



**TOWN OF SYLVA
BOARD OF COMMISSIONERS
REGULAR MEETING**

Thursday, March 14, 2024 at 5:30 PM
Board Room, 83 Allen Street Sylva, North Carolina

AGENDA

CALL TO ORDER

APPROVAL OF AGENDA

All items listed and adopted are for discussion or possible action

APPROVAL OF CONSENT AGENDA

1. March 14, 2024 Consent Agenda

PUBLIC COMMENTS

REPORTS

2. Mayor's Report
3. Commissioner's Report
4. Manager's Report

PUBLIC HEARING

5. Renaming of A Portion of Municipal Drive to Vance Street

NEW BUSINESS

6. Renaming of A Portion of Municipal Drive to Vance Street
7. Public Restroom Project Ordinance Amendment
8. FY 2024-2025 Audit Contract
9. Downtown Public Restroom --Exterior Paint Color--Discussion Only

ADJOURNMENT

Town of Sylva
CONSENT AGENDA
March 14, 2024

1- APPROVE MINUTES: February 8, 2024, **Regular Board Meeting;** February 22, 2024, **Regular Board Meeting**

2- BUDGET AMENDMENT:

#23 10-336-0110 MS Donations \$ 4,500 C
10-450-7500 MS (NF) 4,500 D

REF: Roberta Buckner’s donation for banner arms for the new streetlights on Main Street.

#24 10-367-0200 Federal Grants \$ 504 C
10-510-7100 PD Grant Expense 504 D

REF: To amend the budget to reflect the actual grant amount awarded for the Governor’s Crime Commission.

#25 10-399-0300 FB Approp. ARPA Related Funds \$ 22,000 C
10-690-0800 Transfer out of GF 22,000 D
30-369-0000 Transfer in from ARPA Related Funds 22,000 C
30-413-0200 Public Restroom Contingency 22,000 D

REF: Accounting to reflect a Board approved amendment on 3/14/2024 to appropriate ARPA Related Funds into the Public Restroom Contingency.

3- TAX RELEASES: #7 Postmarked Interest Release \$3.32 (attached)

4- REPORTS:

- 1- Business Registration Permit as of **February 2024**
- 2- Vehicle Tax Report as of **January 31, 2024**
- 3- Ad Valorem Tax Report as of **January 31, 2024**
- 4- Statement of Revenues, Expenditures, Changes in Fund Balance as of **January 31, 2024**

5- OTHER:

- *Approve the 2023 Swimming Pool Report (attached)*

- *Finance Officer, Lynn Byrant, closed the following bank accounts into First Bank Central Depository due to small balances:*
 - ~ NCCMT – Revolving Loan Fund account #47317284
 - ~ NCCMT – Allen Street Projects account #47041108
 - ~ United Community Bank – account ending in 8162

- ***Resolution Authorizing the Sale of Town Personal Property by Public Auction (R2024-03) (attached) ~ surplus items will be listed on GovDeals starting March 18, 20024 and ending March 28, 2024.***

2023 POSTMARKED TAXES

<u>Acct#</u>	<u>Taxpayer</u>	<u>Interest</u>
708	Carl Corbin	3.32

\$3.32

**Business Registration Permit Application
February 2024**

Item 1.

Date Submitted

Business Name

Business Location

Owner

2/6/2024
2/8/2024
2/13/2024

Southeast Bookkeeping, LLC
Martha's Place
Reflection of Inspiration Inc.

