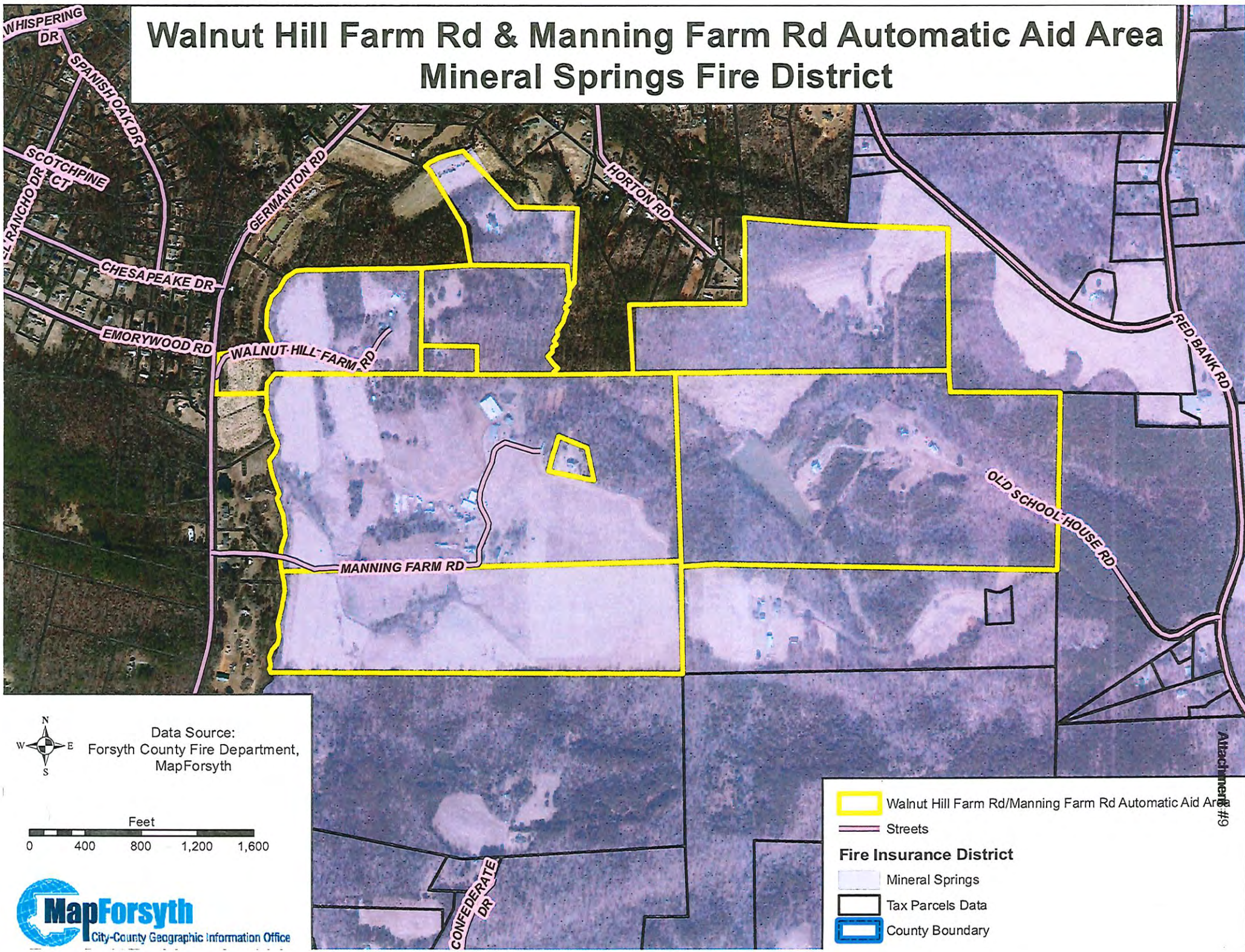
Board President Signature

Town of Rural Hall

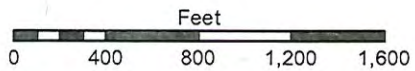
Attested by:
Dora K. Moore, Town Clerk






Timothy M. Flinchum, Mayor

Walnut Hill Farm Rd & Manning Farm Rd Automatic Aid Area Mineral Springs Fire District



