

**LAKE LURE TOWN COUNCIL
WORK SESSION AND ACTION
MEETING PACKET**

Wednesday, June 26, 2024
8:30 a.m.



**Mayor Carol C. Pritchett
Mayor Pro Tem David DiOrio
Commissioner Patrick Bryant
Commissioner Scott Doster
Commissioner Jim Proctor**

TOWN OF LAKE LURE

Town Council Work Session and Action Meeting

Wednesday, June 26, 2024 - 8:30 AM

Lake Lure Municipal Center



Agenda

- I. Call to Order**
- II. Agenda Adoption**
- III. Public Comment**
- IV. Review Indemnification Agreement – Page 3**
- V. Discuss LaBella Task 22 for Hunt Property Survey – Page 7**
- VI. Discuss Lake Drawdown Schedule – Page 11**
- VII. Discuss Bettac Electrical Engineering Design Proposal – Page 12**
- VIII. FY 24-25 Fee Schedules – Page 18**
- IX. FY 24-25 Salary Grade Schedule – Page 22**
- X. Audit Update – Page 24**
- XI. Discuss Short Term Rental Advisory Board – Page 113**
- XII. Project Manager Updates – Page 116**
- XIII. Town Manger Updates – Page 118**
- XV. Adjournment**

III

PUBLIC COMMENT

The public is invited to speak. Please keep comments limited to three minutes or less. Comments may also be submitted in writing to the Town Clerk, ewillette@townoflakelure.com, at least one hour prior to the meeting.

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: Review Indemnification Agreement

AGENDA INFORMATION:

Item Number: IV
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

Lured Market previously requested to keep three picnic benches located on Town property. Attorney William Morgan has drafted an Indemnification Agreement between the Town and the owners of Lured Market, which should be entered into if the Town agrees to allow the benches to remain on Town property.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To approve or deny the Indemnification Agreement.

ATTACHMENTS:

Draft Indemnification Agreement

STAFF'S COMMENTS AND RECOMMENDATIONS:

Town staff recommends that Lured Market take responsibility for maintaining the area in reference, if the agreement is approved. As of current, Town staff is having to mow below and around the benches.

NORTH CAROLINA

RUTHERFORD COUNTY

INDEMNIFICATION AND MAINTENANCE AGREEMENT

THIS LICENSE AGREEMENT is made and entered into the ____ day of June, 2024, by and between the Town of Lake Lure, a municipal corporation created and existing pursuant to the laws of the State of North Carolina, and Second Mountain, LLC, a North Carolina Limited Liability Company.

WHEREAS, the Town of Lake Lure is the owner of that certain parcel of real property (Parcel # 1616929) adjacent to Lured Market, which is owned and operated by Second Mountain, LLC; and,

WHEREAS, a former Town Manager gave verbal permission to Second Mountain to place three picnic tables on the Town's adjacent property for the use and benefit of Lured Market's customers; and,

WHEREAS, the parties hereto desire to set forth in writing their understanding as to the respective responsibilities of each regarding the use of the picnic tables and the immediate adjacent area (the "picnic area");

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The Town by this Agreement licenses to Second Mountain the right to place three picnic tables upon that portion of Parcel #1616929 adjacent to Lured Market.
2. To the maximum extent allowed by law, Second Mountain shall indemnify, defend, and hold harmless the Town of Lake Lure and its officers, employees and elected officials from all liability, loss, costs, claims, damages, expenses, attorney fees, judgments and awards arising or claimed to have arisen, from any injury, loss or damage caused by, or allegedly caused by, either in whole or in part, any act or omission of Second Mountain or any employee, agent, subcontractor or assign of Second Mountain, or any other person or cause whatsoever, when said claims arise out of the use of the picnic area and picnic tables.
3. Second Mountain shall take steps to make sure its liability insurance policy includes coverage for claims arising out of the use of the picnic area and picnic tables and to have the Town named as an insured to the extent claims arise out of the public's use of the picnic area and tables.
4. Second Mountain shall maintain the picnic area and picnic tables. Said maintenance shall include but not necessarily be limited to keeping the area free of trash and debris left behind or thrown upon the picnic area and Second Mountain shall periodically mow and clip the picnic area.

5. The Town of Lake Lure reserves the right to revoke this License Agreement for any reason in its sole discretion upon giving one week's written notice to Second Mountain.
6. This License Agreement and the application or interpretation hereof shall be governed exclusively by its terms and by the laws of the State of North Carolina. The sole and exclusive jurisdiction and venue for any action, suit or litigation arising from or related to this agreement shall be in the state courts located in the State of North Carolina. In the event that either party brings suit to enforce the terms of this Agreement, both parties consent and agree that jurisdiction for such action will lie only in the state courts sitting in Rutherford County, North Carolina.
7. While Second Mountain provides the three picnic tables primarily for the convenience of its customers, the parties recognize that the public may use the picnic tables whether or not they purchase food items from Lured Market.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date and year first above written.

Landlord:

Town of Lake Lure,

By: _____

Carol Pritchett, Mayor

ATTEST: _____

Elba Willette, Town Clerk

(TOWN SEAL)

Tenant:

Second Mountain, LLC

By: _____

Name: _____

Title: _____

(NOTARY ON NEXT PAGE)

NORTH CAROLINA

RUTHERFORD COUNTY

I, _____, a Notary Public in and for said County and State, do hereby certify that Carol C. Pritchett, Mayor of the Town of Lake Lure, and Elba Willette, Town Clerk for the Town of Lake Lure, personally came before me this day and being duly sworn says each for herself that she knows the corporate seal of the Town of Lake Lure and that the seal affixed to the foregoing instrument is the corporate seal of the Town of Lake Lure, that Carol C. Pritchett, Mayor and Elba Willette, Town Clerk subscribed their names thereto; that the corporate seal for the Town of Lake Lure was affixed thereto, all by virtue of a resolution or other official action of the Board of Commissioners, and that said instrument is the act and deed of the Town of Lake Lure.

IN WITNESS WHEREOF, I have set my hand and notarial seal this the ____ day of _____ 2024.

_____(OFFICIAL SEAL)

Notary Public:

Printed Name

Commission Expires: _____

NORTH CAROLINA

RUTHERFORD COUNTY

I, _____, Notary Public, do hereby certify that Paul Brock personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this ____ day of _____, 2024.

(Official Seal)

Official Signature of Notary

Notary's Printed or Typed Name

My commission expires: _____

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: LaBella Task 22 for Hunt Property Survey

AGENDA INFORMATION:

Item Number: V
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

LaBella Task 22 includes securing the services of WSP USA for aerial imagery capture and post-flight processing for topographical mapping of Parcel Numbers 226751 and 226757 (the 'Hunt Properties'), as well as approximately 10 acres consisting of portions or all of additional Parcel Numbers 1630760, 1624409, 222691, 222335 and other adjacent parcels. The survey will include topographic/planimetric data with 1' contour intervals and vertical accuracy better than 1'. The site will be flown with aerial LiDAR and photogrammetry (aerial imagery), and both methods will be used to extract the ground surface data and planimetric data. Boots-on-the-ground surveying will be used in areas of thick canopy to supplement the LiDAR data. (The Drone LiDAR system in leaf off conditions typically achieves 100% coverage with very little boots-on-the-ground field surveying. With leaf on conditions, LiDAR coverage is expected to be 50-75% with obscured areas supplemented via conventional surveying on the ground. This Task will reduce costs from Schnabel Engineering, as this would have been required for the dam project, as well.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To approve LaBella Task 22 for Hunt Property Survey

ATTACHMENTS:

LaBella Task 22 for Hunt Property Survey

STAFF'S COMMENTS AND RECOMMENDATIONS:

Town staff recommends approval.



June 4, 2024

Olivia Stewman, Town Manager
Town of Lake Lure
2948 Memorial Highway
Lake Lure, NC 28746

**SUBJECT: Lake Lure On-Call Professional Services
Task 22 – Hunt Property Topographic Survey**

Dear Olivia:

LaBella Associates appreciates the opportunity to continue working with the Town of Lake Lure (Town). We hope to continue the ongoing relationship as we work with you through your various engineering needs. We have previously provided an engineering services agreement (Contract), and this work would be performed under that agreement. This proposal letter provides a scope of work and fee to provide the Task 22 deliverables as described below.

Scope

LaBella will secure the services of WSP USA for aerial imagery capture and post-flight processing for topographical mapping of Parcel Numbers 226751 and 226757 (the 'Hunt Properties'), as well as approximately 10 acres consisting of portions or all of additional Parcel Numbers 1630760, 1624409, 222691, 222335 and other adjacent parcels as outlined on Attachment A.

Survey will include topographic/planimetric data with 1' contour intervals and vertical accuracy better than 1'. The site will be flown with aerial LiDAR and photogrammetry (aerial imagery), and both methods will be used to extract the ground surface data and planimetric data. Boots-on-the-ground surveying will be used in areas of thick canopy to supplement the LiDAR data. (The Drone LiDAR system in leaf off conditions typically achieves 100% coverage with very little boots-on-the-ground field surveying. With leaf on conditions, LiDAR coverage is expected to be 50-75% with obscured areas supplemented via conventional surveying on the ground.

The Town will provide notification to property owners, as access to all private properties surveyed will be required to set aerial control points and supplement the LiDAR data with conventional surveying practices.

Scope herein is limited to topographic survey. No boundary, easement or utility survey is included. The deliverable will be a digital AutoDesk Civil3D basemap and an accompanying PDF of the completed survey.

Fee & Schedule

This proposal is submitted as a Lump Sum Task with a budget of **\$16,000**, Invoices will be based on percent completion of the overall Scope and are payable within 30 days of receipt by the Town.

Brian Houston, P.E. will continue to serve as LaBella's Program Manager for this contract, providing direction and oversight for other staff and subconsultants assigned to specific tasks under this contract. Other staff assigned to this contract shall have appropriate experience for the assigned task.



If this proposal is acceptable to the Town, please sign below to authorize the scope defined in this proposal and return one copy to us. We appreciate the opportunity to continue our relationship with the Town of Lake Lure. If you have any questions or need additional information, please call me directly at (704) 941-2110.

Sincerely,
LaBella Associates, P.C.

Brian Houston, P.E.
Water/Wastewater Market Leader

Town of Lake Lure, North Carolina

By: _____
Authorized Signature

Title _____

Date _____

Exhibit A



**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: Lake Drawdown Schedule

AGENDA INFORMATION:

Item Number: VI
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

Each June, Town Council determines the upcoming Lake Drawdown Schedule. This year, there are various factors to consider including completion of trainter gate inspection, repair of tainter gate steel members and seals, testing of the drain valves, review of the backshore area at 20' depth, review of the impacts on wells, existing sewer repairs, observation of any erosion or storm water issues, and assessment of deep water access and barge access.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To approve the 2025 Lake Drawdown Schedule from _____ to _____.

ATTACHMENTS:

N/A

STAFF'S COMMENTS AND RECOMMENDATIONS:

Town staff recommends that the Lake Drawdown take place from January 2025 through March 2025.

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: Bettac Electrical Engineering Design Proposal

AGENDA INFORMATION:

Item Number: VII
Department: Public Services
Contact: Dean Lindsey, Public Services Director
Presenter: Dean Lindsey, Public Services Director

BRIEF SUMMARY:

Bettac Engineering, PLLC has submitted a proposal to the Town to provide electrical engineering design services for the Lake Lure Dam 480/277V utility service with genset backup for the control house and pumping station project. This would be in support of the operation of the reservoir drain valves. Bettac's proposal is priced at \$19,800.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To approve the Bettac Electrical Engineering Design Proposal.

ATTACHMENTS:

Bettac Electrical Engineering Design Proposal

STAFF'S COMMENTS AND RECOMMENDATIONS:

Town staff recommends approval.



June 11, 2024

Dean Lindsey
Dam & Hydroelectric Director
Town of Lake Lure
197 Buffalo Shoals Road
Lake Lure, NC 28746

RE: Lake Lure Dam 480/277V Utility Service w/Genset Backup– Electrical Engineering Design Services

Dear Dean,

Bettac Engineering, PLLC (the “Engineer”) is pleased to submit this letter proposal to The Town of Lake Lure (the “Client”) to provide electrical engineering design services for the Lake Lure Dam 480/277V utility service with genset backup for the control house and pumping station project located near 2948 Memorial Highway in Lake Lure, NC. Design shall include the detailing for a utility service upgrade to 480/277V, a step-down transformer, a 480/277V 80kW generator selection for the control house and pumping station, an automatic transfer switch and grounding details, and 480V power for the proposed dam drain actuators. Engineer sealed drawings will be issued with appropriate detail for local electrical permitting and ancillary reviews.

SCOPE OF SERVICES

Below is a summary of our project understanding and anticipated specific tasks of work to be completed for this design:

- Site visit and coordination with owner/representatives to overview project objectives.
 - Two site visits and three conference calls are anticipated.
- Electrical engineered design drawings in support of:
 - Utility service upgrade to 480/277V.
 - Step down transformer to refeed the control house.
 - Floor plan and associated single line will be detailed.
 - Generator will be detailed for upgrade to 480/277V.
 - 480V/277V conversion for the pumping station.
 - Pumps shall be detailed for reconfiguration as 480V by awarded electrician.
 - Overloads shall be selected for 480V.
 - Existing transformer shall be rewired for 120/208V for pump station convenience power.

- Existing mobile generator docking station shall be configured for 480/277V. This will serve as the manual
- 480V dam drain actuators (2) shall be provisioned for with a 480V source panel and the actuators shall have a transfer switch for backup operation.
 - The actuators will not be supplied from the station service/pump station generator as the footprint for a suitably sized generator exceeds the available space.
 - Detailing from the panel to the actuators is not in this project scope.
- NEMA 3R automatic transfer switch detailing.
- Engineering technical support for RFI's during design and construction.

To perform the items listed above, Bettac Engineering, PLLC will provide sealed engineered drawings suitable for submission to the AHJ for permitting.

CLARIFICATIONS / ADD SERVICES

- The Design-Build request for the drain valve cable and conduit routing will be issued under separate cover (breakers for the two valves will be included in this design).
- Design will be developed in AutoCAD or equivalent and issued in PDF format.
- Propane sizing / design for new generator is by other.

SCHEDULE OF SERVICES

We will perform the work described in the above Scope of Services as expeditiously as practical to meet a mutually agreed upon schedule after receipt of your written notice to proceed.



COMPENSATION AND BILLING

Bettac Engineering, PLLC proposes a single lump sum fee to provide the design services outlined above:

Issuance of Design Drawings	\$19,800
Total Fee	\$19,800

Project will be invoiced net 30 upon issuance of the electrical drawings.

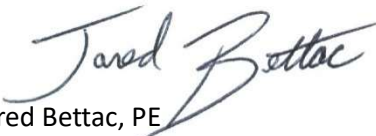
ACCEPTANCE

All work in connection with this effort shall be performed in accordance with the Bettac Engineering, PLLC standard contract provisions dated 06/11/2024 and attached below. Proposal pricing is valid for 30 days.

If this proposal is acceptable, please sign and return (1) copy of this document. Our receipt of the executed copy of this proposal will serve as our Notice to Proceed.

Please give me a call if you have any questions. We look forward to the opportunity to work with you.

Sincerely,


 Jared Bettac, PE
 Managing Member of Bettac Engineering, PLLC
jared@bettacengineering.com
 (828)457-9532

Acknowledged and Agreed to:
 Client Authorized Representative (Please Print):
 Name : _____
 Title : _____
 Signature: _____
 Date: _____



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STANDARD CONTRACT PROVISIONS

DATE: 06/11/2024

CLIENT: Town of Lake Lure

1. CONTRACT – These Contract Provisions and the accompanying Proposal constitute the full and complete Agreement between the parties and may be changed, amended, added to, superseded, or waived only if both parties specifically agree in writing to such amendment of the Agreement. In the event of any inconsistency between these Contract Provisions and any proposal, contract, purchase order, requisition, notice to proceed, or like document, these Contract Provisions shall govern.

2. SCOPE OF SERVICES – Refer to proposal.

3. PAYMENT TERMS – Refer to proposal.

4. RIGHT OF ENTRY – When entry to property is required for the ENGINEER/CONSULTANT to perform its services, the Client agrees to obtain legal right-of-entry on the property.

5. DOCUMENTS – All reports, notes, drawings, specifications, data, calculations, and other documents, including those in electronic form, prepared by ENGINEER/CONSULTANT are instruments of ENGINEER's/CONSULTANT's service that shall remain ENGINEER's/CONSULTANT's property. The Client agrees not to use ENGINEER/CONSULTANT-generated documents for marketing purposes, for projects other than the project for which the documents were prepared by ENGINEER/CONSULTANT, or for future modifications to this project, without ENGINEER's/CONSULTANT's express written permission.

Any reuse or distribution to third parties without such express written permission or project-specific adaptation by ENGINEER/CONSULTANT will be at the Client's sole risk and without liability to ENGINEER/CONSULTANT or its employees, subsidiaries, independent professional associates, subconsultants, and subcontractors. Client shall, to the fullest extent permitted by law, defend, indemnify, and hold harmless ENGINEER/CONSULTANT from and against any and all costs, expenses, fees, losses, claims, demands, liabilities, suits, actions, and damages whatsoever arising out of or resulting from such unauthorized reuse or distribution.

6. DISPOSAL OF SAMPLES –ENGINEER/CONSULTANT will discard samples upon completion of the work covered under this Agreement, unless the Client instructs otherwise in writing.

7. HAZARDOUS MATERIALS – The scope of ENGINEER's/CONSULTANT's services for this Agreement does not include any responsibility for detection, remediation, accidental release, or services relating to waste, oil, asbestos, lead, or other hazardous materials, as defined by Federal, State, and local laws or regulations.

8. CONSTRUCTION PHASE SERVICES – If ENGINEER/CONSULTANT performs any services during the construction phase of the project, ENGINEER/CONSULTANT shall not supervise, direct, or have control over Contractor's work. ENGINEER/CONSULTANT shall not have authority over or responsibility for the construction means, methods, techniques, sequences or procedures or for safety precautions and programs in connection with the work of the Contractor. ENGINEER/CONSULTANT does not guarantee the performance of the construction contract by the Contractor and does not assume responsibility for the Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

9. STANDARD OF CARE – ENGINEER/CONSULTANT and its employees, subsidiaries, independent professional associates, subconsultants, and subcontractors will exercise that degree of care and skill ordinarily practiced under similar circumstances by design professionals providing similar services. Client agrees that services provided will be rendered without any warranty, express or implied. ENGINEER/CONSULTANT shall exercise usual and customary professional care in its efforts to comply with applicable codes, regulations, laws rules, ordinances, and such other requirements in effect as of the date of execution of this Agreement.

10. OPINION OF PROBABLE COSTS – When required as part of its work, ENGINEER/CONSULTANT will furnish opinions of probable cost, but does not guarantee the accuracy of such estimates. Opinions of probable cost, financial evaluations, feasibility studies, economic analyses of alternate solutions, and utilitarian considerations of operations and maintenance costs prepared by ENGINEER/CONSULTANT hereunder will be made on the basis of ENGINEER's/CONSULTANT's experience and qualifications and will represent ENGINEER's/CONSULTANT's judgment as an experienced and qualified design professional. However, users of the probable cost opinions must recognize that ENGINEER/CONSULTANT does not have control over the cost of labor, material, equipment, or services furnished by others or over market conditions or contractors' methods of determining prices or performing the work.

11. SUSPENSION OF WORK – The Client may, at any time, by written notice, suspend further work by ENGINEER/CONSULTANT. The Client shall remain liable for, and shall promptly pay ENGINEER/CONSULTANT for all services rendered to the date of suspension of services, plus suspension charges, which shall include the cost of assembling documents, personnel and equipment, rescheduling or reassignment, and commitments made to others on Client's behalf. Client shall pay ENGINEER/CONSULTANT pursuant to the rates and charges set forth in the Proposal. ENGINEER/CONSULTANT will submit monthly invoices to Client for services rendered and expenses incurred. If Client does not pay invoices within thirty (30) days of submission of invoice, ENGINEER/CONSULTANT may, upon written notice to the Client, suspend further work until payments are brought current. The Client agrees to indemnify and hold ENGINEER/CONSULTANT harmless from any claim or liability resulting from such suspension.

12. CHANGES OR DELAYS – Unless the accompanying Proposal provides otherwise, the proposed fees constitute ENGINEER's/CONSULTANT's estimate to perform the services required to complete the Project. Required services often are not fully definable in the initial planning;



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accordingly, developments may dictate a change in the scope of services to be performed. Where this occurs, changes in the Agreement shall be negotiated and an equitable adjustment shall be made. Costs and schedule commitments shall be subject to renegotiation for unreasonable delays caused by the Client's failure to provide specified facilities, direction, or information, or if ENGINEER's/CONSULTANT's failure to perform is due to any act of God, labor trouble, fire, inclement weather, act of governmental authority, failure of transportation, accident, power failure, or interruption or any other cause beyond the reasonable control of ENGINEER/CONSULTANT. Temporary work stoppage caused by any of the above may result in additional cost beyond that outlined in the accompanying Proposal.