454 E. Main Street
553 W. Main Street
582 W. Main Street

BD Woods Properties
Jonathan Gabel
Tammy Brown

JACKSON COUNTY ACTIVITY TOTALS REPORT
ACTIVITY FROM 1/1/24 THRU 1/31/24

Tax Year 2022	Levy	Penalty	Subtotal	Charges	Interest	Subtotal	Total
SGR Sylva Gross Receipts			0.00	480.01		480.01	480.01
Totals For Year 2022			0.00	480.01		480.01	480.01

Grand Totals	Levy	Penalty	Subtotal	Charges	Interest	Subtotal	Total
			0.00	480.01		480.01	480.01

Tax Summary
as of January 31, 2024

(10-301-XX)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Total	Current Year	TOTALS
Starting Balances	54618.14	19247.75	14712.84	6778.87	5799.32	5182.1	2905.81	1924.22	1452.88	3,447.23	116,069.16	\$2,197,834.50	10-281-0000
July	-1489.16	-496.62	-43.35	-101.49	-102.25	-102.25	-102.25	-101.74	-101.74	-101.74	-2,038.13	-14,662.01	-2,038.13
August	-1256.79	-134.46	-328.37	-36.68	-38.25	-102.25	-102.25	-101.74	-101.74	-101.74	-2,433.08	-359,534.01	-17,095.09
September	-1041.67	-29.46	-35.99	-150.29	-102.25	-102.25	-102.25	-101.74	-101.74	-101.74	-1,182.05	-321,945.81	-360,716.06
October	-1174.94	-112.52	-100.3	-214.86	-7.57	-9.49	-0.18	-101.74	-101.74	-101.74	-1,437.75	-265,562.31	-114,973.86
November	-3600.47	-293.97	-100.3	-353.03	-148.07	-111.74	-102.43	-101.74	-101.74	-101.74	-3,994.74	-1,055,677.13	-269,557.05
December	-1935.54	-4.88	-31.38	-689.68	-148.07	-111.74	-102.43	-101.74	-101.74	-101.74	-1,940.42	-321,945.81	-1,057,617.55
January	-4197.64	-502.41	-31.38	-353.03	-148.07	-111.74	-102.43	-101.74	-101.74	-101.74	-4,963.53	-321,945.81	-326,909.34
February											0.00		0.00
March											0.00		0.00
April											0.00		0.00
May											0.00		0.00
June											0.00		0.00
July - June Totals	-14705.21	-1574.32	-689.68	-353.03	-148.07	-111.74	-102.43	-101.74	-101.74	-101.74	-17,989.70	-2,130,917.38	-2,148,907.08
Releases											0.00		-202.54
Add to Original Levy											0.00		101,221.91
Under Appeal											0.00		0.00
Bankruptcy											0.00		0.00
Refund/Adj											0.00		0.00
Subtotals	-14,705.21	-1,574.32	-689.68	-353.03	-148.07	-111.74	-102.43	-101.74	-101.74	-101.74	-17,989.70	-2,029,898.01	-2,047,887.71
EOY Adjustment											0.00		0.00
(10-110-XX) Balance	\$39,912.93	\$17,673.43	\$14,023.16	\$6,425.84	\$5,651.25	\$5,070.36	\$2,803.38	\$1,822.48	\$1,351.14	\$3,345.49	98,079.46	\$167,936.49	\$266,015.95
Interest											142.82		142.82
July	105.39	37.1	0.33	33.19	41.97	51.09	60.21	68.90	78.02	87.14	703.61	96.26	799.87
August	50.45	192.96	39.68	13.05	17.01						121.72		121.72
September	77.33	4.97	9.36								130.02		130.02
October	89.26	11.57	29.19								390.86		390.86
November	321.12	68.99	0.75								218.91		218.91
December	198.79	20.12									645.00		645.00
January	417.99	127.19	9.26	81.58	3.75	5.23					1,289.20		1,934.20
February													#VALUE!
March													-
April													-
May													-
June													-
Interest Collected	\$462.90	\$88.57	\$98.57	\$127.82	\$62.73	\$56.32	\$60.21	\$68.90	\$78.02	\$87.14	\$2,352.94	\$1,385.46	\$3,738.40
Submitted by: Amanda Murajda, Tax Collector												Collection Rate	92.6954%

Top 10 Delinquent Accounts (2023 & prior)