Data Source:
Forsyth County Fire Department,
MapForsyth



-  Walnut Hill Farm Rd/Manning Farm Rd Automatic Aid Area
-  Streets
- Fire Insurance District**
-  Mineral Springs
-  Tax Parcels Data
-  County Boundary

Rural Hall Fire Rescue

6551	Germanton Rd	
6461	Walnut Hill Farm Rd	Off Germanton Rd
6465	Walnut Hill Farm Rd	Off Germanton Rd
6397	Manning Farm Rd	Off Germanton Rd
6590	Manning Farm Rd	Off Germanton Rd

EDDIE CARRICK, CPA, PC
Certified Public Accountant

March 1, 2021

Dear Municipal Client,

Enclosed are three important documents pertaining to your June 30, 2021 audit – the audit engagement letter, the non-attest services engagement letter, and audit contract. The Local Government Commission (LGC) is requiring me to submit both the audit engagement letter and the audit contract simultaneously for their review and approval.

Also, due to changes in audit independence requirements beginning with years ending June 30, 2020, enclosed is an engagement letter for Tony Brewer, CPA, PC who will be preparing the financial statements and other non-attest services if applicable.

As per the audit contract, the fees for both companies will not exceed the total contract amount.

The following are instructions to ensure acceptance by the LGC.

1. Engagement Letter – Eddie Carrick, CPA, PC

- Please read and sign by appropriate official- i.e., Mayor or Finance Officer **plus** Board member.

2. Engagement Letter – Tony Brewer, CPA, PC

- Please read and sign by appropriate official- i.e., Mayor or Finance Officer **plus** Board member.

3. Audit Contract

- Mayor or Chairperson must type or print name and title, e-mail address, sign and date contract in the ***“Governmental Unit”*** section on page 8. Also, enter the ***“Date Primary Government Unit Governing Board Approved Audit Contract.”***
- Finance Officer must type or print name, sign, date and enter e-mail address in the ***“Pre-Audit Certificate”*** section on page 8.

***** NOTE***** page 5, note 28.

Starting with audit year June 30, 2021, “the auditor shall present the audited financial statements including any compliance reports to the governments unit’s governing body or audit committee in an official meeting in open session as soon as the audited statements are available but not later than 45 days after the submission of the audit report to the Secretary.”

After all of the above instructions are complete, please return ***all*** documents to me for submission to the LGC.

Please don’t hesitate to call me with any questions you may have.

Thank you,

Eddie Carrick CPA, PC

*Member of the American Institute of
Certified Public Accountants.*

Eddie Carrick
151 Young Drive, Lexington, NC 27292
336-249-2545, Fax 336-249-4745

March 1, 2021

To the Honorable Mayor and Town Council
Town of Rural Hall
Rural Hall, North Carolina

This letter is to confirm our understanding of the arrangements regarding the services I am to perform for Town of Rural Hall for the year ending June 30, 2021.

Financial Preparation and Other Non-Attest Services

I will provide financial preparation services and other non-attest services as needed to accommodate the audit of the June 30, 2021 financial statements of the Town by its external auditor.

Management's responsibilities

The Town and the external auditor have the responsibility for the reporting of financial statements as of June 30, 2021.

My work in connection with the financial preparation and other non-attest services does not include any procedures designed to disclose defalcation or other irregularities, should any exist.

My fees are based on the time required by the individuals assigned to the engagement. Individual hourly rates vary according to the degree of responsibility involved and the skill required. I will submit my bill for my services promptly after the financial preparation and other non-attest services are completed. My fee for this engagement will not exceed \$4,000.

I appreciate the opportunity of continuing to serve Town of Rural Hall. Please call if you have any questions about any aspect of our engagement.

If this letter is in accordance with your understanding of the arrangements, please sign and date the enclosed copy and return it to me.

Sincerely,

Tony Brewer, CPA, PC

Accepted By:

Management Signature: _____

Board Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

EDDIE CARRICK, CPA, PC
Certified Public Accountant

April 9, 2021

To the Honorable Mayor and Town Council
Town of Rural Hall
Rural Hall, North Carolina

We are pleased to confirm our understanding of the services we are to provide Rural Hall for the year ended June 30, 2021. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Rural Hall as of and for the year ended June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Rural Hall's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Rural Hall's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Other Post-Employment Benefits Schedules (if applicable).