13. LIABILITY – To the fullest extent permitted by law, the total liability, in the aggregate, of ENGINEER/CONSULTANT and ENGINEER's/CONSULTANT's officers, directors, employees, agents, and consultants to Client and anyone claiming by, through or under Client, for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of or in any way related to ENGINEER's/CONSULTANT's services, the Project or this Agreement, from any cause or causes whatsoever, including but not limited to, negligence, strict liability, breach of contract or breach of warranty shall not exceed the total compensation received by ENGINEER/CONSULTANT under this Agreement.

14. CONFLICTS OF INTEREST – This assignment may involve parties with adverse interests to clients with whom ENGINEER/CONSULTANT has current or past relationships. It is ENGINEER/CONSULTANT policy to make reasonable attempts to identify such relationships prior to acceptance of a professional assignment, but ENGINEER/CONSULTANT cannot assure that conflicts or perceived conflicts will not arise, and ENGINEER/CONSULTANT does not accept responsibility for such occurrences.

15. REIMBURSABLE EXPENSES – ENGINEER/CONSULTANT will bill direct non-payroll expenses at cost plus 10%. Direct expenses include all reasonable expenses resulting from required responses to subpoenas or court orders related to work under the Contract.

16. MISCELLANEOUS

Governing Law: The laws of the state in which the ENGINEER/CONSULTANT office executing this Agreement is located shall govern the validity and interpretation of this Agreement.

Invalid Terms: In the event any of these Contract Provisions are found to be illegal or otherwise unenforceable, the unenforceable Contract Provision will be stricken. Striking such a Contract Provision shall have no effect on the enforceability of the remaining Contract Provisions and those remaining Contract Provisions shall continue in full force and effect as if the unenforceable Contract Provision were never included in the Agreement.

Mediation: The Client and ENGINEER/CONSULTANT agree to submit all claims and disputes arising out of this Agreement to non-binding mediation prior to the initiation of legal proceedings. This provision shall survive completion or termination of this Agreement; however, neither party shall seek mediation of any claim or dispute arising out of this Agreement beyond the period of time that would bar the initiation of legal proceedings to litigate such claim or dispute under the applicable law.

CONSULTANT Reliance: ENGINEER/CONSULTANT shall be entitled to rely, without liability, on the accuracy and completeness of any and all information provided by Client, Client's consultants and contractors, and information from public records, without the need for independent verification.

Certifications: ENGINEER/CONSULTANT shall not be required to sign any documents, no matter by whom requested, that would result in ENGINEER's/CONSULTANT's having to certify, guaranty, or warrant the existence of conditions that ENGINEER/CONSULTANT cannot ascertain.

Third Parties: Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Client or ENGINEER/CONSULTANT.

ENGINEER's/CONSULTANT's services hereunder are being performed solely for the benefit of the Client, and no other entity shall have any claim against ENGINEER/CONSULTANT because of this Agreement or ENGINEER's/CONSULTANT's performance of services hereunder.

Consequential Damages: Neither the Client nor the ENGINEER/CONSULTANT shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of, or connected in any way to the Project or this Agreement. This mutual waiver includes, but is not limited to, damages related to loss of use, loss of profits, loss of income, loss of reputation, unrealized savings or diminution of property value and shall apply to any cause of action including negligence, strict liability, breach of contract and breach of warranty.

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: FY 24-25 Fee Schedules

AGENDA INFORMATION:

Item Number: VIII
Department: Finance
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

The General Fee Schedule, Land Use Fee Schedule, and Utility Fee Schedule must be adopted each fiscal year. There are no proposed amends to the General Fee Schedule or Utility Fee Schedule aside from the removal of Chimney Rock's water rates from the Utility Fee Schedule. Staff is proposing an increase in appeal fees on the Land Use Fee Schedule in hopes to avoid frivolous appeal requests, but a refund for successful appeals shall remain in place.

The Lake Use Fee Schedule is adopted based on calendar year and will be reviewed in December.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To adopt the FY 24-25 Fee Schedules.

ATTACHMENTS:

FY 24-25 Fee Schedules

STAFF'S COMMENTS AND RECOMMENDATIONS:

Staff recommends adoption.

UTILITY BILLING

Effective: FY 2023-2024

Water & Sewer Connections	Water Inside Rate	Water Outside Rate	Sewer Inside Rate	Sewer Outside Rate
Connection 3/4" or less	\$1,155	\$1,445		
Connection 1"	\$1,735	\$2,080		
Connection 2"	\$2,890	\$3,235		
Connection 3"	\$4,045	\$4,620		
Connection 4"	\$5,780	\$6,355		
Connection 4" or less			\$1,155	\$1,445
Connection 6"			\$1,735	\$2,080
Connections 8"			\$2,890	\$3,235
Discovery of Unapproved Connection:			Double Tap Fee + 2 yrs service back pay	
Monthly Water Rates				
Basic Service Residential	\$35.00	\$70.00		
Basic Service Commercial	\$42.00	\$85.00		
Usage 0-5,000 gals. (per 1,000 gal. rate)	\$5.80	\$11.60		
Usage over 5,000 - 20,000 gals.	\$6.66	\$13.32		
Usage over 20,000 gals.	\$7.44	\$14.88		
Monthly Sewer Rates				
Residential User			\$90.00	\$180
Comm.- Small User			\$103.00	\$206
Comm.-Medium User			\$182.00	\$364
Comm.- Large User			\$286.00	\$572
Comm.- X Large User			\$627.00	\$1,254
Comm.- XX Large User			\$1,254.00	\$2,508
Other Fees				
Late Payment	\$25.00	\$25.00	\$25.00	\$25.00
Water Turn-On Fee (voluntarily turned off)	\$40.00	\$40.00		
Utility deposit for renters	\$200.00	\$200.00	\$200.00	\$200.00
Transfer Fee	\$20.00	\$20.00	\$20.00	\$20.00
Re-connection Fee (non-payment cutoff)	\$200.00	\$200.00	\$200.00	\$200.00
Chimney Rock Water Bimonthly Rates				
Basic Service Residential	\$60.00			
Usage 0-5,000 gals. (per 1,000 gal. rate)	\$2.50			
Usage over 5,000 - 20,000 gals.	\$3.00			
Usage over 20,000 gals.	\$4.00			
Garbage / Recycling				
Curbside Residential Garbage Collection (weekly)		free	included in taxes	
Curbside Collection of Hard Trash or Lake Debris		free	by appointment	
Curbside Recycling Collections		\$8.50/month		
Recycle Bin & Lid		\$25.00		

LAND USE

Effective: FY 2024-2025

Subdivision Applications			
Master Plan Application	\$330		
Minor - Final Plat	\$250		
Major Preliminary Plat	\$820 + \$50 per lot		
Major Final Plat	\$500		
Plat Review	\$90		
Professional Fees for DRC Reviews	<1 acres of land disturbance	1-5 acres of land disturbance	5 or more acres of land disturbance
Erosion Control Plan	\$250	\$390	\$550
Stormwater System	\$250	\$390	\$550
Water System	\$90	\$330	\$400
Sewer System	\$90	\$330	\$530
Road Plan	\$50	\$320	\$430
Sketch Plan (if requested)	\$370	\$370	\$370
Each additional acre			\$90
Zoning Applications			
Certificate of Zoning Compliance	see below		
Class I	\$210		
Class II	\$250		
Class III	\$290		
Class IV	\$330		
Vacation Rental Permit	\$300		
Conditional Use Permit	\$410		
Special Use Permit	\$410		
Conditional District Application	\$1,040		
Community Shopping Center	\$820		
Zoning Variance	\$480		
Zoning Text Amendment	\$510		
Zoning Map Amendment	\$510		
Zoning Appeal	\$300 \$300		
Permanent Sign	\$120 + \$1 per sq. ft. over 24		
Temporary Sign	\$120 + \$1 per day (waived for nonprofit comm. events)		
Mobile Food Vendor Permit	\$100		
Annual Chicken Registration	\$100		
Civil Penalties for Zoning Violations (For each day the violation is not corrected, the violator will be			
Notice of Violation	\$0		
1st Citation	\$65		
2nd Citation	\$130		
3rd Citation	\$260		
4th Citation	\$510		
Code Enforcement Appeal (Non-Zoning)			
Appeals Other than Zoning	\$80 \$300		
GIS Maps (Custom Mapping)			
24"	\$25		
36"	\$30		
42"	\$40		

ENVIRONMENTAL MANAGEMENT

Land Disturbance Applications	<1 acres of land disturbance	1-4.9 acres of land disturbance	5 or more acres of disturbance
<100 sq. ft.	no permit		
100 sq. ft. - 499 sq. ft.	\$15		
500 sq. ft. - 10,000 sq. ft.	\$160		
> 10,000 sq. ft.	\$160/10,00 sq. ft.		
One Acre (43,560Sq. Ft.)		\$640	
Each 10,000 over 1 acre		\$160	
Five Acres			\$4,000
Each Additional Acre			\$800
Licenses			
Tree Service Provider	\$20.00		
Tree Service Handbook	\$12.50		

* Permit fees for lake structure, zoning, and land disturbance projects commenced prior to obtaining necessary permit(s) will be doubled.

* Fees paid for filing a successful appeal of administrative officials charged with enforcement of the Zoning, Subdivision, Lake Structures or Soil Erosion and Sedimentation Control regulations shall be refunded to the applicant.

GENERAL FEES

Effective: FY 2024-2025

Rental Facilities	Standard Rate	Discounted Rate (for qualifying charitable events /Town Employees)		Security Deposit	Trash Disposal Fee
Lake Lure Pavilion (Gazebo) - per event	\$500	\$100		\$250	\$200
Community Hall - Half Day Rental (<4 Hours)	\$100	\$50		\$250	
Community Hall - Full Day Rental (>4 Hours)	\$200	\$50		\$250	
Morse Park Meadows Rental Rates	Standard Rate			Security Deposit	Trash Disposal
Meadows - Full Day Rental	\$250			\$250	\$200
Meadows - Full Day Rental - Qualifying Charitable Event	\$100			\$250	\$200
Electric Hook-up	\$10 per day				
Water Hook-up	\$10 per day				
Beach Rental Rates	Standard Rate	Organizations qualified with a 501(c)(3) designation			
Beach Rental Rates (outside of the established business hours)	\$50 per hour	\$0			
Vendor Fees for Town Events					
12 x 12 Booth	\$75.00				
Electricity	\$25.00				
Water Hook-up	\$25.00				
Beer & Wine Permits	Beer	Fortified Wine & Unfortified Wine	Unfortified Wine	Fortified Wine	
Off Premise (annual)	\$5	\$10	\$10		
On Premise (annual)	\$15	\$15	\$10	\$15	
Public Records Research & Reproduction (extensive)					
Labor - Town Manager (hourly rate)	\$65				
Labor - Town Clerk (hourly rate)	\$25				
Paper Copies (Black/White) each	\$0.05				
Paper Copies -Color (each page)	\$0.10				
CD/DVD	\$1.25				
Other Administrative Fees/Rates					
Lake Lure License Plates	\$15				
Lake Front Address Signs	\$15				
County Maps	\$5				
Copies (each 8 1/2" X 11")	\$0.25				
Large Format Copy Black/White 24"	\$3.00				
Large Format Copy Black/White 36"	\$4.00				
Large Format Copy Black/White 42"	\$5.00				
Large Format Copy Color 24"	\$6.00				
Large Format Copy Color 36"	\$8.00				
Large Format Copy Color 42"	\$10.00				
Fax (sending)	\$5, for up to 5 pgs. (\$1/each add. pg.)				
NSF - Return Check Fee	\$25				
Printed Police Report	\$3				
FIRE (these fees do not apply to non-profit and charitable events in Town)					
Fire Inspection	Inspection Fee	Reinspection	2nd Reinspection		
0 - 2,500 Square Feet	\$20.00	No Fee	\$40.00		
2501 - 5,000 Square Feet	\$30.00	No Fee	\$60.00		
5,001 - 10,000 Square Feet	\$50.00	No Fee	\$100.00		
10,001 - 25,000 Square Feet	\$60.00	No Fee	\$120.00		
25,001 - 50,000 Square Feet	\$70.00	No Fee	\$140.00		
50,001 - 100,000 Square Feet	\$80.00	No Fee	\$160.00		
100,001 - 500,000 Square Feet	\$100.00	No Fee	\$200.00		
500,001 - PLUS Square Feet	\$150.00	No Fee	\$300.00		
Fire Protection Ordinance Civil fines					
Class A	\$300.00				
Class B	\$150.00				
Class C	\$75.00				
Class D	\$50.00				
Carnivals and Fairs	\$50 per event				
Covered Mall Buildings	\$500 per year				
Explosives	\$50 for 48 hours				
	\$100 for 30 days				
Use of Outdoor Fireworks (does not include personnel or standby)	\$100 per event (\$500/event after 5th permit issued in fiscal year)				
Flammable Liquids	\$50.00				
Fumigation and thermal insecticidal fogging	\$100.00				
Liquid or gas vehicles or equip. in assembly	\$50.00				
Open burning and open flame use	\$50.00				
Pyrotechnics Special Effects	\$50.00				
Fireworks Tent	\$300 for 30 days				
Assembly Tent	\$50.00				
All other Tents requiring a Permit					
Any other operational permits not listed above required by NC Fire Code	\$50.00				
Dedicated Services of Fire/Rescue Personnel					
Firefighter (hourly rate or portion of any hour, 2-hour min.)	\$30.00				
Fire Inspector/Company Officer (hourly rate or portion of any hour, 2-hour min.)	\$50.00				
Chief Officer (hourly rate or portion of any hour, 2-hour min.)					
Dedicated Standby of Emergency Apparatus					
Support Vehicle Chiefs Vehicle	\$25 per hour				
Light duty/quick response vehicle, boat	\$50 per hour				
Brush Truck	\$75 per hour				
Fireboat	\$100 per hour				
Fire Engine/Tanker	\$150 per hour				

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: FY 24-25 Salary Grade Schedules

AGENDA INFORMATION:

Item Number: IX
Department: Finance
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

A 3.8% cost of living adjustment (COLA) was incorporated into the budget adopted for the Fiscal Year 2024-2025. The Salary Grade Schedule has been adjusted to reflect the 3.8% increase.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To adopt the FY 24-25 Salary Grade Schedule.

ATTACHMENTS:

FY 24-25 Salary Grade Schedule

STAFF'S COMMENTS AND RECOMMENDATIONS:

Staff recommends adoption.

Town of Lake Lure Salary Schedule Fiscal Year 2024/2025

COLA COLA
3.80%

Salary Grade	Classification	FLSA	Minimum	Mid-Point	Maximum
10		N	\$26,829	\$32,763	\$39,317
11		N	\$27,522	\$34,402	\$40,936
12		N	\$28,898	\$36,122	\$43,348
13		N	\$30,343	\$37,929	\$45,514
14		N	\$31,859	\$39,825	\$47,789
15	Utility Maintenance Technician I	N	\$33,453	\$41,817	\$50,368
16		N	\$35,126	\$43,908	\$52,688
17		N	\$36,882	\$46,102	\$55,324
18	Firefighter	N	\$38,726	\$48,408	\$58,089
18	Public Services Administrative Support	N	\$38,726	\$48,408	\$58,089
18	Administrative Support Specialist	N	\$38,726	\$48,408	\$58,089
18	CDD Administrative Support Specialist	N	\$38,726	\$48,408	\$58,089
18	Finance Administrative Support Specialist	N	\$38,726	\$48,408	\$58,089
18	Police Administrative Assistant	N	\$38,726	\$48,408	\$58,089
19	Firefighter Engineer	N	\$40,663	\$50,828	\$60,994
19	Police Officer	N	\$40,663	\$50,828	\$60,994
19	Utility Maintenance Technician II	N	\$40,663	\$50,827	\$60,994
20	Hydroelectric Dam Operator I	N	\$42,697	\$53,310	\$64,044
20	Fire Lieutenant	N	\$42,697	\$55,336	\$64,044
20	Utility Maintenance Technician III	N	\$42,697	\$53,310	\$64,044
21	Police Corporal	N	\$44,832	\$56,037	\$67,245
22	Fire Captain	N	\$47,072	\$58,840	\$70,607
22	Parks Recreation and Lake Coord	N	\$47,072	\$58,840	\$70,607
23	Dev. & Env. Review Specialist	N	\$49,426	\$61,781	\$74,137
23	Police Sergeant	N	\$49,426	\$61,781	\$74,137
23	Public Services Supervisor	N	\$49,426	\$61,781	\$74,137
24	Asst Fire Chief/Asst Emerg Mgmt Dir	N	\$51,896	\$64,871	\$77,845
24	Town Clerk	N	\$51,896	\$64,871	\$77,845
25	Police Lieutenant	N	\$52,496	\$67,957	\$81,738
26	Human Resources Specialist/Customer Service Specialist	N	\$57,216	\$71,520	\$85,823
27	Communications Director	N	\$60,077	\$75,097	\$90,115
28		E	\$63,080	\$75,097	\$94,620
29	Community Development Director	E	\$66,234	\$82,793	\$99,353
29	Assistant Finance Director	N	\$66,234	\$82,793	\$99,353
29	Fire Chief/Emergency Management Director	E	\$66,234	\$82,793	\$99,353
29	Dam and Hydroelectric Director	E	\$66,234	\$82,793	\$99,353
29	Parks Recreation and Lake Director	E	\$66,234	\$82,793	\$99,353
29	Public Services Director	E	\$66,234	\$82,793	\$99,353
30	Police Chief	E	\$69,547	\$86,931	\$104,319
31	Finance Director	E	\$73,023	\$91,280	\$109,536
32		E	\$76,675	\$95,844	\$115,013
33		E	\$80,509	\$100,636	\$120,765
34		E	\$84,533	\$105,667	\$126,801
35	Project Manager	E	\$88,761	\$110,952	\$133,141

Proposed 6/2024

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26th, 2024**

SUBJECT: Review and Approval of External Auditing Firm

AGENDA INFORMATION:

Item Number: X
Department: Finance
Contact: Stephen Ford, Finance Director
Presenter: Stephen Ford, Finance Director

BRIEF SUMMARY:

It is requested for Town Council to review bid proposals and consider approval of the related contract for auditing services that will span from FY 2024 through FY 2026 audits.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

To review and provide acceptance of bid of selected auditing firm for FY 24-26 audit including authorization of related contract

ATTACHMENTS:

Bid proposals from submitting firms

STAFF COMMENTS AND RECOMMENDATIONS:

N/A

Proposal to Provide Financial Audit Services



Town of

Lake Lure

est. 1927

North Carolina

Profile of the Firm & Cost Estimates

Presented By:

Thompson, Price, Scott, Adams & Co., P.A.

**TOWN OF LAKE LURE
North Carolina**

**Proposal to Provide Auditing Services
For the Years Ending June 30, 2024 Through 2026**

Profile of the Firm & Cost Estimates

SUBMITTED BY:

Thompson, Price, Scott, Adams & Co., P.A.

**PO Box 398
1626 S. Madison St.
Whiteville, NC 28472
910-642-2109**

CONTACT PERSON:

(The individual authorized to conduct negotiations and discuss the proposal)

Alan Thompson, Partner



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Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398
1626 S Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958

Alan W. Thompson, CPA
R. Bryon Scott, CPA
regory S. Adams, CPA

March 11, 2024

Town of Lake Lure, Finance Department
Attention: Steve Ford, Finance Director
2948 Memorial Highway
Lake Lure, NC 28746

Re: Request for Proposal for Audit Services for Town of Lake Lure

Dear Mr. Ford:

Thompson, Price, Scott, Adams & Co, P.A., hereinafter called the “Auditor” is pleased to submit this proposal to provide financial and compliance auditing services for the Town of Lake Lure, hereinafter called the “Town.” It is our understanding that the Town is requesting proposals from qualified firms of certified public accountants to establish a contract for the financial and compliance audit of the Town’s basic financial statements, beginning with the fiscal year ended June 30, 2024 and ending with the fiscal year ended June 30, 2026, based on annual negotiation after the first year is complete. We have read the RFP and fully understand its intent and contents. We understand the time frame for performance of the annual financial audit as stipulated by the Town, and fully intend to satisfy all objectives. As professionals serving the public sector, our objective is to ensure that accurate information is reported to the Town. Given the complexities of financial operations and the ongoing significant changes in accounting standards, we feel that it is extremely important that you select an auditor that is focused and extremely experienced in the governmental industry to serve you, and we believe we are qualified to do so with superior resources and service at a competitive and fair price.