Name	Balance 1/31/2024
Angela George	\$ 20,002.20
Gandhi At Sylva Commons NC LLC (366 Walmart Plaza)	\$ 13,009.43
JTS Transport	\$ 7,728.43
5 Grindstaff Cove (Nantahala Brewing)	\$ 7,372.06
Mountain Park Urgent Care	\$ 6,751.56
Joe Wilson	\$ 5,912.88
Western Carolina #1LLC	\$ 5,618.32
Aclem Realty LLC	\$ 5,584.60
Phy Worley	\$ 5,413.83
Phy & Waldrop LLC (Burger King)	\$ 5,279.49

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
 1/31/2024

	General Fund				2023-2024 Budget Balance	Actual to Budget Percent	Statement Period 7	Variance
	2023-2024	Previously	2023-2024	Current				
	Budgeted	Reported	YTD Actual	Month				
Revenues:								
Ad valorem taxes	\$ 2,318,925	\$ 1,872,232.73	\$ 2,212,707.55	\$ 340,474.82	\$ 106,217.45	95.42%	58.33%	37.09%
Other taxes and licenses	\$ 6,200	5,105.00	5,145.00	\$ 40.00	\$ 1,055.00	82.98%	58.33%	24.65%
Unrestricted intergovernmental	\$ 2,847,272	1,265,574.68	1,536,060.07	\$ 270,485.39	\$ 1,311,211.93	53.95%	58.33%	-4.38% *
Permits and Fees	\$ 18,250	7,562.93	7,939.22	\$ 376.29	\$ 10,310.78	43.50%	58.33%	-14.83% *
Restricted intergovernmental	\$ 156,485	97,484.08	118,497.50	\$ 21,013.42	\$ 37,987.50	75.72%	58.33%	17.39%
Investment earnings	\$ 68,590	134,459.15	140,917.53	\$ 6,458.38	\$ (72,327.53)	205.45%	58.33%	147.12%
Other revenues	\$ 42,282	23,807.09	33,530.06	\$ 23,127.97	\$ 8,751.94	79.30%	58.33%	20.97%
Total revenues	\$ 5,458,004	3,406,225.66	4,054,796.93	661,976.27	\$ 1,403,207.07	74.29%	58.33%	15.96%
Expenditures:								
General Government	\$ 1,009,966	483,100.54	542,267.23	59,166.69	467,698.77	53.69%	58.33%	4.64%
Salaries & Benefits	\$ 426,778	202,374.25	239,777.54	37,403.29				
Capital outlay	\$ 26,000	26,000.00	26,000.00	-				
All other expenditures	\$ 557,188	254,726.29	276,489.69	21,763.40				
Public Safety	\$ 3,280,192	1,448,676.13	1,627,450.77	178,774.64	1,652,741.23	49.61%	58.33%	8.72%
Salaries & Benefits	\$ 1,813,587	793,459.67	624,477.66	45,979.14				
Capital outlay	\$ 127,993	46,547.39	54,277.39	-				
All other expenditures	\$ 1,338,612	28,773.70	28,773.70	132,795.50				
Culture and Recreation	\$ 111,090	28,694.56	32,031.07	3,336.51	79,058.93	28.83%	58.33%	29.50%
Salaries & Benefits	\$ 31,990	10,159.99	10,159.99	1,693.55				
Capital outlay	\$ 7,000	-	-	-				
All other expenditures	\$ 72,100	18,534.57	21,871.08	1,642.96				
Transportation	\$ 841,005	361,008.97	402,284.76	41,275.79	438,720.24	47.83%	58.33%	10.50%
Salaries & Benefits	\$ 350,246	164,807.44	189,228.87	24,421.43				
Capital outlay	\$ 131,538	47,805.54	47,805.54	-				
All other expenditures	\$ 359,221	148,395.99	165,250.35	16,854.36				
Economic and Physical Development	\$ -	-	-	-	-	0.00%	0.00%	0.00%
Salaries & Benefits								
Capital outlay								
All other expenditures	\$ -	-	-	-				
Environmental Protection	\$ 209,581	92,079.08	105,231.11	13,152.03	104,349.89	50.21%	58.33%	8.12%
Salaries & Benefits	\$ 92,154	43,105.66	49,724.16	6,618.50				
Capital outlay	\$ -	-	-	-				
All other expenditures	\$ 117,427	48,973.42	55,506.95	6,533.53				
Total expenditures	\$ 5,451,834	2,413,559.28	2,709,264.94	295,705.66	2,742,569.06	49.69%	58.33%	8.64%
Revenues over expenditures	\$ 6,170	992,666.38	1,345,531.99	366,270.61	(1,339,361.99)	-24.57%		
Other financing sources (uses):								
Transfers in	\$ 423,085	423,085.00	423,085.00	-	-			
Appropriated fund balance	\$ 845,000	-	-	-	-			
ARPA Related Appropriations	\$ 308,220	-	-	-	-			
PB Appropriated fund balance	\$ 35,000	-	-	-	-			
Fund Balance rollover	\$ 42,561	-	-	-	-			
Contributed Capital	\$ -	-	-	-	-			
Sale of Assets	\$ 20,000	-	13,405.00	-	-			
Loan Proceeds	\$ -	-	-	-	-			
	\$ 1,673,866	423,085.00	436,490.00	-	-			
Transfers to other funds:								
Contributed to GF fund balance	\$ -	-	-	-	-			
Transfers out	\$ 856,305	856,305.00	923,870.64	-	-			
Transfer to Capital Reserve	\$ 823,731	823,731.00	823,731.00	67,565.64	-			
	\$ 1,680,036	1,680,036.00	1,747,601.64	-	-			
Total other financing sources (uses)	\$ (6,170)	(1,256,951.00)	(1,311,111.64)	67,565.64	-			
Revenues and other sources over expenditures and other uses	\$ -	(264,284.62)	34,420.35	433,836.25	(1,339,361.99)			