We have also been engaged to report on supplementary information other than RSI that accompanies Rural Hall's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Individual fund statements and schedules.
- 2) Schedule of expenditures of federal awards (if applicable).
- 3) Law Enforcement Officers' Special Separation Allowance Report (if applicable).

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards* (if applicable).

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) (if applicable).

If applicable, the *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. If applicable, the Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; if applicable, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; if applicable, the Single Audit Act Amendments of 1996; and if applicable, the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable me to express such opinions. We will issue written reports upon completion of our Single Audit (if applicable). Our reports will be addressed to management and the Town Council of Rural Hall. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for me to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* (if applicable). In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit (if applicable). Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards (if applicable); federal award programs (if applicable); compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards* (if applicable).

As required by the Uniform Guidance (if applicable), we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards* (if applicable), and the Uniform Guidance (if applicable).

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Rural Hall's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards* (if applicable).

The Uniform Guidance (if applicable) requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Rural Hall's major programs. The purpose of these procedures will be to express an opinion on Rural Hall's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards (if applicable), and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance (if applicable), (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance (if applicable), it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan (if applicable). The summary schedule of prior audit findings should be available for our review at the beginning of our fieldwork.

If applicable, you are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that include our report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to me corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards (if applicable), and related notes, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards (if applicable), and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards (if applicable), and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by me for testing.

At the conclusion of the engagement, (if applicable) we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Town; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Eddie Carrick CPA, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Eddie Carrick CPA, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit after July 1, 2021 and to issue our reports no later than October 31, 2021. Eddie Carrick is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our agreed upon fee per our LGC contract less any amounts paid to Tony Brewer, CPA, PC for financial statement preparation and other non-attest services. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and

the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Town of Rural Hall and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to me.

Very truly yours,

Eddie Carrick CPA, PC

RESPONSE:

This letter correctly sets forth the understanding of the Town of Rural Hall.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

The of and	Governing Board Town Council
	Primary Government Unit (or charter holder) Town of Rural Hall
	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 Eddie Carrick, CPA, PC
	Auditor Address 151 Young Drive Lexington, NC 27292

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/21	Audit Report Due Date 10/31/21
-----	--------------------------------	-----------------------------------

Must be within four months of FYE

hereby agree as follows:

- 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).
- 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 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.

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 primary 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. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** 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 audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern.

30. 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.

31. 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).

32. 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/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

33. 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.

34. 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:
 N/A

OR Not Applicable (Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)

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 billings for the last annual audit of the unit submitted to the Secretary of the LGC. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .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 Rural Hall
Audit Fee	\$ 8,000.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$ 0
All Other Non-Attest Services	\$ 0
75% Cap for Interim Invoice Approval <i>(not applicable to hospital contracts)</i>	\$ 6,000.00

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 <i>(not applicable to hospital contracts)</i>	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Eddie Carrick, CPA, PC	
Authorized Firm Representative (typed or printed)* Eddie Carrick	Signature*
Date*	Email Address* eddie@eddiecarrickcpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Rural Hall	
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)*	Signature*
Date	Email Address

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)	Signature*
Date of Pre-Audit Certificate*	Email Address*

CONTRACT TO AUDIT ACCOUNTS

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")	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)*	Signature*
N/A	
Date of Pre-Audit Certificate*	Email Address*

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

PRINT

Strategic Planning Services For The Town of Rural Hall



Submitted by:
Sanford Holshouser LLP
shlawgroup.com

Presented to:
Town of Rural Hall, North Carolina
March 18, 2021

Contact:
Ashley Anderson
(919) 524-2096
ashley@shlawgroup.com

SanfordHolshouser

Table of Contents

I. Introduction.....2

II. Our Firm.....2

III. Scope of Services.....4

IV. Proposed Method of Compensation7

V. Conclusion.....7



Rural Hall Strategic Planning

I. Introduction

We are so pleased to have the opportunity to provide strategic planning and visioning services to the Town of Rural Hall. We hope you'll find this scope of work interesting and tailored to your particular needs. You can learn more about our Firm, our people, and our practice at our website: <http://shlawgroup.com>

At Sanford Holshouser, we understand your concerns, we speak your language, and we show up.

II. Our Firm

Who are we?