Our responsibility will be to conduct a financial and compliance examination of the Town’s basic financial statements in accordance with laws and/or regulations of the State of North Carolina, which includes 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 2018 revisions; the provisions of Title 2 U.S. Code of Federal Regulations (CFR) 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.

While there are many reasons for the Town to choose Thompson, Price, Scott, Adams & Co., P. A. as auditor for this examination, we feel some of the most compelling reasons for us to serve the Town are:

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms



Experience. Our professionals are thoroughly versed in the complex governmental arena and have consistently provided the highest quality of service to our government clients. Our knowledge of the operations and financial activities of towns will be used on a proactive basis to work with the Town in identifying potential issues and concerns before they become problems. This will be especially important to the Town as future GASB statements are required to be implemented. We are committed to providing on-site service and will be a valuable technical resource to the Town on a regular basis.

Dedicated Team. The Auditor has a dedicated group of audit professionals focused on providing the highest quality professional services possible. The goal of our staff is to help the Town improve their financial processes and strategies so that they can continue to achieve their goal of being phenomenally successful.

Responsiveness. We pride ourselves in responding to our clients' needs and meeting their deadlines. The open communications and good working relationship we have with our clients enhances our ability to be responsive. We have the flexibility to meet your needs and to perform our services in an efficient and effective manner.

Alan Thompson, partner, is authorized to bind, and make representation for the Auditor. Mr. Thompson will be the ultimate party responsible for the quality of the report and working papers. He can be contacted at 910-642-2109, alanthompson@tpsacpas.com, or PO Box 398, Whiteville, NC 28472, if you have any questions regarding our proposal or any related matters.

We are incredibly grateful for the opportunity to submit our proposal and we would be honored to serve the Town of Lake Lure.

Respectfully Yours,

Alan Thompson, Partner



1. Prior Governmental Audit Experience

CURRENT & PRIOR AUDIT CLIENTS

GOVERNMENT	AUDIT TYPE	YEARS AUDITED
Anson County	SA	2015-2023
Beaufort County	SA	2019-2023
Caswell County	SA	2017-2022
Cleveland County	SA	2018-2023
Craven County	SA	2020-2023
Edgecombe County	SA	2020-2023
Georgetown County (SC)	SA	2020-2023
Granville County	SA	2020-2023
Hertford County	SA	2017-2023
Hyde County	SA	2015-2023
Johnston County	SA	2003-2023
Lee County	SA	2015-2023
Nash County	SA	2017-2023
Northampton County	SA	2016-2023
Richmond County	SA	1999-2023
Stanly County	SA	2017-2023
Vance County	SA	2017-2023
Washington County	SA	2019-2023
Yadkin County	SA	2018-2023
Town of Caswell Beach	YB	2010-2023
Town of Cerro Gordo	YB	2001-2023
Town of East Arcadia	STD	1997-2022
Town of Godwin	STD	2019-2023
Town of Hope Mills	YB	2013-2022
Town of Lake Waccamaw	YB	2003-2023
Town of Leland	SA	2015-2023
Town of Smithfield	SA	2017-2023
Town of Woodland	STD	2021-2023



CURRENT & PRIOR AUDIT CLIENTS (Cont.)

City of Henderson	SA	2018-2023
City of Lumberton	SA	2020-2022
City of New Bern	SA	2019-2023
City of Southport	YB	2019-2022
City of Whiteville	YB	2010-2023
Granville County TDA	STD	2020-2023
Johnston County Tourism	STD	2003-2023
Nash County TDA	STD	2017-2023
Northampton TDA	STD	2016-2023
Ocracoke Township TDA	STD	2015-2023
Town of Leland TDA	STD	2017-2023
Vance County TDA	STD	2020-2023
Yadkin County TDA	STD	2018-2023
Albemarle Regional Solid Waste	STD	2021-2023
SE Brunswick Sanitary District	SA	1999-2023
Stanly County Water & Sewer	STD	2017-2023
Albemarle Commission	STD	2009-2023
High-Country COG	SA	2015-2023
Mid-Carolina Council of Govts	STD	2003-2023
Upper Coastal Plain COG	SA	2015-2023
Clay County Schools	SA	2020-2023
Edgecombe Co Board of Ed	SA	2012-2022
Florence School District Four	SA	2021-2022
Hertford County Schools	SA	2009-2023
Hyde County Schools	SA	2020-2023
Pender County Schools	SA	2009-2022
Thomas Academy	SA	2014-2023
Whiteville City Schools	SA	2006-2023
Memorial Gardens (Granville)	SA	2020-2023
Johnston County Airport	STD	2003-2023
Lumberton Airport Commission		2020-2022
App Health District	SA	2018-2023
Albemarle Regional Health System	SA	2021-2023
Stanly County Visitors Bureau	NP	2017-2023
Lumbee Regional Development	NP	2019-2022
Brunswick Transit Authority	NP-SA	2018-2023
Boys & Girls Homes	NP	1987-2023
SCC Foundation	YB	2002-2023



2. References from other governmental units.

Johnston County
Chad McLamb
PO Box 1049
Smithfield, NC 27577
Chad.mclamb@johnstonnc.com
919-989-5109

Lee County
Lisa Minter
PO Box 1968.
Sanford, NC 27331-1968
lminter@leecountync.gov
919-718-4600

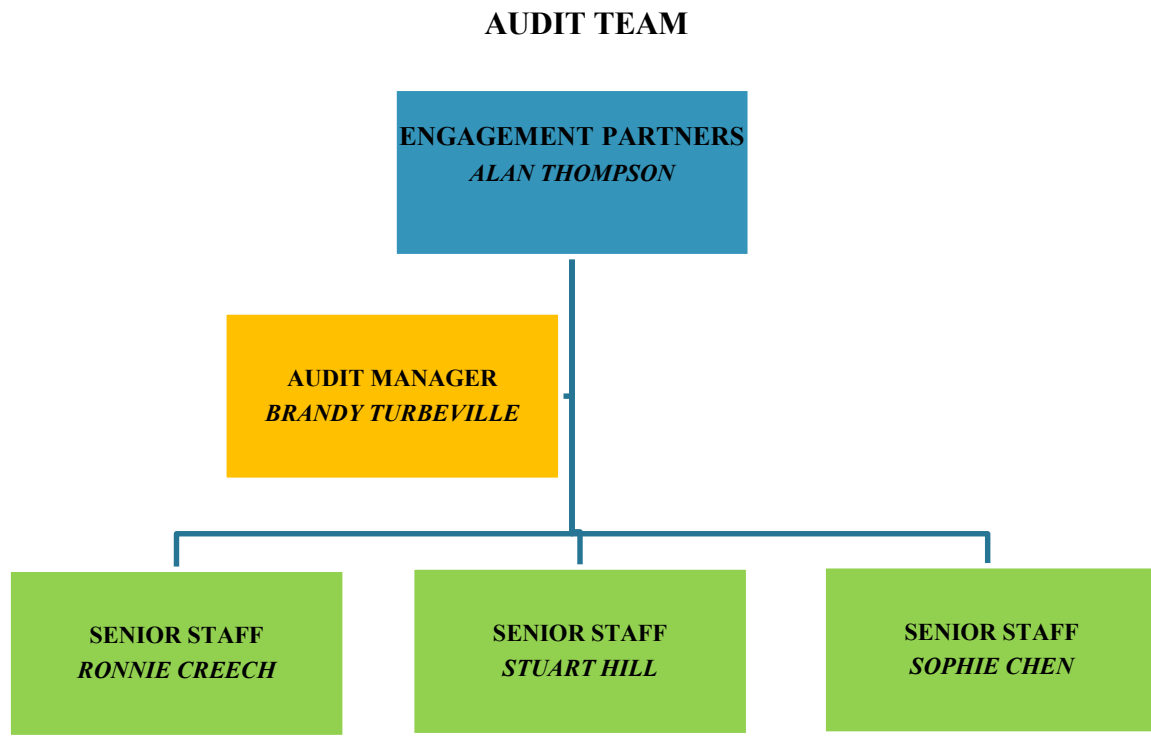
City of Henderson
Joseph Fuqua
131 Rose Ave.
Henderson, NC 27536
JosephFuqua@henderson.nc.gov
252-430-5711

Hyde County Schools
Ken Chilcoat
1430 Main St.
Swan Quarter, NC 27885
kchilcoat@hyde.k12.nc.us
252-926-3281



3. Firm's experience with maintaining personnel.

The best way to provide the Town with responsive, quality services is to assign the most qualified individuals to the engagement and maintain continuity of staff on successive engagements. Building rapport with our clients and familiarity with their specific practices makes our work, and yours, easier and more efficient. If any turnover were to occur on your engagement team, we pledge to assign a new person to your team with an appropriate level and type of experience. Prior to implementing any necessary changes to your engagement team, we will discuss with you the reasons for the changes and obtain your approval.



- | | |
|------------------------|---|
| Alan Thompson., CPA, | Engagement Partner |
| Greg Adams, CPA | Partner (available if needed) |
| Brandy Turbeville, CPA | Audit Manager - oversees both financial and compliance audits |
| Ronnie Creech | Senior Staff - assists in financial audit testing |
| Stuart Hill, CPA | Senior Staff - assists in financial audit testing |
| Sophie Chen, CPA | Senior Staff - compliance auditor |



4. Qualifications of personnel used in governmental audits.

ALAN W. THOMPSON, CPA – ENGAGEMENT PARTNER – AUDITS PERFORMED

<u>GOVERNMENT</u>	<u>YEARS</u>	<u>POSITION</u>
Anson County	8	Engagement Partner
Beaufort County	4	Engagement Partner
Cleveland County	5	Engagement Partner
Craven County	3	Engagement Partner
Edgecombe County	3	Engagement Partner
Georgetown County SC	3	Engagement Partner
Granville County	3	Engagement Partner
Hertford County	6	Engagement Partner
Hyde County	8	Engagement Partner
Johnston County	19	Engagement Partner
Lee County	7	Engagement Partner
Nash County	6	Engagement Partner
Northampton County	7	Engagement Partner
Person County	1	Engagement Partner
Richmond County	20	Engagement Partner
Rockingham County	1	Engagement Partner
Scotland County	1	Engagement Partner
Stanly County	6	Engagement Partner
Vance County	6	Engagement Partner
Washington County	4	Engagement Partner
Yadkin County	5	Engagement Partner
Town of Blowing Rock	1	Engagement Partner
town of Butner	1	Engagement Partner
Town of Caswell Beach	12	Engagement Partner
Town of Cerro Gordo	21	Engagement Partner
Town of East Arcadia	25	Engagement Partner
Town of Godwin	3	Engagement Partner
Town of Hope Mills	9	Engagement Partner
Town of Lake Waccamaw	19	Engagement Partner
Town of Leland	7	Engagement Partner
Town of Smithfield	5	Engagement Partner



<u>GOVERNMENT</u>	<u>YEARS</u>	<u>POSITION</u>
Town of Woodland	2	Engagement Partner
City of Conover	1	Engagement Partner
City of Henderson	4	Engagement Partner
City of Laurinburg	1	Engagement Partner
City of Lumberton	3	Engagement Partner
City of Morganton	1	Engagement Partner
City of New Bern	4	Engagement Partner
City of Southport	4	Engagement Partner
City of Whiteville	13	Engagement Partner
Clay County Schools	3	Engagement Partner
Edgecombe County BOE	11	Engagement Partner
Hertford County BOE	14	Engagement Partner
Hyde County Schools	3	Engagement Partner
Old Main Stream Academy	1	Engagement Partner
Pender County BOE	14	Engagement Partner
Thomas Academy	9	Engagement Partner
Whiteville City Schools	13	Engagement Partner
Albemarle Commission	14	Engagement Partner
High Country COG	8	Engagement Partner
Mid-Carolina COG	16	Engagement Partner
Upper Coastal Plain COG	8	Engagement Partner
Western Piedmont COG	1	Engagement Partner
Albemarle Regional Solid Waste	1	Engagement Partner
Southeast Brunswick Sanitary District	23	Engagement Partner
Stanly County Water & Sewer Auth.	6	Engagement Partner
Granville County TDA	3	Engagement Partner
Johnston County TDA	20	Engagement Partner
Leland TDA	6	Engagement Partner
Nash County TDA	6	Engagement Partner
Northampton County TDA	7	Engagement Partner
Ocracoke Township TDA	8	Engagement Partner
Person County TDA	1	Engagement Partner
Vance County TDA	3	Engagement Partner
Yadkin County TDA	5	Engagement Partner
Albemarle Regional Health Services	1	Engagement Partner
Appalachian District Health Dept.	5	Engagement Partner
Granville-Vance District Health Dept.	1	Engagement Partner
South Granville Memorial Gardens	3	Engagement Partner
Johnston County Airport Authority	20	Engagement Partner
Lumberton Airport Commission	3	Engagement Partner
Stanly County Visitors Bureau	6	Engagement Partner



GREG S. ADAMS, CPA –PARTNER – (AVAILABLE IF NEEDED) AUDITS PERFORMED

<u>Government Audits</u>	<u>Years</u>	<u>Position</u>
Town of Burgaw	10 Years	Engagement Partner
Town of Ocean Isle Beach	19 Years	Engagement Partner
Pender County	9 Years	Engagement Partner
Town of Chadbourn	13 Years	Engagement Partner
Bladen County	12 Years	Engagement Partner
Pasquotank County	7 Years	Engagement Partner
Camden County	10 Years	Engagement Partner



BRANDY TURBEVILLE, CPA – AUDIT MANAGER – AUDITS PERFORMED

<u>Government Audits</u>	<u>Years</u>	<u>Position</u>
Anson County	4 Years	Audit Manager/Lead Auditor
Beaufort county	1 Year	Audit Manager/Lead Auditor
Caswell County	3 Years	Audit Manager/Lead Auditor
Cleveland County	2 Years	Audit Manager/Lead Auditor
Hertford County	3 Years	Audit Manager/Lead Auditor
Hyde County	5 Years	Audit Manager/Lead Auditor
Johnston County	15 Years	Audit Manager/Lead Auditor
Lee County	5 Years	Audit Manager/Lead Auditor
Nash County	3 Years	Audit Manager/Lead Auditor
Northampton County	4 Years	Audit Manager/Lead Auditor
Richmond County	15 Years	Audit Manager/Lead Auditor
Stanly County	3 Years	Audit Manager/Lead Auditor
Vance County	3 Years	Audit Manager/Lead Auditor
Washington County	1 Year	Audit Manager/Lead Auditor
Yadkin County	2 Years	Audit Manager/Lead Auditor
Edgecombe County Schools	8 Years	Audit Manager/Lead Auditor
Hertford County Schools	10 Years	Audit Manager/Lead Auditor
Pender County Schools	10 Years	Audit Manager/Lead Auditor
Thomas Academy	6 Years	Audit Manager/Lead Auditor
Whiteville City Schools	15 Years	Audit Manager/Lead Auditor
Town of Caswell Beach	10 Years	Audit Manager/Lead Auditor
Town of Hope Mills	7 Years	Audit Manager/Lead Auditor
Town of Leland	5 Years	Audit Manager/Lead Auditor
Town of Smithfield	3 Years	Audit Manager/Lead Auditor
City of Henderson	2 Years	Audit Manager/Lead Auditor
City of Whiteville	10 Years	Audit Manager/Lead Auditor
Albemarle Commission	10 Years	Audit Manager/Lead Auditor
High Country COG	5 Years	Audit Manager/Lead Auditor
Mid-Carolina COG	14 Years	Audit Manager/Lead Auditor
Upper Coastal Plain COG	5 Years	Audit Manager/Lead Auditor
Appalachian District Health Dept.	2 Years	Audit Manager/Lead Auditor
Albemarle Commission	7 Years	Audit Manager/Lead Auditor
Boys and Girls Homes of NC	15 Years	Audit Manager/Lead Auditor



STUART HILL, CPA – SENIOR STAFF – AUDITS PERFORMED

<u>Government Audits</u>	<u>Years</u>	<u>Position</u>
Anson County	2 Years	Financial Auditor
Caswell County	3 Years	Financial Auditor
Hyde County	4 Years	Financial Auditor
Johnston County	6 Years	Financial Auditor
Lee County	4 Years	Financial Auditor
Nash County	2 Years	Financial Auditor
Pender County	3 Years	Financial Auditor
Richmond County	6 Years	Financial Auditor
Stanly County	2 Years	Financial Auditor
Vance County	3 Years	Financial Auditor
Yadkin County	1 Year	Financial Auditor
Town of Hope Mills	6 Years	Financial Auditor
Town of Leland	4 Years	Financial Auditor
Town of Red Springs	6 Years	Financial Auditor
Town of Smithfield	3 Years	Financial Auditor
City of Henderson	1 Year	Financial Auditor
Mid-Carolina COG	1 Year	Financial Auditor



RONNIE CREECH – SENIOR STAFF - AUDITS PERFORMED

<u>Government Audits</u>	<u>Years</u>	<u>Position</u>
Caswell County	3 Years	Financial Auditor
Hyde County	4 Years	Financial Auditor
Johnston County	10 Years	Financial Auditor
Nash County	2 Years	Financial Auditor
Yancey County	1 Year	Financial Auditor
Richmond County	20 Years	Financial Auditor
Stanly County	2 Years	Financial Auditor
Vance County	2 Years	Financial Auditor
Yadkin County	1 Year	Financial Auditor
Town of Hope Mills	5 Years	Financial Auditor
Town of Leland	4 Years	Financial Auditor
Town of Red Springs	20 Years	Financial Auditor
Town of Smithfield	2 Years	Financial Auditor
City of Henderson	1 Year	Financial Auditor



SOPHIE CHEN – COMPLIANCE AUDITOR – AUDITS PERFORMED

<u>Governmental Audits</u>	<u>Years</u>	<u>Position</u>
Anson County	4	Compliance Auditor
Beaufort County	3	Compliance Auditor
Caswell County	4	Compliance Auditor
Cleveland County	4	Compliance Auditor
Columbus County	4	Compliance Auditor
Craven County	2	Compliance Auditor
Edgecombe County	2	Compliance Auditor
Granville County	2	Compliance Auditor
Hertford County	4	Compliance Auditor
Hyde County	4	Compliance Auditor
Johnston County	4	Compliance Auditor
Lee County	4	Compliance Auditor
Nash County	4	Compliance Auditor
Northampton County	4	Compliance Auditor
Richmond County	4	Compliance Auditor
Stanly County	4	Compliance Auditor
Vance County	4	Compliance Auditor
Washington County	3	Compliance Auditor
Yadkin County	4	Compliance Auditor
Town of Leland	3	Compliance Auditor
Town of Smithfield	4	Compliance Auditor
Town of Red Springs	1	Compliance Auditor
City of Henderson	4	Compliance Auditor
City of Whiteville	4	Compliance Auditor
City of Lumberton	2	Compliance Auditor
City of New Bern	3	Compliance Auditor
City of Southport	1	Compliance Auditor
Appalachian District Health	4	Compliance Auditor
Albemarle Regional Health	1	Compliance Auditor
Lumbee Regional Development	1	Compliance Auditor



5. Technical qualifications of personnel assigned to the audit.

See staff resumes that follow.

ALAN W. THOMPSON

CPA, PFS

Managing Partner

EXECUTIVE SUMMARY:

- Certification Issued July 17, 1989
- Practice Since February 1985
- Member of AICPA, NCACPA's, SCACPA's and TSCPA's
- Graduate of UNC-Pembroke with a B.S. in Accounting
- Licensed to practice in NC, SC, GA and TN
- Certificate of Educational Achievement of Government and Non-Profit Accounting

SUMMARY

Over thirty-nine years of experience in public accounting. Experienced in hiring, training, and supervising staff, budgeting, scheduling, performing risk analyzes, directing multiple on-going complex audits and facilitating the inclusion of proper internal controls as part of the system's development process.

PROFESSIONAL EXPERIENCE

Partner

Thompson, Price, Scott, Adams & Co., P.A. (June 1, 1993 to Present)

- Conduct financial, compliance, governmental, non-profit and operational audits.
- Supervise staff auditors on audit engagements.
- Hire and supervise staff.
- Developed an internal audit training program to train staff.
- Prepare individual, partnership, and corporate tax returns.
- Work on compilations, reviews and audits of businesses, governments, and charitable organizations.

Staff Accountant

Moore & Price CPAs

(February 1985 to June 1993)

- Prepared individual, partnership and corporate tax returns.
- Worked on compliance, reviews, and audits of businesses, governments, and charitable organizations.
- Developed audit plans and schedules.
- Suprvised staff auditors on audit engagements.