Analysis:
 * Timing of revenues

SWIMMING POOL REPORT

2023

REVENUES

	<u>Account</u>	<u>Total Season</u>
Admissions	11-3612-410-01	33,232.00
Swim Lessons	11-3612-410-02	840.00
Concessions	11-3612-480-01	6,763.50
TOTAL REVENUE		\$ <u>40,835.50</u>

EXPENSES

SALARIES & WAGES	11-6121-121-00	43,752.39
SOCIAL SECURITY	11-6121-181-00	2,508.23
UNEMPLOYMENT COMPENSATION	11-6121-185-00	353.57
WORKMAN'S COMPENSATION	11-6121-186-00	726.00
MEDICARE TAX	11-6121-187-00	586.62
SUPPLIES & MATERIALS	11-6121-260-00	15,800.75
CONCESSION SUPPLIES	11-6121-270-00	6,900.69
TELEPHONE	11-6121-321-00	3,186.98
WATER & UTILITIES	11-6121-331-00	10,226.53
CONTRACTED SERVICES	11-6121-393-00	10,633.91
TOWN OF SYLVA/INSURANCE	PD. BY TOWN	1,389.00
CAPITAL OUTLAY-EQUIPMENT	11-6121-550-00	2,214.00
CAPITAL OUTLAY-IMPROVEMENT	11-6121-550-01	-
TOTAL EXPENSE		\$ <u>98,278.67</u>

TOTAL REVENUE	\$ 40,835.50
TOTAL EXPENSES	\$ <u>98,278.67</u>
NET PROFIT/LOSS	\$ <u>(57,443.17)</u>
1/2 of Net Profit/Loss	\$ (28,721.59)
1/2 of \$1389 Insurance Paid by Town of Sylva	\$ 694.50
Amount Due From Town of Sylva:	\$ (28,027.09)

INCLUDED ABOVE

Michael Hopkins	7.93%
WAGES	6,728.79
FICA	417.18
MEDICARE	97.57
Joseph Lyon	6.00%
WAGES	2,613.20
FICA	162.02
MEDICARE	37.89