Our firm traces its roots back to when former Governors Terry Sanford and Jim Holshouser decided to practice law together. At Sanford Holshouser, we continue their tradition of public service by concentrating on public finance and community economic development. Although our founders have passed on, we aspire to honor their commitment to improving life for all people in North Carolina. We are proud of our history and excited for North Carolina's future.

We work for a wide range of cities, counties, and towns across North Carolina on a full range of public finance and community economic development transactions. Our expertise is in facilitating cooperation among governments, non-profits and for-profits, and in the techniques local governments can use to support, influence, and demand community enhancements by private entities.

Who will be working for you?

Successful projects don't happen by accident. Projects are dynamic, requiring a team of qualified professionals and stakeholders, and we're very interested in lending our skills to build forward-facing, sustainable projects everyone can be proud of.

Rural Hall Strategic Planning

Working with Sanford Holshouser means working with all of us. When you retain Sanford Holshouser, our entire firm becomes part of your team. All of our expertise, our reputation, and our experience—both legal and technical—are brought to bear in handling your project. We listen carefully to better understand your business objectives, your options, and your ultimate goals. We then develop a team approach and strategy that best meets your needs. Simply stated, a successful project outcome is one that meets your goals in the most cost-efficient manner possible.

➤ **Ashley Anderson**

Ashley will lead our project team for Rural Hall. Ashley works with local governments throughout the state to facilitate community economic development projects, by promoting the use of local resources to enhance economic opportunities and improve social conditions in a sustainable way. She works closely with clients to implement creative solutions that match both public- and private-sector goals, while balancing legal requirements and risk tolerances. She's a certified Community Economic Development professional and focuses on downtown development and redevelopment. She has presented at events sponsored by the North Carolina City and County Management Association and the North Carolina Main Street Program, particularly on matters of interest to communities that are new to downtown revitalization.

➤ **Partners**

In this project we may partner with subcontractors to perform statistical, business research, and data analysis. We will identify these contractors to the Town and the cost of any outside services will be included in our fee as discussed below.

Rural Hall Strategic Planning

III. **Scope of Services**

What will we do?

The people of Sanford Holshouser, both in our law practice and community service, have long and widespread experience connecting with elected officials, nonprofit organizations, and other community stakeholders. Our approach to strategic planning is deeply rooted in implementation. In this project we will use a broad inclusive approach that provides you with goals, strategies, and action steps. This process will involve community leadership, citizen input, quantitative and qualitative analyses, benchmarking, asset assessments, goal setting and prioritization. The final strategic plan will give the town a broad vision to guide future decision-making and the ability to set work plans, budgets, and other policies to carry out the town's vision. Our goal is to provide the Town with strategies and tactics that you understand how to use.

When and how will we do it?

The strategic planning process usually takes 10-11 months. We'll start working from the moment we're hired. We will apply a multi-faceted approach to engage citizens, staff, elected and appointed officials, and the steering committee to ensure that the Strategic Plan adequately addresses the needs and desires of Rural Hall. We will frequently conduct meetings and workshops (virtual and in-person) to get the word out, share ideas, and gather opinions. We will use the project website, surveys, interactive mapping, and take-home meetings among other tools to provide alternative means of engagement.

We believe this best way for us to guide you through the planning process is to get to know your community and the only way to do that is by being a part of it! There will, however be times, that are more research intensive, and we will not be as present in your community. We'll be working hard to analyze the data we've collected and put

Rural Hall Strategic Planning

together your strategic plan. Of course, we're always only a phone call away and are happy to come to Rural Hall anytime to discuss the project.

Our first meeting will be with Town staff. During this meeting will we refine the project's scope, determine the timeline, outline the process, discuss payment arrangements, identify preliminary goals, and put together a steering committee. We suggest a half-day work session in soon after our engagement for this meeting and working towards a community kickoff in the summer.

The following scope of services is customizable to your community's specific needs.

SUMMARY OF PROPOSED SCOPE OF SERVICES	
Project Phase	Additional Components
Preliminary Meeting	
Kick Off Meeting & Community Tour	
Research & Assessments	Review of all previous studies; economic analysis; retail analysis; benchmarking data
Product Development	
Stakeholder Engagement	Focus group meetings; interviews; business surveys; phone interviews; meetings in a box;
Best Practices	Economic development; board efficiency training
Strategic Planning Workshop	
Final Report & Presentation	

Rural Hall Strategic Planning

What's different about working with Sanford Holshouser?