ALAN W. THOMPSON

CPA, PFS

Managing Partner

CONTINUING EDUCATION IN GOVERNMENT/NON-PROFIT CPE AREA:

- NC County Single Audit Bootcamp 2019
- Professional Ethics and Conduct 2019
- Data Collection Form - Do your Submissions Pass the Test 2019
- Common Questions Posed on Pensions & OPEB 2019
- Major Program Determination 2019
- Sampling - How May Do I Test 2019
- GASB Leases Part1- Understanding Statement 87 2019
- GASB Leases Part 2 - How to Apply It 2019
- Evaluating & Reporting Findings in A Single Audit 2019
- CAFR Goofs 2019
- What is Happening with GASB Financial Reporting Model 2019
- GASB Implementation Guides-What Good Are They? 2019
- Auditing Developments 2019
- Review of Recent Tax Legislation & IRA Tax Relief Due to Covid 19 2020
- In House CPE 2020
- Not-For-Profit Accounting Conference 2020
- Governmental & Not-For-Profit Conference 2020
- LGC Conference 2020
- AICPA - Estate Planning, Taxes 2020
- AICPA - Grantor Trust, Cares Act 2020
- AICPA - NFP Update 2020
- AICPA - Life Insurance Panel 2020
- AICPA - Audit Strategies for Better Efficiency 2020
- AICPA - Remote Auditing - Best Practices 2020
- AICPA - How to Build & Grow a Profitable Nich 2020
- AICPA - Best Tax Ideas Panel 2020
- Federal Tax Update 2020
- Beyond the Code - The Science of Ethics 2020
- Financial Reporting for NFP 2020
- Business Valuation School 2020
- The New Coronavirus Stimulus Package: Update & Analysis of Individual and Business Tax Changes 2020
- GAGAS & Single Audit 2021
- NASACT - Various Topics 2021
- Local Government Conference 2022
- How to Get Better Return on Yellow Book & single Audits 2022
- 2022 Local Government Independent Auditors Conference
- Governmental Accounting & Auditing Conference 2022
- Local Government Conference 2022
- Jen Louis - In House CPE 2023
- 2023 LGC Independent Auditor's Conference
- YB & SA How to Stay in Good Graces & Out of Bad Place With Your Peer Reviews 2023
- Independent Requirements for Auditors 2023
- Governmental Auditing Update 2023
- Governmental & SAS Auditing Update 2023
- Internal Control Weaknesses & Fraud 2023
- Reporting Findings in YB & SA 2023
- Capital Asset Management for Local Governments 2023

GREGORY S. ADAMS CPA

Partner

EXECUTIVE SUMMARY:

- Certification Issued September 16, 1996
- Practice Since July 1994
- Member of AICPA, NCACPA's
- Graduate of UNC-Wilmington with a B.S. in Accounting

SUMMARY

Over thirty years of experience in public accounting. Experienced in hiring, training and supervising staff, budgeting, scheduling, performing risk analysis, directing multiple on-going complex audits and facilitating the inclusion of proper internal controls as part of the system's development process.

PROFESSIONAL EXPERIENCE

Partner
Thompson, Price, Scott, Adams & Co., P.A. ,
(January 1999 to Present)

- Conduct financial, compliance, governmental, non-profit and operational audits.
- Supervise staff auditors on audit engagements.
- Hire and supervise staff.
- Developed an internal audit training program to train staff.
- Prepare individual, partnership, and corporate tax returns.
- Work on compilations, reviews and audits of businesses, governments, and charitable organizations.

Senior Accountant/Audit Manager
Thompson, Price, Scott, Adams & Co., P.A.
(June 2008-Present)

Staff Accountant
Thompson, Price, Scott, Adams & Co., P.A.
(April 2005-June 2008)

- Prepare individual, partnership, and corporate tax returns.
- Work on compilations, reviews and audits of businesses, governments, and charitable organizations.

GREGORY S. ADAMS CPA

Partner

CONTINUING EDUCATION IN GOVERNMENT/NON-PROFIT CPE AREA:

- NC Single Audit Bootcamp 2019
- Ethical Considerations for the CPA 2019
- Complete Guide to the New Yellow Book 2019
- Essential Course for Performing Single Audits Under the Uniform Guidance 2019
- Fraud and Abuse In Not For Profit Entities and Governments 2019
- The Most Dangerous Elements of a GAAS Audit 2019
- Avoiding Deficiencies in Peer Review: Focus on Engagement Quality 2021
- Auditing Not-for-Profit Entities 2021
- Examining the New Lease Accounting Standard 2021
- How to Get a Better Return on Yellow Book & Single Audits 2022
- Performing an Effective Audit Risk Assessment in the COVID-19 Environment 2022
- Lease Accounting - The Impact of Changing Standards on Both Lessors & Lessees 2022
- Government & Nonprofit Frauds & Controls to Stop Them 2022
- Ethical Considerations for the CPA 2022
- Understanding & Testing Control & Compliance in a Single Audit 2022
- Guide & Update to Compilations, Reviews, & Preparations 2022
- Fundamentals of Internal Controls 2022
- Essentials of Audit Sampling 2022

CONTINUING EDUCATION IN GOVERNMENT/NON-PROFIT CPE AREA:

- Testing Internal Controls & Reporting Deficiencies 2022
- Fraud & Abuse in Not-for-Profit Entities & Governments. Stealing from Everyone 2022
- Jen Louis In House CPE 2023
- Government Risk Assessments 2023
- Monthly Government A&A Update 2023
- Auditing Revenue Recognition 2023
- A Complete Guide to the YB 2023
- Give Me a Little Credit - Understanding the YP CPE 2023
- Government/Not-for-Profit Update 2023
- Auditor Reporting 2023
- YB Performance & Reporting Requirements for a Financial Audit 2023
- Latest Developments in Government & Nonprofit A&A 2023
- 10 Ways to Improve the Audit Process 2023

BRANDY TURBEVILLE

CPA, CFE

Audit Manager

EXECUTIVE SUMMARY:

- Practice since April, 2005
- CPA Certification issued May 18, 2006
- CFE Certification issued August 18, 2014
- Member of NCACPA and AICPA, ACFE
- Graduate of UNC-Wilmington, with B.S. and M.S. in Accounting
- Licensed to Practice in NC and SC

SKILLS AND EXPERTISE:

Over twenty years experience - public accounting, one year experience as payroll clerk for County. Experienced in planning and performing audits for various governments, including school district, counties, towns, council of governments, as well as non-profits and for-profit entities. Experience in preparing tax returns for various entities, and preparing compilations and reviews.

PROFESSIONAL EXPERIENCE

- Audit Manager
- Develop audit plans and schedules
- Supervise staff auditors on audit engagements
- Write-up Audits

CONTINUING EDUCATION IN GOVERNMENT/NON-PROFIT CPE AREA:

- NC County Single Audit Bootcamp 2019
- LGC Conference 2019
- Understanding Complexities of Fraud to Mitigate Risk 2019
- Professional Ethic & Conduct 2019
- Compilation & Review Standards - SSARS 21-24 2019
- GASB Update 2019
- The New Yellow Book Audio 2019
- Recent GAAP Developments 2019
- Advanced Topics in Single Audit
- Internal & External Fraud; Understanding It & Working to Control It 2020
- Addressing Common Documentation Deficiencies 2020
- Audit Deficiencies 2020
- Government Audit Update: YB & Uniform Guidance 2020
- Combatting Internal Fraud 2020
- LGC Conference 2020
- How Fraud Can Affect Smaller Businesses 2020
- Independence Issues 2020
- Forensic Accounting - Uncovering Schemes & Scams 2020
- Consideration of Fraud 2020
- In House CPE 2020
- Review of Recent Tax Legislation & IRS Tax Relief Due to Covid 19 2020

BRANDY TURBEVILLE CPA, CFE

Audit Manager

CONTINUING EDUCATION IN GOVERNMENT/NON-PROFIT CPE AREA:

- Assessing the Risk of Fraud in a Financial Statement Audit 2022
- Understanding & Testing Control & Compliance in a Single Audit 2022
- Govt. & NFP Frauds & Controls to Stop Them 2022
- The Most Critical Challenges in Governmental Auditing 2022
- Avoiding Deficiencies in Peer Reviews - Focus on Engagement Quality 2022
- Jen Louis In House CPA 2022
- Introduction to Biometrics & Fraud Prevention 2022
- Local Government Independent Auditor's Conference 2022
- Winning the Fraud Battle in the Digital Age - Prevention & Detection 2022
- LGC Conference 2022
- Fraud 101: Understanding Basic Fraud Detection & Prevention 2022
- How Can I Spot Fraud? 2022
- Government & NP Frauds & Controls to Stop Them 2023
- Fraud Environment 2023
- Fraud Risk Assessment Basics 2023
- Avoiding Risk of Fraud in FS Audit 2023
- Jen Louis In House CPE 2023
- 2023 LGC Independent Auditors Conference
- YB & SA How to Stay in Good Graces & Out of Bad Places with Your Peer Reviewer 2023

STUART HILL CPA

Senior Auditor

EXECUTIVE SUMMARY:

- Graduate of UNC-Chapel Hill
- CPA Certification Issued 1983
- Practice Since May 1981

SKILLS AND EXPERTISE:

Over thirty-nine years of experience in public accounting

PROFESSIONAL EXPERIENCE

**CPA, Senior Staff -
Thompson, Price, Scott, Adams & Co., P.A.
(June 2013-Present).**

- Prepare individual, partnership, and corporate tax returns.
- Work on compilations, reviews, and audits of businesses, governments, and charitable organizations.
- Conduct financial, compliance, governmental, non-profit, and operational audits.

Chief Financial Officer (CFO)

Wayne Bailey, Inc.

(April 1990-May 2013)

Job Duties Consisted of the following:

- Managed Accounting Department Including:
 - Accounting Personnel
 - Human Resources (all Personnel)
 - Payroll
 - Accounts Receivable
 - Accounts Payable
 - Inventory
 - Financial Reporting
 - Analysis and Planning
 - Tax Planning and Reporting
 - Accounting Methods and Systems
 - Internal Control
 - Compliance issues, such as Payroll, Retirement Plans, Dept. of Labor, IRS, NCDR, etc.
 - Shareholder and Management Consultant/Auditor

Senior Auditor

Staff Accountant

**Pittman, Casey, Price & Co., CPA's
(May 1981-March 1990)**

- Prepared individual, partnership and corporate tax returns,.
- Worked on compliance, reviews, and audits of businesses, governments, and charitable organizations.
- Conducted financial, compliance, governmental, non-profit, and operational audits.

**CONTINUING EDUCATION IN
GOVERNMENT/NON-PROFIT CPE
AREA:**

- Avoiding Deficiencies in Peer Reviews: 2022
- Compilations, Review, & Preparations: Engagement Performance & Annual Update 2022
- In House CPE 2022
- Examining ASC 842 Leases: More than Meets the Eye 2022
- Local Government Independent Auditor Conference 2022
- Ethical Considerations for CPAs 2022
- Local Government Conference 2022
- Government & Non-Profit Frauds & Controls to Stop Them 2022

**CONTINUING EDUCATION IN
GOVERNMENT/NON-PROFIT CPE
AREA:**

- Performing Single Audits Under the Uniform Guidance for Federal Awards 2021
- Performing an Effective Audit Risk Assessment in the COVID-19 Environment 2021
- GAGAS & Single Audit 2021
- Leases - Implementing GASB 87 2021
- Local Government Conference 2021
- Latest Developments in Gov. & NFP Accounting & Auditing 2021
- In House CPE 2020
- Advanced Topics in Single Audits 2020
- LGC Conference 2020
- Performing Single Audits Under the Uniform Guidance for Federal Awards 2020
- The Most Critical Challenges in Governmental Accounting Today 2020
- Recent GAAP Developments Part 1 2019
- Recent GAAP Developments Part 2 2019
- SSARS 21 - Statement on Standards for Accounting 2019
- Threats to Independence 2019
- Behavioral Ethics: An Overview for All Accountants 2019
- LGC Conference 2019

Senior Auditor

- 2023 LGC Independent Auditors Conference 2023
- YB & SA How to Stay in Good Graces & Out of Bad Places with Your Peer Reviews 2023
- Latest Developments in Government & NP Accounting & Auditing 2023
- Performing SA Under the Uniform Guidance for Federal Awards 2023
- Update on the AICPA's New Ethics & Quality Control
- Auditing Not-for-Profit Entities: Superior Skills for an Effective & Efficient Audit 2023
- Apply the YB to a FS Audit 2023

SOPHIE CHEN

CPA, MBA

Senior Auditor

EXECUTIVE SUMMARY:

Practice since May 2018

CPA Certification issued March 17, 2020

Member of NCACPA

Graduate of UNC-Pembroke with B.S. in Finance and MBA in Accounting

SKILLS AND EXPERTISE:

Six years of experience in public accounting and four years of experience in private sector. Experienced in planning and performing compliance audits on Federal and State programs for various governments including counties, towns, council of governments, as well as non-profit organizations.

PROFESSIONAL EXPERIENCE

**CPA, Senior Staff -
Thompson, Price, Scott, Adams & Co., P.A.
(May 2018-Present).**

- Compliance audits on Federal and State programs for various governments.
- Assist with financial statement audits.

CONTINUING EDUCATION IN GOVERNMENT/NON-PROFIT CPE AREA:

- NC County Single Audit Bootcamp 2019
- Local Government Audit Workshop 2019
- Local Government Conference 2019
- In-House CPE 2020
- Advanced Topics in Single Audit 2020
- LGC Conference 2020
- Guidance for Federal Awards 2021
- Performing an Effective Audit Risk Assessment in the COVID-19 Environment 2021
- Compliance, Reviews, and Preparations 2021
- GAGAS & Single Audit 2021
- Implementing GASB 87 2021
- LGC Conference 2021
- Understanding and Testing Control and Compliance in a Single Audit 2022
- The Most Critical Challenges in Governmental Accounting Today 2022
- NC Ethics for CPAs 2022
- Reporting Internal Control Deficiencies Under Yellow Book 2022
- Essential Audit Sampling 2022
- Reviewing Audit Workpapers 2022
- A Complete Guide to Yellow Book 2022
- Preparing and Reviewing Client Prepared Financial Statements 2022

Senior Auditor

**CONTINUING EDUCATION IN
GOVERNMENT/NON-PROFIT CPE
AREA:**

- Avoiding Deficiencies in Peer Reviews:
Focus on Engagement Quality 2022
- Jen Louis In House CPE 2022
- 2022 Local Government Independent
Auditor's Conference
- Advanced Topics in a Single Audit 2022
- LGC Conference 2022
- Jen Louise In House CPE 2023
- 2023 LGC Independent Auditor's
Conference
- Avoiding Deficiencies in Peer Reviews
2023
- YB & SA How to Stay in Good Graces &
Out of Bad Places with Your Peer
Reviews 2023
- A Complete Guide to the YB 2023
- Latest Developments in Governmental
Accounting & Auditing 2023
- Ethical Considerations for CPAs 2023

RONNIE CREECH

Senior Auditor

EXECUTIVE SUMMARY:

- Graduate of UNC-Wilmington 1985
- Practice Since 1985
- Member of NCACPA

SKILLS AND EXPERTISE:

Over thirty-nine years of experience in public accounting.

PROFESSIONAL EXPERIENCE

Senior Staff

Thompson, Price, Scott, Adams & Co., P.A.
(January 1999-Present).

- Prepare individual, partnership, and corporate tax returns.
- Work on compilations, reviews, and audits of businesses, governments, and charitable organizations.
- Conduct financial, compliance, governmental, non-profit, and operational audits.

Staff Accountant

S. Preston Douglas & Associates, LLC
(1985-1998)

- Prepared individual, partnership and corporate tax returns.
- Worked on compliance, reviews, and audits of businesses, governments, and charitable organizations.
- Conducted financial, compliance, governmental, non-profit and operational audits.

Senior Auditor

CONTINUING EDUCATION IN GOVERNMENT/NON-PROFIT CPE AREA:

- In House CPE 2022
- Local Government Independent Auditors Conference 2022
- Local Government Conference 2022
- A Complete Guide to Yellowbook 2022
- Annual Accounting & Auditing Update 2022
- Government & Nonprofit Frauds & Controls to Stop Them 2022
- Leases - Implementing GASB 87 2021
- Local Government Conference 2021
- Performing an Effective Audit Risk Assessment in the COVID-19 Environment 2021
- GAGAS & Single Audit 2021
- Compilations, Reviews & Preparation: Engagement Performance 2021
- Performing Single Audits Under the Uniform Guidance for Federal Awards 2021
- NC County Single Audit Bootcamp 2019
- LGC Conference 2019
- The New Yellow Book 2019
- SAS 117 Compliance Audits 2019
- Behavioral Ethics: An Overview for All Accountants 2019
- SSARS 21 - Statement on Standards for Accounting 2019
- Recent GAAP Developments Part 1 2019
- Recent GAAP Developments Part 2 2019
- In House CPE 2020
- Advanced Topics in Single Audit 2020
- LGC Conference 2020
- Jen Louis In House CPE 2023
- 2023 LGC Independent Auditors Conference
- YB & SA How to Stay in Good Graces & Out of Bad Places with Your Peer Reviewer 2023
- Latest Developments in Government & Non-Profit Accounting & Auditing 2023
- Performing Single Audits Under the Uniform Guidance for Federal Awards 2023
- A Complete Guide to the YB 2023



6. Audit approach, including methodologies used in testing the financial statements.

The Auditor will use Practitioners Publishing Company's (PPC) audit programs which enables us to tailor the program to the Town. In addition, the Auditor uses CCH's engagement for analytics and as its paperless solution.

The Auditor uses statistical sampling for tests of compliance, tests of internal control, and disbursement testing. The Auditor typically uses a sample size of sixty.

We use compliance supplements and PPC guidance for testing internal controls. Our use of automated processes is determined by the technological ability of the auditee.

The Auditor is not aware of the need for the use of computer audit specialists in the engagement. However, if we determine that a computer audit specialist is needed, we have in-house IT available.

The audit team will consist of one partner (another partner from the Wilmington office will be available to assist if needed), the audit manager, and three senior audit personnel. Under normal conditions the engagement partner and/or audit manager would be on 50% of the time, and the remainder of listed staff would be there 100% of the time that it takes to complete necessary procedures. However, we would like to get as much information electronically as possible and be onsite as little as possible. We know some onsite time will be unavoidable.

The Auditor will issue a management letter to the Town after completion of the audit and assist management in implementing recommendations, as is practical. We will also provide an informal letter addressed to the Finance Director with any efficiency, internal control, or accounting improvements that could be made based on the audit staff's observation during fieldwork, if necessary. All information will be discussed with the Finance staff prior to issuance.



Tentative Schedule for Completion of Audit Within the Specified Deadlines of the RFP

<u>Pre-Planning Conference</u>	To be held by May 30, 2024.
<u>Interim Fieldwork</u> June(1 week)	To be completed by June 30, 2024. 1. Prepare all confirmation and obtain appropriate personnel signatures. 2. Begin preliminary fieldwork to include: a. Review of internal control procedures. b. Testing internal control procedures. c. Assembling necessary permanent file documents. d. Perform compliance tests of those programs subject to single audit.
<u>Detailed Audit Plan</u>	To be delivered to the Town by June 30, 2024.
<u>Fieldwork</u> Aug-Sept. (2 weeks)	Year-end fieldwork will begin by mid-August and be completed by September 30, 2024. Finish all fieldwork, present the client representation letter and attorney legal letter to the Town. Agreed upon post-closing balance will be provided September 30, 2024.
<u>Exit Conference & Draft Report</u>	The exit conference will be scheduled with the Town at an agreed upon date. The draft report will be supplied to the Finance Office by October 10, 2024.
<u>Final Report</u>	The final audit will be given to the Town by October 20.

This **tentative** schedule is based on receiving timely information from the finance staff to aid in performing the audit. If the Town is unable to fulfill commitments of providing information on a timely basis as outlined in the RFP, the time frame will be appropriately extended.

Entrance Conferences, Progress Reporting, and Exit Conferences will be scheduled once the contract is signed and executed.



7. Staff training in governmental accounting.

Our audit team consists of personnel with a wide variety of experience. The staff members have several years of governmental accounting experience, ranging from serving as auditors for 10 - 30 years, to managing the day-to-day operations of a finance department. We feel that this variety of experience makes our team highly effective in covering all areas of the audit.

The Auditor monitors compliance with CPE requirements for Yellow Book as part of our annual inspection and peer review process. We have a quality control partner and a senior staff person who oversees this in addition to being monitored by the managing partner.

The Auditor has had extensive experience with GASB 68, GASB 73, GASB 75 and GASB 88. All our governmental engagements are done under the new GASB reporting requirements.

Our entire staff receives forty hours a year of continuing education in governmental auditing. This extensive training allows our staff to be highly educated with regards to all new pronouncements

The Auditor provides auditing, accounting, and management advisory services to all types of municipalities, including municipalities with the following features: solid waste operations, water and sewer operations, electric utility systems, internal service functions, and single audit programs. We feel confident that we can provide exceptional service to the Town as well.