R2024-03

Resolution Authorizing the Sale of Town Personal Property by Public Auction

WHEREAS, the Board of Commissioners of the town of Sylva, North Carolina desire to declare surplus and dispose of certain Town owned personal property,

WHEREAS, G.S. 160A-270 (b) allows for the disposal of surplus personal property through public auction,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Sylva that:

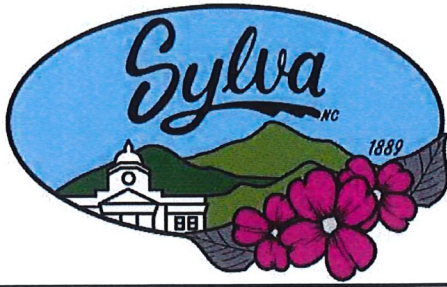
- 1- The following described property is hereby declared to be surplus to the needs of the Town of Sylva:
- 2-
 - **2016 Dodge Charger 2C3CDXAT7GH122304 (Asset #0365)**
 - **Toro Walk Behind Mower S/N#260000448 (Asset #0766)**
 - **2010 Ford F-150 Vin# 1FTEX1EW4AFA89364 (Asset #0781)**
 - **2011 Ford F-150 Vin# 1FTFX1EF1BFC40036 (Asset# 0784)**
 - **Lot of 12 Small Engine/Equipment (No Asset Number)**
 - **Fire Department Air packs, Bottles Masks, Cases, Parts Kit (No Asset Number)**
- 3- The Finance Officer is authorized to receive, on behalf of the Town of Sylva, bids at public auction for the purchase of the described property.
- 4- The public auction will be held through GovDeals, an online governmental surplus auction service (www.govdeals.com). The auction will start on March 18, 2024 at 8 a.m. and end on March 28, 2024 at 5 p.m. The terms of the sale shall be that the above listed items will be sold "as is" with no express or implied warranties.
- 5- The highest bid, if it complies with the terms of the sale, may be accepted by the Town of Sylva and the sale consummated.
- 6- The Town Clerk shall cause a notice of the public auction to be advertised solely by electronic means in accordance with G.S. 106A-270 (c). This will be accomplished by linking GovDeals to the Town of Sylva website at (www.townofsylva.org). The online auction will run for ten days; thus meeting the advertising requirements.

ADOPTED this 14th day of March 2024

Johnny Phillips, Mayor

Attest:

Amanda W. Murajda, Town Clerk



TOWN OF SYLVA BOARD OF COMMISSIONERS REGULAR MEETING

Thursday, February 8, 2024 at 5:30 PM
Board Room, 83 Allen Street Sylva, North Carolina

MINUTES

PRESENT: Blitz Estridge, Commissioner
Mary Gelbaugh, Mayor Pro-Tem
Mark Jones, Commissioner
Natalie Newman, Commissioner
Johnny Phillips, Mayor
Brad Waldrop, Commissioner

Richard Hicks, Interim Town Manager
Amanda Murajda, Town Clerk
Eric Ridenour, Town Attorney
Paige Dowling, Town Manager

ABSENT:

CALL TO ORDER

Mayor Phillips called the meeting to order at 5:30 p.m.

STAFF PRESENT: Lynn Bryant (Finance Officer), Jake Scott (Public Works Director), Robbie Carter (Police Lieutenant) Aimee Sumner (Lt. Detective), John Thomas (Assistant Police Chief) and Chris Hatton (Police Chief).

VISITORS: Kenyon Thweatt, Destri Leger, Charles Allen, Daniel Allen, Chuck Hall, Carol Hall, Dave Russell, Luther Jones, David Nestler, Jon Brown, DeMakus Staton, Beth Dennis, Ellerna Forney, and LaShonda Eaddy.

APPROVAL OF AGENDA

Commissioner Gelbaugh made a motion to approve the agenda. The motion carried with a unanimous vote.

APPROVAL OF CONSENT AGENDA

Commissioner Estridge made a motion to approve the consent agenda. The motion carried with a unanimous vote.