Working as a strategic planning consultant is more than handing out surveys and drafting reports. Our goal is to establish a long-term relationship with the Town by demonstrating, time after time, our professional expertise and our personal commitment to providing excellent service.

➤ **The way we do our work sets us apart.**

You don't need an outside lawyer or consultant to complicate your life or your project. We shouldn't just toss documents in front of you and then send a bill. We should actively work to make things easier for you, and that's a responsibility we take seriously.

❖ **We understand your concerns.**

Most lawyers and consultants with experience similar to ours don't spend as much time in communities as we do. This has allowed to develop a particular insight into how you experience the strategic planning process—the kinds of questions you may have and parts of the process that may be difficult to understand.

As a result, the nature of our practice helps us to better understand your concerns, and that allows us to guide them comfortably and confidently through the planning process.

❖ **We speak your language.**

We don't make things too "lawyerly" or complicated. We are accessible, responsive, and down-to-earth. We are easy to work with.

❖ **We show up.**

We believe one of the best ways to provide high levels of service is to be present when possible at the client's location and interact with the client on a consistent basis,

Rural Hall Strategic Planning

whenever you need us, at no extra charge. It is a hallmark of our work for clients that we travel to the client's location, whether that is for a staff meeting to kick around ideas for the latest project, a Board meeting at which the plan is being discussed, or doing community outreach at your farmer's market. This is all part of our work, and attending these meetings (virtually or physically) does not add to the fees. We look forward to visiting the Garden Spot of the World!

IV. **Proposed Method of Compensation**

Our proposed fee includes all expenses—that is, there are no separate charges to you for such items as travel expenses, copying charges, postage or courier fees or anything similar. You are already paying us a flat fee; we won't nickel-and-dime you over a stamp. We plan to discuss payment arrangements at our preliminary meeting in December.

For this work we propose a fee of \$55,000. We will work out a payment schedule with the Town that includes a payment up front, payments upon completion of each Phase, and a final payment upon completion of the project. We believe this fee is reasonable and consistent with the market, and in fact mirrors what we are charging other folks for similar transactions. At the same time, we know costs are important. If you feel we have missed the target with our fee quote, we'd be happy to discuss our quotes and your views to see if we could work something out.

V. **Conclusion**

We are honored to be a part of your community economic development team. We hope you will find this to set forth an understanding of our services that is acceptable to the Town. If you need additional information, please contact Ashley Anderson at 919-524-2096/ashley@shlawgroup.com or Bob Jessup at 919-933-9891/bob@shlawgroup.com

Article III: The Pay Plan

Section 15. Overtime and Compensatory Time

Subsection C. Add new paragraph 3 (others will move down in sequence)

Page 16

3. Fire Marshal (full-time) – Employee shall be awarded compensatory time at time and one-half when the hours worked in a 7-day work period exceed 40 hours. Compensatory hours may be accrued up to a maximum of 80 hours unless otherwise approved by the Town Manager. If not approved to exceed 80 hours, all compensatory time earned beyond 80 hours shall be paid at the regular rate earned by the employee at the time the employee receives such payment.

AMENDMENT TO THE 2020-2021 BUDGET ORDINANCE

BE IT ORDAINED by the Board of Councilmen of the Town of Rural Hall, North Carolina:

WHEREAS, the 2020-2021 Budget Ordinance for the Town of Rural Hall, North Carolina, adopted on May 26, 2020, and appearing on Page 1942 of Minute Book No. 8 of the Town of Rural Hall, North Carolina is hereby amended as provided by Section 159-15 of the General Statutes of North Carolina as follows:

Section 1 – Expenditures are hereby increased from \$2,781,458 to \$2,796,458 as shown as follows:

General Government

10-4100-7200

Capital Outlay – Buildings	\$41,000.00
----------------------------	-------------

Section 2 – Revenue is hereby increased from \$2,781,458 to \$2,796,458 as shown as follows:

Appropriated Fund Balance

10-2990-0010

Appropriated Fund Balance	\$41,000.00
---------------------------	-------------

This Ordinance is effective upon its adoption. Adopted this the 12th day of April 2021.

Timothy M. Flinchum, Mayor

ATTEST:

Dora K. Moore, MMC, NCCMC
Town Clerk