8. Participation in governmental associations.

The firm has had a good relationship with the NC Local Government Commission. We have been doing local government audits in North Carolina for over thirty-five years.

One of our partners taught a class at one of the conferences at the UNC Schools of Government in Chapel Hill.

Staff members are members of various organizations such as AICPA, NCACPA, SCACPA, TPSPAs, ACFE. We have staff licensed in NC, SC, GA, and TN.



Quality Control Program

Quality Control comprises the methods used to make sure that the firm meets its professional responsibilities to clients. Thompson, Price, Scott, Adams & Co., P.A. has created these methods to be completed during and at the end of each engagement. The most significant step is our review process, which consists of:

- Engagement Review
- Partner Review
- Independent Staff Review
- Peer Review (Every Three Years)

Engagement Review

This review is conducted by the in-charge accountant. Its objective is to ensure that all audit programs are supported by evidential matter and that proper audit documentation is in place.

Partner Review

The primary purpose of this review is to determine that the financial statements are fairly presented, and all compliance issues have been addressed based on the type of engagement.

Independent Staff Review

Before issuance of the audit report, an independent firm member reviews the work papers and financial statements to determine if any material errors have been made.

Monitoring

For the two years between peer review years, we perform in-house monitoring, which is structured similar to peer review. Our offices select engagements to review, and we use the AICPA Peer Review checklist to assist in reviewing the engagements. Any findings or recommendations are discussed with personnel.

Peer Review

Every three years we are required to allow an outside Certified Public Accountant or Firm to review our quality control procedures and to actually review selected work papers and issued financial statements. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Thompson, Price, Scott, Adams & Co, P.A.'s most recent peer review report was for the year ending December 2022. The firm received a Pass. (Copy of report follows).



Bernard Robinson & Company, L.L.P.

Report on the Firm's System of Quality Control

June 27, 2023

To the Partners of Thompson, Price, Scott, Adams & Co, P.A.
and the Peer Review Committee of the North Carolina
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Thompson, Price, Scott, Adams & Co, P.A. (the firm) in effect for the year ended December 31, 2022. Our 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.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control 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

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Thompson, Price, Scott, Adams & Co, P.A. in effect for the year ended December 31, 2022, 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*. Thompson, Price, Scott, Adams & Co, P.A. has received a peer review rating of *pass*.

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

1501 Highwoods Blvd., Ste. 300 (27410)
P.O. Box 19608 | Greensboro, NC 27419
P: 336-294-4494 • F: 336-294-4495

brccpa.com

Meeting Packet Page 60 of 120



9. Fee Quote

A. Personnel Costs – Town of Lake Lure Audit for Year Ending June 30, 2024

	<u>Governmental</u>		<u>Number of Hours</u>			
	<u>Auditing</u>		<u>On-site</u>	<u>Year-end</u>	<u>Work in</u>	
	<u>Standard</u>		<u>Interim Work</u>	<u>On-site Work</u>	<u>Auditor's Office</u>	<u>Total</u>
	<u>Rate per Hour</u>					
Partners	\$ 160.00		30	30	29	\$ 14,240.00
Managers	\$ 130.00		45	45	50	18,200.00
Senior Staff	\$ 110.00		45	45	50	15,400.00
						47,840.00
Less: Discount						(4,340.00)
Total						43,500.00

We hope to acquire most of the information needed electronically. We are aware that some time will need to be spend onsite.

Our total fee for the base audit for the Town of Lake Lure will not exceed \$43,500.00 for the year ended June 30, 2024. Any other services to be rendered outside the scope of the RFP will be billed separately at \$135.00 per hour, with prior approval from the Town.

- B. No travel costs.
- C. No supplies cost.
- D. Other costs: If we incur any costs in obtaining required audit evidence (such as bank confirmations), we will bill separately, after getting prior approval from the Town.

We estimate that our fees for the two additional years would be as follows:

2025 \$43,500.00	2026 \$43,500.00
------------------	------------------

- 1) Any increases after the initial year will be based on inflationary pressures. However, any changes in fees would be negotiated with the Town.

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit Includes Personnel costs, travel, and on-site work	\$ 43,500.00
2. Extra Audit Service \$ 135.00 per hour	\$ _____
3. Other: (explain) _____	\$ _____
4. Other: (explain) _____	\$ _____
<u>TOTAL</u>	\$ 43,500.00

FIRM: Thompson, Price, Scott, Adams & Co., P.A.	Primary Contact: Alan Thompson
Address: PO Box 398	Telephone: 910-642-2109
1626 S. Madison St.	Fax: 910-642-5958
Whiteville, NC 28472	E-mail: alanthompson@tpsacpas.com
	Date: 3/11/2024

PROPOSAL CERTIFICATION

Proposers
Signature:  Date 3/11/2024

Title: Managing Partner

Company: Thompson, Price, Scott, Adams & Co., P.A.

Address: PO box 398, 1626 S. Madison St., Whiteville, NC 28472

Telephone: 910-642-2109

Email: alanthompson@tpsacpas.com

February 27, 2024

Town of Lake Lure
Attn: Stephen Ford, Finance Director
2948 Memorial Highway
Lake Lure, NC 28746

Dear Steve:

Thank you for considering Martin Starnes & Associates, CPAs, P.A. to conduct the audit of the Town's financial statements beginning with the period ending June 30, 2024. We are honored by the trust and confidence your organization has placed in our capabilities by inviting us to participate in this proposal process.

Our approach to the audit is founded on a framework of proven methodologies, ensuring the delivery of a high-quality and value-added audit. We recognize and value the diligence and expertise that both your team and ours will contribute to the audit process.

Enclosed with this letter, you will find a detailed proposal outlining our approach to the audit, along with an overview of our firm's history and accomplishments. Additionally, please review our enclosed "MSA Profile" for a more in-depth understanding of our firm's capabilities and expertise.

Should you require any further information or clarification, please do not hesitate to contact me directly at (828) 327-2727, ext. 308, or via email at ebrown@msa.cpa. I am available to discuss any aspect of our proposal or to answer any questions you may have.

Thank you for considering our proposal. We look forward to the possibility of continuing to work with you and the Town of Lake Lure.

Sincerely,

A handwritten signature in black ink, appearing to read "Erica L. Brown".

Erica L. Brown, CPA
Audit Partner

Enclosures



TOWN OF LAKE LURE

PROPOSAL FOR AUDIT SERVICES, 2024-2026
SECTION I – AUDIT PROPOSAL

ERICA L. BROWN, CPA
ENGAGEMENT PARTNER
PHONE: (828) 327-2727
EMAIL: EBROWN@MSA.CPA

MARTIN • STARNES
—
& ASSOCIATES, CPAs, P.A.

TOWN OF LAKE LURE

PROPOSAL FOR AUDIT SERVICES, 2024-2026

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Governmental Entities We Currently Audit	33

TOWN OF LAKE LURE

PROPOSAL FOR AUDIT SERVICES, 2024-2026

EXECUTIVE SUMMARY/SCOPE

Our engagement will entail conducting an audit of the Town of Lake Lure's financial statements in accordance with auditing standards generally accepted in the United States. This includes auditing the Town's adherence to the requirements of its major federal and state programs under Title 2 U.S. *Code of Federal Regulations (CFR) Part 200*, (Uniform Guidance), and the State Single Audit Implementation Act. Additionally, we will evaluate the Town's compliance with relevant laws and regulations, and the design of its internal control systems as mandated by Generally Accepted Government Auditing Standards (GAGAS "Yellow Book"). Our audit report will incorporate an "in relation to" paragraph that specifically addresses the Schedule of Expenditures of Federal and State Awards, if required.

We are committed to executing the audit within the timelines stipulated in the RFP, ensuring all necessary financial and compliance information for all funds is complete. The audit report, management letter, and other relevant documents will be delivered to the Finance Director in a timely fashion each engagement year. We will collaborate with the Town of Lake Lure to establish a mutually agreed-upon audit calendar aligned with the requested completion dates. Regular conferences throughout the audit process, along with an exit conference upon fieldwork completion, will be conducted. Additionally, we will present the financial statements to the Town Council at a mutually convenient time each year while also adhering to required deadlines.

Our fees encompass technical assistance and guidance on new note disclosures and GASB pronouncements throughout our audit engagement. The audit contract will align with the standards of the North Carolina Local Government Commission (LGC), receiving approval from the Secretary of the Commission or their designee before the audit begins. All invoices will be submitted to the LGC for authorization before being presented to the Town of Lake Lure for payment.

Our firm is uniquely qualified to conduct the Town of Lake Lure's audit, evidenced by our:

- ✓ *Extensive experience as auditors for the Town*
- ✓ *Expertise in auditing governmental entities in North Carolina*
- ✓ *Unwavering dedication to the government sector*
- ✓ *Year-round availability to our clients*
- ✓ *Track record of providing specialized services to our governmental audit clients*
- ✓ *Ongoing commitment to education and training in the governmental audit field*

TOWN OF LAKE LURE, NORTH CAROLINA

Proposal for Audit Services, 2024-2026

SECTION I – PROFILE OF THE FIRM

1. Indicate the audit firm's North Carolina office location(s) that will handle the audit.

The audit engagement will be managed and serviced by our dedicated team based in our Hickory, North Carolina office. This location, staffed with experienced professionals, is well-equipped to handle all aspects of the audit with the utmost efficiency and expertise.

2. Indicate the number of people (by level) located within the audit firm's office that will handle the audit.

Our audit team is structured to ensure a comprehensive audit experience for our clients. For the Town's audit engagement, our team composition is described below.

Four members of our firm will conduct the audit engagement. Members to be assigned to the engagement are as follows:

Partners, Supervisors, and Staff

Engagement Partner: The Audit Partner plays a pivotal role, extending from the initial staff planning meeting to the final approval and signing of the opinion letters and issuance of the audited financial statements. Our Partners are actively engaged in all phases of the audit, including scheduling, staffing, risk assessment, and audit plan approval. They also maintain direct communication with the Town's Finance Director for any audit-related concerns, findings, or service issues, ensuring decision-making is just a call away.

Manager: The Manager oversees the entire engagement, which encompasses staff supervision, close client interaction, time budget monitoring, and ensuring timely delivery. They are responsible for reviewing audit workpapers and reconciling them with the financial statements. The Manager will be a familiar figure in the day-to-day management of the audit and client relationship.

Senior Accountant: The Senior Accountant is responsible for conducting the audit from fieldwork scheduling to the delivery of audit opinions, overseeing the first review of audit workpapers, and guiding the staff. They work directly with your Finance Department personnel.

Staff Accountant (1): Our Staff Accountants, all full-time employees, are integral to the support function of the engagement. Trained in Yellow Book standards, GASB standards, and our governmental audit approach, they are dedicated to our governmental auditing niche.

While we haven't assigned specific names to your proposed audit team, we ensure that the quality of our staff is consistent across all levels, and the team composition will be tailored to best match your staff and engagement complexities. Our Audit Partners' and Managers' resumes are provided within Attachment A.

Independence and Team Rotation









We strictly adhere to auditing standards of independence and take compliance with the standards seriously. Regular rotation of audit teams and partners is a standard practice, fostering a fresh perspective when needed and aligning with the unique risk areas of your audit.

Continuity and Expertise

Continuity is a cornerstone of our approach. Typically, three key personnel are familiar with each client's operations: a Partner, a Senior Manager or Manager, and a Senior Accountant. This ensures uninterrupted service despite any unforeseen staff changes. Our breadth of experience in local government audits in North Carolina, accounting for approximately 85% of our audit hours, reinforces our commitment to continuity. Additionally, our firm experiences lower staff turnover compared to industry averages, a testament to our stable and skilled workforce.

We are honored to have been recognized with several awards, underscoring our commitment to excellence in the field of public accounting.

The audit team from Martin Starnes & Associates, structured to provide comprehensive service, will comprise professionals across various levels of experience and expertise. Our firm boasts a notably low turnover rate among our professional staff, a distinction that sets us apart in the public accounting industry both locally and nationally. This stability within our team ensures continuity and depth of knowledge in our audit engagements. Additionally, we are honored to have received several prestigious awards below, recognizing our commitment to excellence in the field:

	<p>#1 "Best Accounting Firms to Work for 2023" for mid-sized firms in the United States by <i>Accounting Today</i>. We claimed the #1 ranking in 2020 and the #2 ranking in 2021. We have been recognized as a "Best Accounting Firms to Work For" in 2009, 2010, 2012, 2013, 2014, 2019, 2020, 2021, 2022 and 2023.</p>
	<p>#1 "2023 Great Employers to Work for in North Carolina" for medium-sized companies by <i>Best Companies Group</i>. We also received this same recognition and #1 ranking in 2022.</p>
	<p>Best Employers in North Carolina in 2014, 2015, 2017, 2018, 2019, 2020, 2021, and 2023, with a 1st place ranking among medium-sized companies in 2020 and 2021</p>
	<p>#5 2023 Best Firms for Women by <i>Accounting Today</i>, with a 7th place ranking in 2021</p>
	<p>2023 & 2022 IPA Top 500 Firm by <i>INSIDE Public Accounting</i>, with a Top 400 ranking in 2021</p>
	<p>LiveWell at Work (formally WellBusiness) - each year from 2015 to 2021</p>
	<p>When Work Works - 2016</p>
	<p>Bloom Award - 2021</p>

TOWN OF LAKE LURE, NORTH CAROLINA

Proposal for Audit Services, 2024-2026

In addition, Martin Starnes & Associates is now recognized as a Women-Owned Small Business (WOSB). This designation not only reflects our firm's diversity and inclusivity in business ownership but also our dedication to expanding our services and outreach in the governmental audit sector.

3. Provide a list of the local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.

Below is a partial list of our current and past North Carolina governmental clients.

GOVERNMENTAL CLIENT	SERVICES PROVIDED	SERVED SINCE
Alamance County	Audit, Single Audit	2011
Alexander County	Audit, Single Audit, Agreed Upon Procedures	1995
Brunswick County	Audit, Single Audit	2004-2022
Cabarrus County	Audit, Single Audit	2020
Caldwell County	Audit, Single Audit	2007
Catawba County	Audit, Single Audit, Agreed Upon Procedures	2001
Chatham County	Audit, Single Audit	2006
City of Albemarle	Audit, Single Audit	2019
City of Archdale	Audit, Single Audit	2020
City of Claremont	Audit, Single Audit	2020
City of Concord	Audit, Single Audit	2020
City of Gastonia	Audit, Single Audit	2001
City of Havelock	Audit, Single Audit	1999
City of Kings Mountain	Audit, Single Audit	2009
City of Lexington	Audit, Single Audit, Agreed Upon Procedures	2000
City of Monroe	Audit, Single Audit	2014
City of Monroe TDA	Audit	2014
City of Mount Airy	Audit, Single Audit	2011
City of Mount Holly	Audit, Single Audit	2011
City of Salisbury	Audit, Single Audit	2022
City of Shelby	Audit, Single Audit	2011
City of Statesville	Audit, Single Audit	2016
City of Thomasville	Audit, Single Audit	2007
City of Washington	Audit, Single Audit	2006
Cleveland County Water	Audit, Single Audit	2023
Davidson County	Audit, Single Audit	2005
Davie County	Audit, Single Audit, Agreed Upon Procedures	2008
Gaston County	Audit, Single Audit, Agreed Upon Procedures	2006
Gastonia TDA	Audit	2004

TOWN OF LAKE LURE, NORTH CAROLINA

Proposal for Audit Services, 2024-2026

GOVERNMENTAL CLIENT	SERVICES PROVIDED	SERVED SINCE
Greater Asheville Regional Airport Authority	Audit, Single Audit	2021
Halifax County	Audit, Single Audit	2001-2017
Henderson County	Audit, Single Audit	2007-2021
Harnett County	Audit, Single Audit, Agreed Upon Procedures	2010
Hoke County	Audit, Single Audit	2007
Iredell County	Audit, Single Audit, Agreed Upon Procedures	2005
Jackson County	Audit, Single Audit	2020
Lee County	Audit, Single Audit	2005-2014
Lincoln County	Audit, Single Audit, Agreed Upon Procedures	2004
Macon County	Audit, Single Audit	2000
Orange Water & Sewer Authority	Audit, Single Audit	2011
Pender County	Audit, Single Audit	2021
Pitt County	Audit, Single Audit, Agreed Upon Procedures	1999
Pitt-Greenville Airport Authority	Audit, Single Audit	2019
Polk County	Audit, Single Audit	2021
Rowan County	Audit, Single Audit	2009
Stokes County	Audit, Single Audit	2006
Town of Beaufort	Audit, Single Audit	2018
Town of Calabash	Audit	2012
Town of Chapel Hill	Audit, Single Audit	2008
Town of Cornelius	Audit, Single Audit	2010
Town of Dallas	Audit	2023
Town of Franklin	Audit	2008
Town of Granite Falls	Audit, Single Audit	1997
Town of Harrisburg	Audit, Single Audit	2022
Town of Holden Beach	Audit, Single Audit	2020
Town of Huntersville	Audit, Single Audit	2006
Town of Maggie Valley	Audit	2008
Town of Matthews	Audit, Single Audit	2007
Town of Pine Knoll Shores	Audit, Single Audit	2008
Town of Pineville	Audit, Single Audit	2010
Town of Rutherfordton	Audit, Single Audit	2017
Town of Waynesville	Audit, Single Audit	2022
Town of Wrightsville Beach	Audit	2012
Transylvania County	Audit, Single Audit	2010

TOWN OF LAKE LURE, NORTH CAROLINA

Proposal for Audit Services, 2024-2026

GOVERNMENTAL CLIENT	SERVICES PROVIDED	SERVED SINCE
Western Piedmont Regional Transit Authority	Audit, Single Audit	2021
Wilkes County	Audit, Single Audit	2008
Wilson County	Audit, Single Audit	2013

For the fiscal year ended June 30, 2023, we were engaged to audit 23 counties, 42 municipalities, and various other governmental entities, totaling approximately 100 total governmental units. Our relationships with these clients, totaling over 1,200 cumulative years, are a testament to our commitment to exceptional service, expertise in governmental accounting, staff stability, strategic internal rotation of staff on ongoing engagements, and our competitive value-based fee structure.

4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.

Martin Starnes & Associates, CPAs, P.A., established in 1987, has a long-standing tradition of delivering a diverse array of services to our governmental clients across North Carolina. Our offerings encompass a broad spectrum, including:

- **Annual Audits:** Comprehensive auditing services
- **Cost Reporting:** Detailed and accurate cost reporting to aid in financial management and compliance
- **Financial Reporting Preparation:** Expert assistance in preparing various financial reports required by the Office of Management and Budget and the Local Government Commission
- **Mid-Year Financial Condition Reviews:** Evaluations of financial health and performance at mid-fiscal year to guide adjustments and improvements
- **Agreed-Upon Procedures Engagements:** Focused engagements on specific financial and control functions to ensure compliance and efficiency
- **Training on GASB Pronouncements:** Facilitating informative sessions to keep staff updated on new Governmental Accounting Standards Board (GASB) pronouncements
- **Assistance with GFOA Comments:** Aiding clients in addressing and rectifying comments from prior-year Government Finance Officers Association (GFOA) reviews
- **Conducting Single and Yellow Book Audits:** Expertise in conducting audits in accordance with the requirements of Single Audits and Generally Accepted Government Auditing Standards (GAGAS or “Yellow Book”) since 1992
- **Catch-Up Bookkeeping Services:** Providing accounting support for smaller units of government in North Carolina in conjunction with the NC League of Municipalities

In addition to these core services, our firm is adept at providing management consulting and other essential services to our governmental clients, ensuring their needs are met.

TOWN OF LAKE LURE, NORTH CAROLINA

Proposal for Audit Services, 2024-2026

For a sample of our additional services rendered to clients, please refer to the table below. These services showcase our versatility and commitment to supporting our clients beyond traditional auditing services, underscoring our role as a multi-faceted partner in government accounting and finance.

GOVERNMENTAL CLIENT	SERVICES PROVIDED	YEARS SERVED
Pitt County	Agreed-Upon Procedures; AFIR; Working Capital Analysis (ABC Board)	20
City of Lexington	Agreed-Upon Procedures; AFIR; GASB 34 Training	2
Surry County	Agreed-Upon Procedures	15
Bessemer City	Bookkeeping and Audit Preparation Assistance	1
Catawba County	Agreed-Upon Procedures	16
Davie County	Agreed-Upon Procedures	7
Gaston County	Agreed-Upon Procedures	10
Harnett County	Agreed-Upon Procedures; AFIR	11
Lincoln County	Agreed-Upon Procedures; AFIR	7
Cleveland County BOE	Agreed-Upon Procedures	1
Alexander County	Agreed-Upon Procedures; Mid-Year Review	1
Northampton County	Mid-Year Review	10
Various Clients	<ul style="list-style-type: none"> ➤ 22 agreed-upon procedures engagements as required by the Office of the State Auditor related to County eligibility processes over certain major programs (2018) ➤ Annual pension attest examination engagements for the Local Governmental Employees' Retirement System (LGERS) for our governmental audit clients based on an annual sample selected by the Office of the State Auditor ➤ Annual agreed-upon procedures engagements on the electronic submission of audited financial data with the U.S. Department of Housing and Urban Development's (NTD) Uniform System of Accounts (USOA) as required for our governmental audit clients 	

5. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.