PUBLIC COMMENTS: DaMaKus Staton addressed the board and introduced his non-profit called Reflection of Inspiration which helps individuals attain their goals and aspirations to serve the community.

MAYOR'S REPORT: Mayor Phillips thanked Richard Hicks for serving as Interim Town Manager. Phillips has asked NCDOT to help with street light painting.

COMMISSIONER'S REPORT: Commissioner Gelbaugh mentioned that she had been approached about the smell of Jackson Paper. She reminded everyone of several articles in the Sylva Herald and a book written by Jason Gregory which explains it is vapor. Commissioner Waldrop requested to have additional information on the Town website regarding the Highway 107 project. Commissioner Jones also thanked Mr. Hicks for his service and welcomed Paige Dowling back to the Town. Commissioner Estridge noted it was sad to see Speedy's Pizza and Bryson Farm Supply taken down. Commissioner Newman requested a MOU about the Victoria Casey-McDonald sculpture be added to a future agenda.

MANAGER'S REPORT: Richard Hicks, Interim Town Manager, reported the following:

- The Fire Department will be conducting training burns in the next few weeks.
- The Police Department still has 2 vacancies.
- Town Hall will be closed on February 19, 2024 for the President's Day holiday.

PUBLIC HEARING

COMMUNITY INPUT: BRYSON PARK PLAYGROUND EQUIPMENT: Jake Scott gave an opening presentation showing concept ideas of playground equipment to be installed. Charles Allen spoke to say he would like to have a multi-use court installed as well as a larger covered pavilion. LaShonda Eaddy addressed the board about the park's namesake. She explained some history related to her Bryson family. She requested the board speak to the Bryson Family. *Being no further comment, Commissioner Gelbaugh made a motion to close the hearing at 6:08 p.m.*

ORDINANCE AMENDMENT: SECTION 30-14: STREETS AND SIDEWALKS—PUBLIC SOLICITATION:

Kenyon Thweat addressed the board and offered his support for the public solicitation ordinance. As a profession, he has worked with individuals who suffer with housing and health issues. Destri Leger noted that she is concerned with the ambiguity of the ordinance and the way it would be enforced. Commissioner Newman read an email from Craig Garrett who expressed that there was no need for the ordinance. *Being no further comment, Commissioner Jones made a motion to close the hearing at 6:18 p.m. The motion carried with a unanimous vote.*

NEW BUSINESS

ORDINANCE AMENDMENT: SECTION 30-14: STREETS AND SIDEWALKS—PUBLIC SOLICITATION:

Mayor Phillips asked for a motion to approve the ordinance as presented. *Commissioner Jones made a motion to approve the ordinance as presented.* Commissioner Waldrop commented that he did not think the ordinance as written was constitutional. He added that the content did not seem constitutional. Commissioner Gelbaugh noted that she has concern on the activities prohibited because it's impossible to discern that. Chief Hatton explained that this is a civil ordinance, and the officer decides. Gelbaugh noted that the ordinance, if passed, could be edited in the future. Commissioner Newman asked what the other commissioners wanted to see in regard to constituents' requests. Newman asked a series of questions of Chief Hatton for clarification. Commissioner Jones mentioned the safety on Highway 107 during the Highway 107 construction project. The board continued to discuss the ordinance. *Mayor Phillips called for a vote on the motion on the floor. The motion carried with a 3-2 vote. Voting in favor of the motion were commissioners Gelbaugh, Jones and Estridge. Voting against the motion were Commissioners Newman and Waldrop.*

MAINSTREET LIGHTING: SELECTION OF LIGHTING FOR MAINSTREET: At the January 25, 2024 board meeting, the board heard a presentation on street light options for replacing lights on Main Street. The board discussed the three options available. *Commissioner Gelbaugh made a motion to choose the Monticello Street Light for the replacement. The motion carried with a unanimous vote.*