At Martin Starnes & Associates, CPAs, P.A., we are committed to maintaining the highest standards of quality in our audit practice. Our professionals are proud members of the American Institute of Certified Public Accountants (AICPA) and the North Carolina Association of Certified Public Accountants (NCACPA). Our firm actively participates in the AICPA's Quality Review Program, a testament to our dedication to excellence in the accounting profession. This program mandates that we undergo a peer review by an independent CPA firm, ensuring that our services consistently meet and exceed the profession's highest standards.

Given our extensive involvement in governmental audits, a significant number of our governmental clients are included in each quality review. We are proud to report that we have consistently received an unqualified opinion (pass) with no letter of comments since our first peer review in 1993, including our most recent review for the year ended December 31, 2020. This achievement represents the highest level of review result and underscores our unwavering commitment to quality. Please refer to our most recent peer review letter included on the following page.

Additionally, several of our engagements have undergone desk reviews by cognizant agencies, and our reports have been approved without exceptions or modifications, further affirming the quality of our work.

As part of our continual strive for excellence, we are an active member of the AICPA's Governmental Audit Quality Center (GAQC). This voluntary membership Center is dedicated to assisting CPAs in navigating the complexities of governmental audits. Our charter membership in the GAQC has significantly enhanced our audit quality, particularly through advanced training and adherence to membership accountability. The GAQC's mission to promote quality in governmental audits aligns with our own principles, and our participation in the Center exemplifies our commitment to staying at the forefront of industry developments and best practices.



Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. Our 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.

Firm's 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

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2020, 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*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 4, 2021

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

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Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Smithfield
212 East Church Street
Post Office Box 2348
Smithfield, North Carolina 27577

919 934 1121
919 934 1217 FAX

6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site or working from the office.

Martin Starnes & Associates stands out for the unique composition of our audit practice, with approximately 85% of our auditing hours dedicated exclusively to government audits. This specialized focus means that a year of experience at MSA equates to 2-3 years at a typical auditing firm that serves a variety of industries. For our staff, every 85 out of 100 hours are spent on government-related work, whether it's conducting an audit, planning, or training. This specialization translates to exceptional service for the Town of Lake Lure, characterized by excellence, timeliness, efficient procedure design, effective result evaluation, minimal staff turnover, and the highest quality of audit work at the most cost-effective fee.

We have yet to finalize the specific names for your proposed audit team, as our approach is to tailor the team composition based on our mutual schedules and the "best fit" for your staff and the complexity of your engagement. Until then, your primary point of contact is Marcie Spivey, Audit Partner. Once the team is formed, the Manager and the Senior Accountant will be your main contacts, ensuring familiarity and understanding of your entity through consistent training, supervision, and continuity.

For detailed insights into the professional experience of our audit partners and managers, including their recent client engagements, please refer to the included resumes at Attachment A.

During the interim and final fieldwork phases, both the Senior Accountant and Manager will be either on-site or readily available from the office 100% of the time. The Audit Partner will be present on-site as necessary and is always accessible from the office for any required consultations. The Audit Partner will also perform the technical review of the financial statements, providing an additional layer of expertise and oversight.

7. Describe the relevant experience and education with the new GASBs reporting requirements, seminars and courses attended within the past three years. Courses in governmental accounting and auditing should be clearly communicated.

Our team at Martin Starnes & Associates, CPAs, P.A., possesses experience and knowledge of the latest GASB reporting requirements, ensuring our clients receive expert guidance and services.

Proficiency in GASB Reporting Requirements

Our senior auditors, managers, and audit partners have an in-depth understanding of GASB 34 and other recent GASB standards, including those related to leases and subscriptions. To enhance our efficiency and user experience, we developed an internal "GASB 34 worksheet," which has proven to be user-friendly. During the implementation of GASB 34, we not only authored but also conducted a course titled "Nuts and Bolts of GASB 34," sharing our expertise with others in the field. Furthermore, all supervisory level staff, particularly those involved in drafting financial statements for clients, have substantial experience with GASB 34 and other recent GASB standards.

Commitment to Continuing Education

Quality assurance in staff expertise is a priority, as evidenced by our dedication to continuing education in governmental accounting. Each professional staff member undertakes a minimum of 40 hours of continuing education annually, with an average of 32 hours specifically focused on governmental auditing and accounting seminars. Our training sources are diverse, including the NCGFOA, Governmental Audit Quality Center, Institute of Government at UNC-Chapel Hill, NCACPA, AICPA, self-study courses, and in-house training programs. We regularly participate in the State Treasurer's Auditing, Reporting & Review Conference, the NCACPA's Local Government Conference, and NCGFOA spring and summer conferences.

We also design in-house courses tailored to government industry specifics and new audit, FASB, and GASB pronouncements. Our Audit Partners and Managers ensure the professional staff stays updated with all exposure drafts and are involved in preparing necessary responses.

In addition to annual governmental conferences from NCACPA and NCGFOA, our annual continuing education encompasses single audit updates, accounting and auditing updates, governmental accounting and auditing updates, and quarterly Yellow Book updates. While we have not included a list of all attended courses due to its extensive nature, we are happy to provide this detail upon request.

For detailed information on the educational backgrounds of our audit partners and managers, please refer to the resumes in Attachment A.

8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions.

At Martin Starnes & Associates, each member of our audit team, from senior accountants to managers and audit partners, possesses diverse experience in auditing governmental organizations, programs, activities, and functions. This expertise particularly aligns with the needs of the Town, encompassing areas such as electric utilities, water/sewer utilities and compliance with federal and state grants. Our continuing relationship with our governmental clients, fostered over multiple years, has equipped our team with a deep understanding of various governmental entities, ranging in fund structures and complexities.

Proficiency in Federal and State Single Audit Acts and "Yellow Book" Standards

Since 1992, our firm has been conducting Single Audits and audits under the Government Auditing Standards, commonly referred to as the "Yellow Book." Starting with a single municipal audit, we have expanded our practice to become one of the most prominent government auditing practices in North Carolina. The vast majority of our government clients are subject to the standards set forth in the "Yellow Book." In 2023, approximately 80% of our government audit hours were dedicated to engagements under the provisions of the federal and state Single Audit Acts.

This extensive experience underscores our firm's proficiency in handling the unique challenges and complexities associated with governmental audits. Our team's continuous engagement with a wide range of government entities ensures that we are well-equipped to deliver audits that are not only compliant with the relevant standards but also tailored to the specific structure of each client.

9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.

Our team at Martin Starnes & Associates is comprised of individuals with exceptional skills and extensive training in public finance, proven by active participation in both state and national professional organizations. Key members such as Paula Hodges, Marcie Spivey, and Erica Brown, who serve as Audit Partners, are all former reviewers for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. Additionally, Paula, Marcie, and Erica are active participants in the Government Resource Group of the North Carolina Association of Certified Public Accountants (NCACPA). Paula has further contributed her expertise as a speaker at the North Carolina Government Finance Officers Association (NCGFOA) conference.

Our firm's commitment to the governmental sector extends beyond our client engagements. We have consistently supported and actively participated in various governmental associations, including:

- **NC Government Finance Officers' Association (GFOA)**
- **National GFOA**
- **NC City and County Management Association**
- **NC League of Municipalities**
- **NC Association of County Commissioners**

These affiliations not only enable us to stay abreast of the latest developments and best practices in public finance but also allow us to contribute to the growth and evolution of the industry. Our dedication to the governmental industry is unwavering, and we remain committed to supporting and advancing this sector through our active participation, thought leadership, and continuous learning. The governmental industry has indeed been a rewarding domain for Martin Starnes & Associates, and our engagement with these professional organizations is reflective of our resolve to give back and foster the industry's continued success.

10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.

We encourage you to contact any of the current or prior clients listed below to inquire about our governmental audit services. If you should require additional references, please let us know.

GOVERNMENTAL CLIENT NAME	CLIENT CONTACT INFORMATION
Alamance County	Susan Evans 124 West Elm Street, Graham, NC 27253 Phone: (336) 570-4025 Email: susan.evans@alamance-nc.com
Catawba County	Mary Morrison PO Box 389, Newton, NC 28658 Phone: (828) 465-8219 Email: mmorrison@catawbacountync.gov

GOVERNMENTAL CLIENT NAME	CLIENT CONTACT INFORMATION
Iredell County	Debra Cheek PO Box 788 Statesville, NC 28677 Phone: (704) 878-3040 Email: debra.cheek@co.iredell.nc.us
Pitt County	Sam Croom 1717 West Fifth Street, Greenville, NC 27834 Phone: (252) 902-3000 Email: sam.croom@pittcountync.gov
City of Albemarle	Jacob Weavil 144 North Second Street, Albemarle, NC 28001 Phone: (704) 984-9450 Email: jweavil@ci.albemarle.nc.us
City of Monroe	Lisa Strickland 300 West Cromwell Street, Monroe, NC 28112 Phone: (704) 282-4500 Email: lstrickland@monroenc.org
City of Shelby	Beth Beam PO Box 207 Shelby, NC 28150 Phone: (704) 669-6581 Email: beth.beam@cityofshelby.com
Town of Cornelius	Julie Niswonger PO Box 399, Cornelius, NC 28031 Phone: (704) 892-6031 Email: jniswonger@cornelius.org
Town of Waynesville	Misty Hagood PO Box 100, Waynesville, NC 28786 Phone: (828) 456-3515 Email: mhagood@waynesvillenc.gov

PRIOR GOVERNMENTAL CLIENT NAME	CLIENT CONTACT INFORMATION	YEARS SERVED
Brunswick County	Aaron Smith PO Box 249, Bolivia, NC 28422 Phone: (910) 253-2070 Email: aaron.smith@brunswickcountync.gov	2004-2022
Halifax County	Mary Duncan PO Box 38, Halifax, NC 27839 Phone: (252) 583-3771 Email: duncanm@halifaxnc.com	2001-2017

11. Describe the firm’s Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm’s Statement of Policy and Procedures. Include any potential personal or professional conflicts of interest.

At Martin Starnes & Associates, CPAs, P.A., we uphold a stringent Statement of Policy and Procedures to ensure compliance with professional independence standards, particularly as outlined in the July 2018 revision of the *Government Auditing Standards* (“The Yellow Book”). Our firm’s policy, detailed in Attachment B, mandates that all employees are responsible for notifying management of any potential violations of independence and for conducting an annual review of our client list to identify any possible conflicts of interest.

This policy includes a process for affirming independence at the commencement of each new and recurring audit engagement during the audit planning phase. Additionally, under the Yellow Book’s guidelines, our auditors are required to thoroughly assess independence, especially when performing certain non-attest services such as drafting financial statements. Potential threats to independence arising from these services are carefully evaluated, and appropriate safeguards are implemented to mitigate them to an acceptable level. This evaluation is an integral part of the planning stage of every annual audit.

Furthermore, in alignment with the Yellow Book standards, we verify that the management of the governmental entity we audit designates an individual who possesses suitable skill, knowledge, or experience (SKE) to oversee any non-attest services we provide.

In all aspects of our audit engagement with the Town of Lake Lure, North Carolina, we maintain our independence both in fact and appearance. Our commitment to these principles is unwavering, as we recognize that maintaining independence is not only a professional obligation but also fundamental to the integrity and quality of our audit services. We invite you to review our Statement of Policy and Procedures in Attachment B for an understanding of our approach to upholding the highest standards of independence in all our governmental audit engagements.

12. Describe liability insurance coverage arrangements.

Martin Starnes & Associates, CPAs, P.A. maintains professional liability insurance to provide protection and peace of mind for our clients. Our current coverage is underwritten by Continental Casualty Company. Our policy is structured with substantial limits to safeguard against various contingencies: we are covered up to \$4,000,000 per claim, and our aggregate coverage extends to \$4,000,000.

13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

Martin Starnes & Associates, CPAs, P.A. proudly upholds the highest standards of professional conduct and ethical practice. We are pleased to report that there has been no regulatory action taken by any oversight body against our firm or any of its local offices. Furthermore, our firm is not engaged in any form of litigation.

14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University of North Carolina School of Government in Chapel Hill.

Martin Starnes & Associates, CPAs, P.A. maintains a distinguished and highly regarded relationship with both the North Carolina Local Government Commission (LGC) and the University of North Carolina School of Government in Chapel Hill. Our interactions and collaborations with these institutions have been characterized by mutual respect, professionalism, and a shared commitment to excellence in governmental affairs.

We encourage inquiries to Kendra Boyle or Jim Burke at the LGC, or to Greg Allison at the School of Government, who can provide firsthand insights into our firm's reputation. Their perspectives will underscore our firm's dedication to maintaining strong, productive relationships with key governmental entities in North Carolina.

ATTACHMENT A
(Resumes of Senior Audit Staff)



Paula P. Hodges, CPA

Audit Partner

Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Paula has 30 years of experience in public accounting and has worked at Martin Starnes & Associates for 24 years. She was named Audit Partner in 2011 and is located at one of our Hickory offices. She previously served as Audit Director on all of our governmental engagements from 2002 to 2010. Her responsibilities include oversight of audit managers, seniors, staff accountants, and technical review for various types of audit clients.

Education

North Carolina State University
Bachelor of Arts in Accounting

Professional & Civic Involvement

- Former Member of the Special Review Committee of Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program
- Member of the NCACPA Government Resource Group
- Speaker at the North Carolina Government Finance Officers Association conferences
- Member of the AICPA and NCACPA

Relevant Experience

- Paula was named Audit Partner in 2011.
- Served as Audit Director on all of our governmental audit engagements from 2002-2010
- Technical review responsibility for various types of audit clients
- Served as Audit Senior on counties, municipalities, and public authorities prior to assuming management responsibility in 2002
- Responsibilities include oversight of audit managers, seniors, staff accountants, and technical review of workpapers and reports.



Marcie Spivey, CPA
Audit Partner
Martin Starnes & Associates, CPAs, P.A

Auditing Services

Marcie has 26 years of experience in public accounting and has worked at Martin Starnes & Associates for 24 years. She was named an Audit Partner at Martin Starnes & Associates in 2013 and is located at one of our Hickory offices. She previously served as Audit Manager from 2005-2010 with management responsibility and as Audit Director for 50% of our governmental engagements from 2011 to 2012. Her responsibilities include oversight of audit managers, seniors, staff accountants, and technical review for various types of audit clients.

Education

Lenoir-Rhyne College
Bachelor of Arts in Accounting

Professional & Civic Involvement

- Former Member of the Special Review Committee of Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program
- Member of the NCACPA Government Resource Group
- Actively serving on the Board of Advisors for the Hickory Young Professionals
- Actively involved with the Catawba County Chamber of Commerce
- Member of the AICPA and NCACPA

Relevant Experience

- Marcie was named Audit Partner in 2013.
- Served as Audit Director on 50% of our governmental audit engagements from 2011-2012
- Technical review responsibility for various types of audit clients
- Served as Audit Manager from 2005-2010 for approximately half of our audit clients
- Responsibilities include oversight of audit managers, seniors, staff accountants, and technical review of workpapers and reports.



Erica Brown, CPA

Audit Partner

Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Erica has 21 years of experience in public accounting and has worked at Martin Starnes & Associates for 16 years. She was named an Audit Partner at Martin Starnes & Associates in 2017 and is located at one of our Hickory offices. She previously served as a Manager and Senior Manager from 2007-2016. Her responsibilities include oversight of audit managers, seniors, staff accountants, and technical review for various types of audit clients.

Education

Salisbury University
Bachelor of Science in Business Administration in Accounting
Magna Cum Laude

Professional & Civic Involvement

- Former Member of the Special Review Committee of Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program
- Member of the AICPA and NCACPA
- Member of the NCACPA Government Resource Group
- Previous NCACPA Young CPA Cabinet Member
- Previous Advisory Board Member for Catawba County Chamber of Commerce Leadership Catawba Program
- Graduate of Leadership Catawba
- Recipient of Top 40 Under 40 for 2015 by CPA Practice Advisor
- Recipient of Hickory Young Professionals Top 10 Under 40 for 2013
- Recipient of 2018 NCACPA Taking it to the Max Award

Relevant Experience

- Erica was named Audit Partner in 2017.
- Served as Manager and Senior Manager on several counties and municipalities from 2007-2016
- Technical review responsibility for various types of audit clients
- Responsibilities include oversight of audit managers, seniors, staff accountants, and technical review of workpapers and reports.



Amber McGhinnis, CPA
Senior Manager
Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Amber has 21 years of experience in public accounting and has worked at Martin Starnes & Associates for 21 years. She currently serves as the project manager for our audit department. Her responsibilities include oversight of audit managers, seniors, staff accountants, and technical review for various types of audit clients.

Education

Appalachian State University
Bachelor of Science in Business Administration in Accounting
Magna Cum Laude
Master of Science in Accounting

Professional & Civic Involvement

- Member of the AICPA and NCACPA
- Previous Advisory Board Member for Catawba County Chamber of Commerce Leadership Catawba Program
- Graduate of Leadership Catawba
- Recipient of Top 40 Under 40 for 2018 by CPA Practice Advisor
- Recipient of Hickory Young Professionals Top 10 Under 40 for 2013

Relevant Experience

- Amber currently serves as the project manager for our audit department.
- Technical review responsibility for various types of audit clients
- Responsibilities include oversight of audit managers, seniors, staff accountants, and technical review of workpapers and reports.



Ko Tang Cha-Moses, CPA
Senior Manager
Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Ko Tang has 15 years of experience in public accounting and has worked at Martin Starnes & Associates for 15 years. She is currently the manager for several counties and municipalities, in addition to a few non-profit entities. Her responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Education

Gardner-Webb University
Bachelor of Science in Accounting
Master of Accountancy

Professional & Civic Involvement

- Member of the AICPA and NCACPA
- Graduate of Leadership Catawba
- True Life Alliance Church Audit Committee since 2018
- WPCC Accounting and Finance Program Advisory Committee since 2018
- Western Piedmont Foundation – Finance Committee since 2021

Relevant Experience

- Alexander County
- Davidson County
- Davidson County Airport Authority
- Hoke County
- Town of Pineville
- Wilson County



Matt Braswell, CPA
Senior Manager
Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Matt has 15 years of experience in public accounting and has worked at Martin Starnes & Associates for 15 years. He is currently the manager for several counties and municipalities. His responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Education

Montreat College
Bachelor of Science in Business Administration, Concentration in Accounting
Magna Cum Laude

Professional & Civic Involvement

- Member of the AICPA and NCACPA

Relevant Experience

- Cabarrus County
- City of Havelock
- City of Kings Mountain
- City of Statesville
- City of Wilson
- Harnett County



Cassie Wilson, CPA
Senior Manager
Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Cassie has 17 years of experience in public accounting and has worked at Martin Starnes & Associates for 11 years. She is currently the manager for several counties and municipalities. Her responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Education

Appalachian State University
Bachelor of Science in Accounting

Gardner-Webb University
Master of Accountancy

Professional & Civic Involvement

- Member of the AICPA and NCACPA

Relevant Experience

- City of Lexington
- Davie County
- Iredell County
- Town of Huntersville
- Wilkes County



Kari Dunlap, CPA
Senior Manager
Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Kari has 11 years of experience in public accounting and has worked at Martin Starnes & Associates for 11 years. She is currently the manager for several counties and municipalities. Her responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Education

UNC Chapel Hill
Bachelor of Science in Accounting
Master of Science in Accounting

Professional & Civic Involvement

- Member of the AICPA and NCACPA
- NCACPA Young CPA Cabinet Alumni
- Recipient of Hickory Young Professionals Top 10 Under 40 for 2021
- Treasurer & board member – Council on Adolescents of Catawba County
- Board of Directors – YMCA of Catawba Valley
- Current participant in the Leadership Catawba Program

Relevant Experience

- Chatham County
- City of Hickory
- City of Kannapolis
- Gaston County
- Town of Chapel Hill



Elsa Swenson, CPA
Senior Manager
Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Elsa has 12 years of experience in public accounting and has worked at Martin Starnes & Associates for 12 years. She is currently the manager for several counties and municipalities. Her responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Education

East Carolina University
Bachelor of Science in Accounting
Magna Cum Laude
Master of Science in Accounting

Professional & Civic Involvement

- Member of the AICPA and NCACPA
- Previous NCACPA Young CPA Cabinet Member

Relevant Experience

- Alamance County
- Catawba County
- City of Newton
- City of Monroe
- Lincoln County



Kelly Gooderham, CPA
Senior Manager
Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Kelly has 10 years of experience in public accounting and has worked at Martin Starnes & Associates for 10 years. She is currently the Manager for several counties and municipalities. Her responsibilities include oversight of seniors, technical review of audit procedures performed, and in-charge responsibility of several complex engagements.

Education

Appalachian State University
Bachelor of Science in Accounting

Professional & Civic Involvement

- Member of the AICPA and NCACPA
- AICPA Advanced Single Audit Certification
- Catawba Science Center board member

Relevant Experience

- City of Washington
- Stokes County
- Town of Franklin
- Transylvania County
- Transylvania County TDA



Tonya Thompson, CPA
Senior Manager
Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Tonya has 18 years of experience in public accounting as an auditor and has worked at Martin Starnes & Associates for 3 years. She is currently the Manager for several counties and municipalities and is relied upon by her clients as a knowledgeable advisor. Her responsibilities include overall planning and oversight of all phases of the audit, technical review of audit procedures performed, completion and/or review of the audit report, and in-charge responsibility of several complex engagements. In addition to her audit responsibilities, Tonya performs other advisory and consultation services for local governments, such as training on accounting topics and report writing, consultation on software transitions, accounting for unusual or complex transactions, and improving internal controls. Tonya has extensive experience with the GFOA certificate of achievement program and is instrumental in ensuring that her clients produce Annual Comprehensive Reports that meet the requirements of the program. She is also a resource within the firm – providing training, practice aides, and insight within the audit department, including implementation of new standards as they arise.

Education

Appalachian State University
Bachelor of Science in Business Administration in Accounting
Master of Science in Accounting

Professional & Civic Involvement

- Member of the AICPA and NCACPA
- AICPA Not-for-Profit Certificate Holder

Relevant Experience

- City of Gastonia
- City of Shelby
- Pitt County
- Rowan County
- Town of Landis



Jill Vang, CPA

Manager

Martin Starnes & Associates, CPAs, P.A.

Auditing Services

Jill has 13 years of experience in public accounting and has worked at Martin Starnes & Associates for 11 years. She is currently the Manager for several counties, municipalities, and non-profit organizations, as well as several component units.

Education

Welsh College

Bachelor of Accountancy

Master of Science in Finance

Appalachian State University

Master of Science in Accounting

Professional & Civic Involvement

- Member of the AICPA and NCACPA

Relevant Experience

- City of Albemarle
- City of Concord
- City of Thomasville
- Macon County
- Town of Cornelius

ATTACHMENT B

(Independence Document – Statement of Policies & Procedures)

INDEPENDENCE

It is the firm's policy that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the Code of Professional Conduct, the State of North Carolina Board of Accountancy and the State of North Carolina CPA Society in discharging their professional responsibilities. Furthermore, it is the policy of the firm that, for engagements subject to Government Auditing Standards and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards, including any that may be more restrictive. Any transaction, event, circumstance, or action that would impair independence or violate the firm's relevant ethical requirements policy on an audit, attestation, review, compilation engagement, or other service subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee as required under the General Standards and Compliance with Standards Rules is prohibited. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats, but such situations are not specifically addressed by the independence rules of the AICPA Code of Professional Conduct, the situations will be evaluated by referring to the Conceptual Framework for AICPA Independence Standards and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach.

Although not necessarily all-inclusive, the following are considered to be prohibited transactions and relationships:

- Investments by any partner or professional employee in a client's (or affiliate of a financial statement attest client's) business during the period of a professional engagement, including a commitment to acquire any direct or material indirect financial interest in a client.
- An investment in an entity or property by any of the following individuals and the attest client or the attest client's officers or directors, an affiliate or any member of firm management who has the ability to exercise significant influence over the client that enables them to control, as defined by GAAP for consolidation purposes, the entity or property:
 - An individual on an attest engagement team
 - An individual in a position to influence the attest engagement by doing any of the following:
 - Evaluating the performance or recommending the compensation of the attest engagement partner

- Directly supervising or managing the attest engagement partner and all of that partner's superiors.
 - Consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or
 - Participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement.
- A member of firm management who provides nonattest services to the attest client beginning once he or she provides ten or more hours of nonattest services to the client within any fiscal year and ending on the later of the date:
 - The firm signs the report on the financial statements for the fiscal year during which those services were provided, or he or she no longer expects to provide ten or more hours of nonattest services to the attest client on a recurring basis
 - A partner in the office in which the lead attest engagement partner primarily practices with respect to the attest engagement.
 - The firm and its employee benefit plans.
 - Borrowing from or loans to an attest client, an affiliate, or attest client's personnel during the period of a professional engagement by any of the individuals listed in item 2, except as grandfathered or permitted.
 - Accepting or offering gifts or entertainment from or to an attest client unless reasonable in the circumstances and approved by the firm management.
 - Certain family relationships between professional personnel and attest client personnel. The firm management will be consulted for a ruling on such relationships.

Notwithstanding the preceding policy and list of prohibited transactions and relationships, at the partners' discretion, certain prohibitions can be waived if it is deemed to be in the best interest of the firm. However, in so doing, the engagement service performed for the client must be limited to that allowed by AICPA professional standards.

The firm ensures compliance with this policy by implementing the following procedures:

All personnel have ready access to the relevant ethical requirements to which the firm is subject. Those requirements include the AICPA Code of Professional Conduct, the State of North Carolina Board of Accountancy, and the State of North Carolina CPA Society ethical requirements. The firm personnel have online access to those ethical requirements. The firm expects its personnel to be familiar with those relevant ethical requirements.

The firm's management emphasizes the concepts of independence, integrity, and objectivity in firm training sessions, in the acceptance and continuance of clients and engagements, and in the performance of engagements. Because the firm has a concentration of governmental clients and ERISA clients, this also includes discussing the independence requirements for engagements subject to Governmental Auditing Standards and Department of Labor. In addition, all professional personnel are required to sign a representation letter when hired and annually thereafter that acknowledges their familiarity with the firm's relevant ethical requirements policy and procedures, particularly with regard to independence. The representation also lists known circumstances and relationships, if any that may create a potential threat to independence or violate the firm's relevant ethical requirements policy. Such signed representation letters are also required from part-time, seasonal, and contract professionals and any other individuals who work on accounting and auditing engagements and are required to be independent. Ethics training is provided for professional personnel periodically in firm training sessions. Ethics training is provided to certified firm personnel annually as required by the State of North Carolina Board of Accountancy. Additional training is provided as needed which covers the firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators. Professional standards, including the AICPA's Conceptual Framework for Independence, Governmental Auditing Standards, Department of Labor independence requirements and advice of the quality partner are consulted if an employee is unsure if a threat to independence should be reported to firm management.

All professional personnel review the firm's current client list in conjunction with completing the representation letter for identification of threats to, or breaches of independence. The current client list is maintained in Practice CS by the firm administrator and changes to that list are communicated to all personnel via e-mail on a timely basis from the firm administrator. When hired and annually thereafter, all professional personnel are required to sign a representation that confirms this responsibility.

To ensure that independence is properly addressed at the engagement level, the firm management will consider relevant information about client engagements and evaluate the overall effect, if any, on independence requirements as part of the engagement and acceptance decision. In addition, for audit engagements, the engagement partner forms a conclusion on compliance with independence requirements. In making this determination, any familiarity threat related to senior personnel recurring on an audit or attest engagement for a long period of time, five years or more, will be considered, including any other specific rotation requirements of regulatory agencies or other authorities. Additionally, the work programs and forms in the accounting and auditing manuals used by the firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, those manuals contain reporting guidance for the types of engagements where a lack of independence is allowed.

All professional personnel remain alert for any evidence of noncompliance with relevant ethical requirements during the engagement and are required to promptly notify the audit partner of any circumstances or relationships that may create a potential threat to independence such as a

potential prohibited transaction or an independence breach, so that appropriate action can be taken.

If a potential threat to independence is identified, firm management accumulates and communicates relevant information to appropriate personnel so firm management and the engagement partner can determine whether they satisfy independence requirements, the engagement partner can take appropriate action to address identified threats to independence, and current independence information can be maintained. For clients of whom the firm is not independent, only compilation services are performed, and the firm discloses the lack of independence in its accountant's report for those clients.

If performing a group audit, the firm is required to obtain a written representation regarding the significant component auditor's independence with respect to the client. The auditing manuals used by the firm contain examples of representation letters to use in such situations. Furthermore, in a review or attestation engagement, if another firm performs work on a segment of the engagement, a representation regarding the other firm's independence is required. The engagement programs in the accounting and auditing manuals used by the firm contain steps to ensure compliance with this procedure.

The Manager and/or the accountant in charge under the manager's supervision has the primary responsibility for determining if there are unpaid fees on any of his or her clients that would impair the firm's independence. The engagement work programs and standard forms used by the firm contain steps to ensure compliance with this procedure. The firm's client accounts receivable information in the billing software and the engagement partner's and manager's knowledge of unbilled fees should be considered in making this determination. In addition, the managing partner has secondary responsibility to review the firm's accounts receivable listing on a periodic basis to identify potential independence problems.

The engagement partner has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services, individually or in the aggregate, impair independence with respect to that client. Reviewing nonattest services performed for attest clients includes obtaining and documenting an understanding with the client regarding the client's responsibilities for the nonattest services performed by the firm. The firm will only provide nonattest services to an attest client when the client accepts its responsibilities. Where applicable, this includes determining whether such nonattest services impair independence under the independence rules in Government Auditing Standards or Department of Labor. Firm engagement work programs for all attest and compilation engagements include steps to ensure compliance with this procedure.

The engagement partner has the primary responsibility for determining whether actual or threatened litigation has an effect on the firm's independence with respect to the client. The firm's independence could be impaired by litigation between the client and the firm, with the client company's security holders, and from other third parties.

If the firm is engaged as principal auditor to report on the basic financial statements of a financial reporting entity, all professional personnel must be independent of the financial reporting entity. If the firm is engaged as principal auditor to report on a major fund, nonmajor fund, internal service fund, fiduciary fund, or blended component unit of the financial reporting entity, all professional personnel must be independent of the fund or entity the firm reports on. The engagement partner has the primary responsibility for determining whether the firm's relationship with entities in the governmental financial statements has an effect on independence.

The managing partner has the primary responsibility for determining whether the firm was a party to a cooperative arrangement with a client that was material to the firm or the client.

The Senior Manager and the accountant in charge under the supervision of senior management are responsible for obtaining the representation letters, reviewing them for completeness, and accumulating relevant information relating to identified threats to relevant ethical requirements matters including questions from the representation letters and those from other sources. In determining a resolution, firm management should consider the AICPA's Code of Professional Conduct, AICPA's Conceptual Framework for AICPA Independence Standards, and when necessary, consult the AICPA or the NCACPA for assistance in interpreting independence, integrity, and objectivity rules. Documentation of the resolution of a relevant ethical requirement matter should be filed in the client's permanent workpaper file. Firm management is also responsible for determining actions to be taken when professional personnel violate firm independence policies and procedures. The action for each incident is determined based on its unique circumstances and may include eliminating a personal impairment, requiring additional training, drafting a reprimand letter, or even termination.

The partners are responsible for monitoring the firm's independence of attest clients at which partners or other senior personnel have been offered management positions or have accepted offers of employment. The independence, integrity, and objectivity questionnaire used by the firm and the client acceptance checklists used by the firm in attest engagements include questions to help ensure compliance with this requirement.

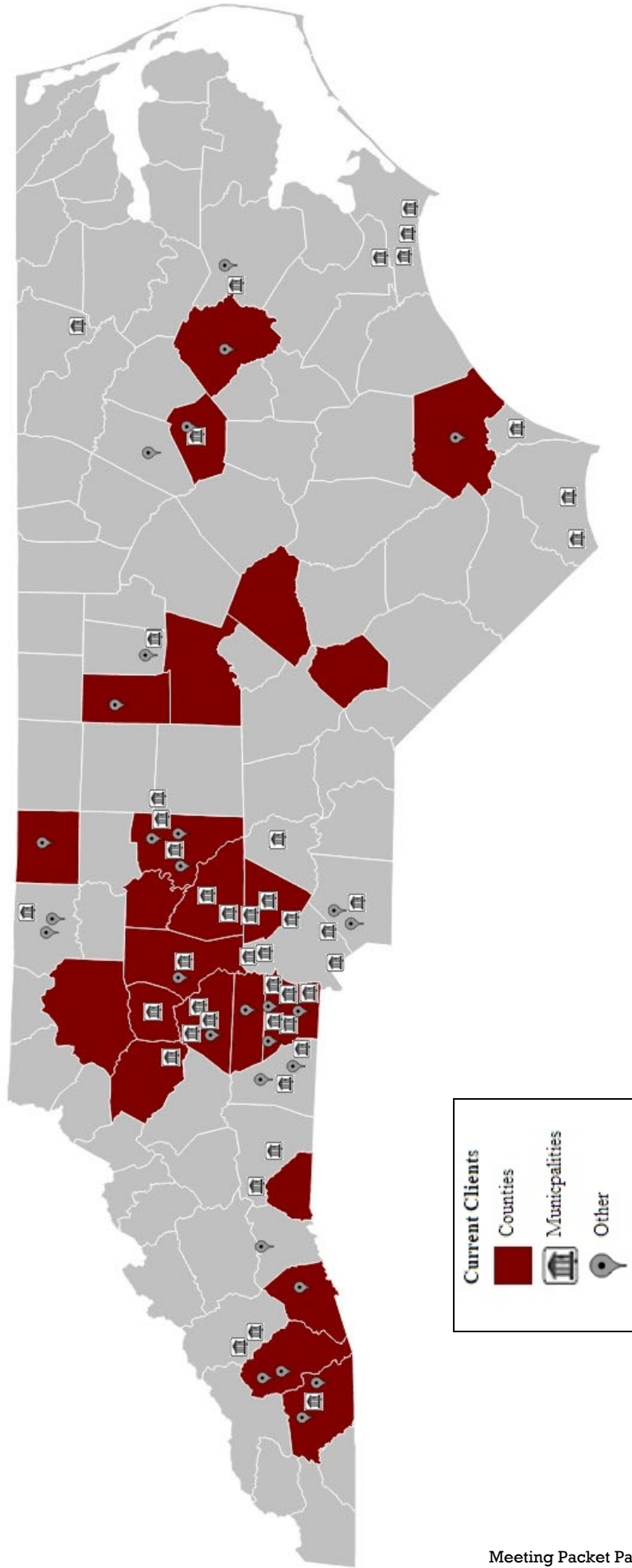
If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to the engagement partner, who along with the firm has the responsibility to address the breach and other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action, and those charged with governance at the attest client. The engagement partner confirms to the firm when required corrective actions related to the breach and noncompliance with these policies and procedures has been taken.

At least annually, firm management reviews the firm's ethical requirement policy and procedures to determine if they are appropriate and operating effectively.

SUPPLEMENTARY INFORMATION

North Carolina Is Our Neighborhood

Governmental Entities We Currently Audit





TOWN OF LAKE LURE

PROPOSAL FOR AUDIT SERVICES, 2024-2026
SECTION II – AUDIT APPROACH & COST ESTIMATE

ERICA L. BROWN, CPA
ENGAGEMENT PARTNER
PHONE: (828) 327-2727
EMAIL: EBROWN@MSA.CPA

MARTIN • STARNES
—
& ASSOCIATES, CPAs, P.A.

TOWN OF LAKE LURE

PROPOSAL FOR AUDIT SERVICES, 2024-2026

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SECTION II – AUDIT APPROACH & COST ESTIMATE

1. Type of audit program used (tailor-made, standard government, or standard commercial)

Our audit methodology is centered around the use of "Knowledge Coach," an intuitive and advanced audit software developed by CCH, a subsidiary of Wolters Kluwer and a leader in the field of accounting and tax software. This program is a crucial part of CCH's renowned "Knowledge Based Audit Approach" and stands as the only integrated system for audit planning, risk assessment, and audit program workflow management approved by the AICPA's National Peer Review Committee. Please see the following excerpt from a press release about Knowledge Coach:

“Developed from the ground up by auditors, for auditors, ProSystem fx Knowledge Coach combines the industry-specific content and guidance of ProSystem fx Knowledge Tools with a dynamic audit workflow engine that dramatically streamlines the audit planning process and helps users efficiently manage an audit from beginning to end.

*“Peer review is an important milestone for Knowledge Coach, because it confirms that not only is our content compliant with AICPA risk-based audit standards, but our processes for developing, presenting and utilizing this content in the Knowledge Coach application maintains and enhances this compliance,” said CCH Product Manager Mike Ritchie. “Knowledge Coach is **the first product of its kind** – making the same kind of breakthrough in the audit realm that the first computer-based programs did for tax. As a result, we wanted to have it subjected to peer review, and we’re very gratified that it has been validated through that process,” Ritchie said.*

Upon completing the planning, risk assessment, and internal control segments of the engagement, Knowledge Coach guides the substantive phase of the audit with recommended steps. This approach effectively eliminates redundant procedures and focuses audit efforts on areas identified as significant through our planning and risk assessment. Our strategy integrates a balance sheet approach, substantive analytic review, and detailed testing of specific general ledger accounts. The substantive analytic review procedures, tailored specifically for the Town of Lake Lure, are formulated and endorsed by our senior management team during the audit's planning phase. Every procedure we implement is executed with a definitive purpose and a clear audit objective, ensuring a comprehensive and focused audit process.

2. Use of statistical sampling

Our approach to sampling is tailored for efficiency and effectiveness in financial statement audits. Our methodology does not incorporate statistical sampling; instead, we employ a strategic combination of haphazard or random sampling techniques. This approach is meticulously designed to scrutinize the content within specific audit areas, rather than focusing merely on their attributes.

Our audit assurance is derived from an integrated process that includes both detailed testing (sampling) and analytical review. The detailed testing phase involves a thorough examination of all items deemed individually significant, based on materiality and risk assessment. Subsequently, we assess the remaining population to ascertain the adequacy of the sample. Should the initial sample prove insufficient, additional transactions are tested to meet the sampling requirements as dictated by our risk evaluation.

In parallel, our analytical review process entails a comparative analysis between our pre-established expectations for a particular audit area and the actual results. This involves a detailed examination of any discrepancies, thereby enabling a deeper understanding of the underlying factors.

We believe that this approach is not only more effective in identifying material errors but also significantly reduces the time and resource investment required from both our team and the staff of the governmental unit.

3. Use of automated processes and internal control testing methods

Automated Audit Programs and Data Integration

Our audit methodology is significantly enhanced by the use of sophisticated software tools. Knowledge Coach software, detailed in Section 2, Requirement 1, is employed to automate our audit programs. This software is adept at processing a variety of data inputs, including client-specific information and risk assessment planning responses. Furthermore, our audit software, ProSystem Engagement, is instrumental in streamlining our workflows. It enables the automation of our Excel files by linking them to the trial balance database, which contains detailed account balances. This integration ensures a high level of precision and consistency in our data handling.

Internal Control Procedures

Our internal control procedures are thorough and multifaceted. They encompass the documentation of major systems of internal controls, including cash receipts, cash disbursements, payroll, and computer/IT systems. We conduct walk-throughs to validate our understanding of these controls. Additionally, cash counts may be performed at various sites where cash collections occur.

Detailed Testing of Controls

Our control testing extends to manual journal entries and budget amendments in the general ledger. This involves interviewing numerous staff members from the Town to gain an understanding of internal controls and accounting procedures. We pay particular attention to areas with significant cash collections, the entire cash disbursement process from purchase order to check issuance, journal entry preparation, approval and entry to the general ledger, and the budget amendment process. Each procedure we undertake is strategically designed with a specific audit objective in mind.

Dual Purpose Testing and Walk-Throughs

For testing controls over cash disbursements, we employ dual purpose testing. This involves selecting major program expenditures from the general ledger to simultaneously test controls and compliance and tracing these postings back to source documents like invoices and purchase orders. This process verifies proper approval and posting, as well as their qualification as major program expenditures. Cash receipt controls are tested through walk-throughs and cash counts at various collection sites or departments.

Payroll, Budget Amendment and Journal Entry Controls

Our control tests over payroll involve selecting a sample of employees from specific payroll periods, obtaining their personnel files and timesheets, and reconciling these records to ensure accuracy in employee existence, departmental allocation, actual time worked, and approved pay rates. Similarly, controls over manual journal entries and budget amendments are rigorously tested. We select various entries and amendments posted during the fiscal year and obtain documentation to confirm their proper approval and posting to the system.

4. Use of computer audit specialists

Our Technology Manager is available to conduct or review the Town’s MIS controls assessment, ensuring a comprehensive understanding of internal control systems, including computer controls. This role is central to our audit process, which focuses on documenting internal controls, assessing risk, and identifying any security issues with material impact on the financial statements.

5. Organization of the audit team and the approximate percentage of time spent on the audit by each member

<u>Staff Level</u>	<u>Percentage of Time</u>
Partner	5%
Senior Manager/Manager	30%
Senior Accountant	35%
Staff & Administrative	30%

6. Information that will be contained in the management letter

In accordance with the audit standards impacting the Yellow Book and Single Audit opinion letters, our management letter will focus on detailing minor internal control weaknesses, recommending enhancements to operational procedures, and proposing cost-saving strategies. Additionally, it will offer insights for the overall improvement of the Town's operations. Should any issues arise during our audit procedures, we will promptly inform management. Rest assured, all matters presented in the management letter or compliance letters will have been discussed with management during the engagement.

7. Assistance expected from the government’s staff, if other than outlined in the RFP

To optimize the efficiency of the audit, we request the final trial balance in an electronic format, ideally in Excel, one week prior to the commencement of final fieldwork. This will enable us to import your trial balance into our audit software, allowing for identification of risk areas before the beginning of fieldwork. Additionally, we aim to download your interim trial balance for risk assessment and planning at key intervals: 12/31, 3/31, and 6/30, with unadjusted balances.

We prefer for all client assistance to be provided electronically, wherever feasible. The Town can contribute to the audit's timeliness by minimizing immaterial post-final adjusting journal entries (AJEs) and ensuring the timely provision of all items listed in the “Prepared by Client” (PBC) list before fieldwork initiation. To facilitate efficient management of the PBC list, we will utilize Suralink, an advanced audit request list technology, coupled with an electronic document management system, ensuring streamlined and effective communication and document handling during the audit process.

8. Tentative schedule for completing the audit within the specified deadlines of the RFP

Note: MSA is committed to working with our clients and their needs. We are fully equipped to conduct audit procedures and presentations remotely if required by the Town, employing secure file sharing and virtual conferencing platforms like Zoom and Microsoft Teams. These details will be determined during the audit planning stage to meet specific requirements.

Audit Planning

Our engagement with government audits is a year-round endeavor. We initiate the process by downloading an interim trial balance in January or February each year. This data is instrumental in our audit risk assessment, interim procedure planning, preliminary analytic review, and in gathering information about new projects, funds, and departments. To remain aligned with the Town's developments, we review the Council's meeting minutes monthly. An annual meeting with key Finance Department members will be held to establish a mutual understanding of both our and the Town's responsibilities and timetables.

Interim and Final Fieldwork

Interim fieldwork is typically conducted in a mutually agreed-upon week between March and June. This phase includes updating our understanding of internal controls, testing compliance for federal and state programs, and auditing transactions in relevant funds. Our team is prepared to either work on-site or remotely, as determined, for up to a week. We commit to staying on task until all objectives are achieved. Any findings related to internal control or compliance will be discussed with management following interim procedures.

In a typical year, final fieldwork will be scheduled for August. This stage, lasting approximately one week, can be conducted on-site or in a hybrid remote format. Prior to this, we will have imported final trial balances, meticulously planned our procedures, and coordinated with the finance staff regarding necessary data. Our staff will be prepared to conduct the procedures efficiently and with minimal disruption to your team. At the completion of final fieldwork, we will present any audit adjustments, compliance findings, and internal control findings.

Our typical timeline for the Town will be as follows:

- March-April – Download interim trial balance and perform preliminary analytic procedures. This procedure allows us to keep informed of changes at the Town before the audit commences.
- March-April – Planning meeting with the Finance Director. At the planning meeting, we will mutually agree on the fieldwork timetable, client prepared schedules, etc. The purpose of this meeting is to get your staff and our staff on the same page.
- Mutually agreed-upon time between March and June – Interim fieldwork (test internal controls and grant compliance, as required)
- August – Import final trial balance; perform analytical procedures; perform compliance testing; perform final risk assessment; perform final fieldwork
- October – Submission of report to Local Government Commission
- Mutually agreed-upon time within 45 days of LGC report submission – Presentation to the Council

9. Please include the Summary of Audit Costs Sheet with your proposal.

COST ESTIMATE

(per year)

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Base charge - Financial Audit & Financial Statement Prep (Includes personnel costs, travel, and on-site work)	<u>\$ 53,740</u>	<u>\$ 58,040</u>	<u>\$ 62,685</u>
Compliance Audit (up to 2 major programs)	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
Charge for additional compliance testing (per major program in excess of 2)	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
AFIR fees	<u>\$ 1,665</u>	<u>\$ 1,800</u>	<u>\$ 1,945</u>

Basis/Methodology of Cost Estimate:

Fixed-Fee Structure: Our estimated fees are primarily based on a fixed-fee arrangement. In the event of unforeseen circumstances necessitating additional fees, we commit to discussing these changes with the Town’s Finance Director prior to incurring any additional costs. All services and corresponding fee estimates will be clearly specified, ensuring transparency. We do not charge for travel expenses related to the audit engagement. However, for services beyond the scope of the audit engagement, separate fee negotiations will take place, which may include travel expenses reimbursement. Our hourly rates for such services range between \$85 and \$400.

The proposed fees encompass year-round technical assistance to the Town’s staff, ensuring we are available to serve our government clients throughout the year. Any assistance necessitating supplemental fees will be negotiated in advance.

Our fees also include the initial planning meeting, report drafting, report clerical services (proofing & PDF preparation), submission of the report to the LGC, printing up to 10 copies of the financial statements and other relevant documents, preparation of the Data Collection Form (as required), and a presentation to the Town Council.

Basis for Determining Cost Estimate After the First Year:

Our fee adjustments are reviewed and determined annually. Factors influencing these adjustments include economic volatility and the frequent modifications or additions to requirements by governmental and rule-making boards related to the services we provide. This approach ensures that our fee structure remains responsive to the changing economic and regulatory landscape.

Audit contracts must be approved annually by the Local Government Commission. For your planning purposes, our estimated fees to provide our services to you in the future are shown in the table above. These are estimated fees only. Governmental and rule-making boards may add or change their requirements related to our services which may change these estimates. The actual fee agreement will be set forth in the annual contract signed for the relevant year.

10. Please list any other information the firm may wish to provide.

We Have a Story to Tell!

Our narrative extends beyond the standard responses required in the RFP, offering a deeper insight into what distinctly sets our firm apart from others in the field.

Our Evolving History

Our journey began with a modest client base, focusing initially on a small town in Alexander County. Today, we stand as one of the largest governmental audit practices in North Carolina, guided by a straightforward principle: Quality + Service + Value = Success. This growth, achieved one client at a time, emphasizes our unwavering commitment to client retention. Since 1992, our client base has remained remarkably stable, a testament to our belief that delivering quality, service, and value leads to enduring success.

Unparalleled Quality

A significant 85% of our audit practice is dedicated to serving government entities in North Carolina, a claim few firms can match. Our unique operational model, devoid of the typical 12/31 busy season, allows our audit staff to concentrate solely on government clients. This approach has curtailed staff turnover and enhanced the continuity and quality of our audit engagements. Our firm boasts three governmental audit Partners who have served as reviewers for the GFOA Certificate of Excellence Program, are active participants in the NCACPA's Government Resource Committee, and the firm has been a member in the AICPA's Government Audit Quality Center since its inception. Our commitment to quality is unyielding, evidenced by clean peer reviews since 1992, and our expertise is sought after by peers in the industry.

Exceptional Service

Adhering to the adage "If you fail to plan, you plan to fail", we initiate each engagement with a detailed, mutually agreed-upon plan, encompassing fieldwork schedules, deadlines for client-prepared schedules, and document delivery timelines. Our advanced technology infrastructure eliminates geographic barriers, ensuring seamless service delivery regardless of location. A prime example of our service innovation is the implementation of "Suralink," a dynamic request list technology and electronic document management system that enhances efficiency and streamlines processes for our clients.

Inherent Value

Our philosophy is that fees do not always reflect value. Our business model, established from inception, is rooted in delivering high-quality service with a proficiently trained team and cutting-edge technology. We focus on efficiency at every audit step, ensuring that our services extend beyond mere compliance to add tangible value to the financial reporting process. Our firm operates with minimal overhead, allowing for competitive billing rates without compromising on quality. At the core of our value proposition is our integrity, which we regard as the cornerstone of our service delivery.

In summary, our firm is not just about conducting audits; we are about adding value, providing exceptional service, and maintaining the highest quality standards in government auditing in North Carolina.

At Martin Starnes & Associates, our approach to completing a high volume of governmental audits within strict timelines is both strategic and innovative. Here's how we achieve this:

Early and Efficient Planning: Our engagement planning commences from January 2nd each year, allowing us to streamline the audit process and significantly reduce the time required for final fieldwork.

Maximizing Technology: We leverage state-of-the-art technology to its fullest potential, ensuring efficiency and accuracy in every aspect of our audit process.

Hiring and Retaining Top Talent: Our firm prioritizes attracting and retaining the best talent in the industry, ensuring a team that is skilled, knowledgeable, and dedicated.

Intensive Pre-Final Fieldwork: We devote more hours to auditing your unit from January to July compared to our competitors. This extensive work in the initial months reduces the likelihood of unexpected findings during the final fieldwork phase from August to October.

Optimal Staff Leveraging: Our audit staff is structured to maintain a balanced ratio of senior leadership, senior accountants, and staff accountants. Each manager oversees approximately 10 engagements and has access to the entire staff accountant pool, as well as our firm leadership. This structure ensures that challenges are escalated efficiently, preventing overburdening at any level.

Team-Oriented Approach: We embody a “team” philosophy in our audit practice. The completion of all engagements signifies our collective success. The phrase “All hands on deck” truly defines our work ethic and collaborative spirit at Martin Starnes & Associates.

Our methodologies not only ensure timely completion of audits but also uphold the highest standards of quality and efficiency, reflective of our commitment to excellence in governmental auditing.

FINAL CONSIDERATIONS

Quote from J. Michael Barham, NC Board of CPA Examiners at the 2009 Local Government Update

"If you want to improve the quality of Yellow Book and OMB audits, select your auditors based on the following criteria: experience, references, contact the firm's current audit clients, evaluate professional qualifications, evaluate the firm's commitment to CPE, the firm's peer review results, and contact the LGC about the firm's quality and timeliness; but most importantly, do not let the price be the driving force."

Excerpt from article: Better Understanding the Financial Statement Audit

By Stephen J. Gauthier - Author of Governmental Accounting, Auditing and Financial Reporting ("Blue Book") and Director of the Technical Services Center of the Government Finance Officers Association of the United States and Canada

. . . Mandatory auditor rotation may pose special risks in the public sector (do not force yourself into a bad decision). Many people believe that periodically changing audit firms offers real advantages such as a fresh outlook and greater independence from management . . .

. . . The potential benefits of auditor rotation depend on the presence of a sufficient number of qualified firms being interested in performing the audit. . . Accordingly, a policy of mandatory auditor rotation, when applied to state and local governments, could force a government into the position of hiring a less than fully qualified replacement for its current independent auditor.


. . . Furthermore, many of the potential benefits of auditor rotation could be achieved by rotating the personnel assigned to the engagement within the current auditing firm.

Excerpt from "Suggested Good Practices" Document by the AICPA

Audit firm rotation is an idea that has been around for some time but has consistently failed to gain support from the SEC, GAO, private organizations, academics, and others as constituting sound public policy. The reasons for the lack of acceptance of the idea are easily identified:

- The costs of audit firm rotation far exceed the potential benefits.*
- The linkage between auditor tenure and auditor competence is real; studies have shown that audit failures are three times more likely in the first two years of an audit engagement.*

PROPOSAL CERTIFICATION

Proposer's Signature  Date 2/27/24

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 the Proposal on behalf of my organization.

BY (Printed): Erica L. Brown

TITLE: Audit Partner

COMPANY: Martin Starnes & Associates, CPAs, P.A.

ADDRESS: 730 13th Ave. Dr. SE, Hickory, NC 28602

TELEPHONE: (828) 327-2727

EMAIL: ebrown@msa.cpa

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: Discuss Short Term Rental Advisory Committee

AGENDA INFORMATION:

Item Number: XI
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

Town Council will discuss the possibility of establishing a Short Term Rental Advisory Committee in the future. This would help with regulating short term rentals appropriately, as they remain prevalent in the community. If Council chooses to proceed with the creation of the Committee, Town Staff will amend the attached sample establishing resolution as necessary and present Council with a full establishing resolution reflecting the objectives, rules, and make-up of the committee.

RECOMMENDED MOTION AND REQUESTED ACTIONS:

N/A

ATTACHMENTS:

Sample Establishing Resolution

STAFF'S COMMENTS AND RECOMMENDATIONS:

Town staff recommends the creation of a Short Term Rental Advisory Committee via an establishing resolution.

SHORT TERM RENTAL ADVISORY COMMITTEE
ESTABLISHING RESOLUTION

A RESOLUTION OF THE TOWN COUNCIL OF LAKE LURE, NORTH CAROLINA CREATING A SHORT TERM RENTAL ADVISORY COMMITTEE TO ADVISE COUNCIL ON MATTERS RELATING TO THE SAFE AND ENJOYABLE USE OF LAKE LURE

Whereas, the Town of Lake Lure allows the operation of short term rentals within Town limits; and,

Whereas, the Town Council of Lake Lure, North Carolina finds that it is in the best interest of the Town to authorize and create a special Short Term Rental Advisory Committee to study and make recommendations to Council concerning the operation of short term rentals; and,

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND TOWN COUNCIL OF LAKE LURE, NORTH CAROLINA:

Section 1: That there is hereby and herewith created a Short Term Rental Advisory Committee to provide recommendations and advice to the Town Council on matters concerning the operation of short term rentals.

Section 2: That the Short Term Rental Advisory Committee advise and make recommendations to Town Council on matters referred to it by Council which could include such activities as:

- (A) Revisions to policy regarding short term rentals;
- (B) The various ways of improving short term rental operations;
- (C) Any changes in state regulations regarding short term rentals.

Section 3: That the Committee shall consist of seven members each appointed by a majority vote of Town Council.

Section 4: That the term of appointment of each member shall be for three years. That the Short Term Rental Advisory Committee members serve at the pleasure and will of Town Council and may be removed for cause or for no reason at all.

Section 5: That vacancies on the Committee shall be filled by vote of Town Council to fill the unexpired term.

Section 6: That members of the Committee annually shall elect from their membership a Chair, and Vice-Chair to fulfill the normal responsibilities of such offices.

Section 7: That meetings of the Committee be held in a public meeting room, be open to the public and held as often as reasonably needed to accomplish the business of said Committee.

Section 8: That the Committee make its recommendations to Town Council in written form in a timely manner and may be requested to make oral reports at Council meetings.

Section 9: Attendance requirement: any Committee member who is absent from three consecutive regularly scheduled meetings in a calendar year, and/or a total of four meetings in a calendar year may be subject to removal off the Short Term Rental Advisory Committee by Town Council.

Section 11: That all orders and resolutions in conflict herewith be and the same hereby are repealed insofar as such conflict exists and this resolution shall become effective immediately upon its passage.

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: Project Manager Updates

AGENDA INFORMATION:

Item Number: XII
Department: Project Management
Contact: Michael Dydula, Project Manager
Presenter: Michael Dydula, Project manager

BRIEF SUMMARY:

Project Manager Mike Dydula will provide Council with an update in regard to ongoing major projects.

ATTACHMENTS:

Project Manager Report

June Project Manager Updates

Reservoir Drain Valve Project:

Project is progressing at this time. Barge Crew and Divers have been busy working on the Concrete Bulkhead. It should be grouted and anchored into the Dam by 6/28. The Metal Portal Door will be installed the week of 7/1 with Trash Rack right behind it. Crews have spent all this week assembling the many pieces of the Trash Rack which will weigh around 44,000lbs. On the downstream side of the dam Morgan Corp completed the mass concrete pour that the Jet Flow Valve will be anchored to. We expect to see that valve by end of August. Also in the final stages of fabrication is the 72" pipe that will connect everything. It is currently in the process of having the interior coating applied to it. The actual drilling of the 72" hole through the dam is anticipated to happen within the first couple of weeks in July. Morgan Corp will have an updated schedule that will be presented at the Council Work Session.

Replacement Dam Project:

Schnabel Engineering and their consultants will be on site week of 6/24 to start Geophysical work. This work will proceed any Geotechnical and Survey work. Project Manager will explain a little more in detail what the Geophysical work entails. The grant for this work administered from DEQ has been extended from Oct/24 to March/25. When Schnabel has more information from the Geophysical scope we hope to narrow down properties affected and will help with preparing documents to send out to property owners for permission to begin Survey and Geotechnical work.

Sub Aqueous Sewer Project:

Project Team recommends that the Council utilize a 3 month drawdown for the 24/25 winter season, using the same January to March schedule as last season. Here is a list of 10 items to be considered. This may not be all-inclusive as the team continues researching.

- 1) Complete required Tainter Gate Inspection
- 2) Repair Tainter Gate steel members and seals
- 3) Learn how to use and throttle the Valves
- 4) Have Design Build team physical look/survey/study back shore at the 20' depth
- 5) See if we have any water wells dry up on us
- 6) Give the Town an opportunity to inspect existing sewer system and make any "low lying fruit" repairs
- 7) Observe any areas that have seen or may see significant erosion or storm water issues.
- 8) See how hard it may be to access the lake from land – Give us more data for a deep water access.
- 9) Look at tough areas where unloading/loading on and off the barge at certain parts of the back shore could be an issue
- 10) Use the drawdown to at minimum see how the lake reacts to -20' levels during significant rain events. We need to know this so we can prepare for those events in the future.

**LAKE LURE TOWN COUNCIL
AGENDA ITEM REQUEST FORM
Meeting Date: June 26, 2024**

SUBJECT: Town Manager Updates

AGENDA INFORMATION:

Item Number: XIII
Department: Administration
Contact: Olivia Stewman, Town Manager
Presenter: Olivia Stewman, Town Manager

BRIEF SUMMARY:

Town Manager Olivia Stewman will provide Council with any updates that are not included on the meeting agenda. Council will also have the opportunity to ask any questions.

ATTACHMENTS:

Town Manager Updates

June Work Session and Action Meeting Town Manager Updates

Dredging:

The Town received one bid for dredging, which did not meet the minimum requirement of three bids and the RFP was re-advertised. After re-advertising, one bid was received on June 12th from Stott Construction, Inc. This amount is acceptable after re-advertising per General Statutes. Staff has been in the final review process and documentation is being gathered for the completion of the draft contract, which should be presented to Council at the next regular meeting. Subject to approval of the award and contract, the contract can be signed immediately and work can begin shortly thereafter. Spoils are being emptied at this time, which was authorized through guidance from NCDEQ and the Army Corp of Engineers as a preparation measure.

The Individual Permit application that will allow larger scale mechanical dredging is still in progress.

Additionally, staff is planning to submit an application for the dredging grant that has been awarded in previous years. This grant cycle is based on calendar year.

Belt Press:

Bids were opened on June 14th for the belt press for sludge management at the WWTP. The low bid came in at \$595,130.00. This is compared to the high bid of \$627,500.00. LaBella has been reviewing the bids. Prior to awarding to the lowest bidder, we are waiting for responses from their references and an Authorization to Award from NCDEQ.

Morse Park Improvements:

Qualification based bids were received for the Morse Park Improvements on June 7th. A team consisting of various staff members are reviewing the five bids that were received. The five bidders include Edgewater Resources, Odom Engineering, Seamon Whiteside, Summit Design & Engineering, and TranSystems. The Team will score the submittal based on technical approach, work experience, firm and staff qualifications, and past performance. The Team planned to hold a meeting on June 20th to determine final scores, but all-day water outages created complications for Town Hall and staff. The meeting is rescheduled for Tuesday, June 25th. Thus, I hope to have a recommended award decision by the time of the work session and action meeting.

The Lake Lure Steering Committee will meet on June 27th and there will be discussion regarding the next steps in completion of the Morse Park Plan.

AIAs and Lead Service Line Inventory

Sweetwater Utility Exploration began their soft dig inspections for Lead Service Lines Inventory included under LaBella's task 19. The sewer AIA is in continuation as the findings report is being compiled and reimbursements are being applied for. The water AIA will begin in the near future.

Staffing

There are currently two vacancies including the Parks, Recreation and Lake Coordinator and a seasonal Parks, Recreation, and Lake Utility Maintenance Technician. Upon entering into the new fiscal year, the Town will advertise for two additional Public Services Utility Maintenance Technicians and one additional Development and Environmental Review Specialist.

XII

ADJOURNMENT