RESOLUTION OF INTENT: SCHEDULE PUBLIC HEARING TO RENAME A PORTION OF MUNICIPAL DRIVE: A request was made to have Municipal Drive, from the Fire Department to the intersection of Allen Street, renamed to Vance Street in memory of RO Vance, a long-time Sylva business owner, fire department member and supporter of the Town of Sylva. The public hearing would be on March 14th and vote to follow that. *Commissioner Gelbaugh made a motion to schedule the public hearing. The motion carried with a unanimous vote.*

RESCHEDULE MARCH 28, 2024 REGULAR BOARD MEETING TO MARCH 21, 2024 AT 9:00 A.M.: The regular meeting needs to be rescheduled to March 21st due to the budget meeting schedule. *Commissioner Newman made a motion to reschedule the meeting. The motion carried with a unanimous vote.*

ADJOURNMENT: *Commissioner Waldrop made a motion to adjourn the meeting at 7:10 p.m. The motion carried with a unanimous vote.*

Johnny Phillips
Mayor

Amanda W. Murajda
Town Clerk



TOWN OF SYLVA BOARD OF COMMISSIONERS MEETING

Thursday, February 22, 2024 at 9:00 AM
Board Room, 83 Allen Street Sylva, North Carolina

MINUTES

PRESENT: Blitz Estridge, Commissioner
Mary Gelbaugh, Mayor Pro-Tem
Mark Jones, Commissioner
Natalie Newman, Commissioner
Johnny Phillips, Mayor
Brad Waldrop, Commissioner

Paige Dowling, Town Manager
Amanda Murajda, Town Clerk
Eric Ridenour, Town Attorney

ABSENT:

CALL TO ORDER

Mayor Phillips called the meeting to order at 9:00 a.m.

STAFF PRESENT: Jake Scott (Public Works Director), Bernadette Peters (Main Street Director), Mike Beck (Fire Chief) and Chris Hatton (Police Chief).

VISITORS: Luther Jones, Dave Russell, and Marie Cochran.

APPROVAL OF AGENDA

Commissioner Newman made a motion to approve the agenda. The motion carried with a unanimous vote.

APPROVAL OF CONSENT AGENDA

Commissioner Gelbaugh made a motion to approve the consent agenda. The motion carried with a unanimous vote.

PUBLIC COMMENTS

Luther Jones thanked the board for approval of the solicitation ordinance. Marie Cochran addressed the board and reminded them of the proclamation approved in 2023 for Victoria Casey-McDonald day on February 26th.

MAYOR'S REPORT

Mayor Phillips reported that he had attended the Essentials of Municipal Government class and it was a great learning opportunity.

COMMISSIONER'S REPORT

Commissioner Gelbaugh noted that she attended the quarterly library board meeting. Commissioner Waldrop reported that he is working with a group on overhead utilities on Mill Street as part of a revitalization project. Commissioner Jones commended Jake Scott on the work at Allen Street and Bryson Park. Commissioner Estridge requested that signs stating no tractor trailer vehicles be installed on East Sylva Circle. Commissioner Newman announced that the Appalachian Studies Association will be holding a conference at WCU March 7-9, 2024.

MANAGER'S REPORT: Interim Manager Hicks reported the following:

- Departmental budget requests were submitted. The next budget work session is March 21st following the regular board meeting.
- Both the downtown public restroom project and the Bridge Park green infrastructure project will see lots of progress in the upcoming weeks. Both projects are under construction at this time.

PUBLIC WORKS DEPARTMENT REPORT: Jake Scott reported the following:

- Scott is working with Bliss Products on playground equipment concept ideas. He has requested that they reflect poured-in-place rubber as well as ADA accessible equipment.

Regular Board Meeting February 22, 2024

- Scott has asked Odell Thompson to construct a drawing for a picnic pavilion at Bryson Park
- The public restroom project has encountered unsuitable soil.
- The Bridge Park project has also encountered unsuitable soil and rock.
- Duke Energy expects a mid-summer completion date of the new Main Street light poles.

POLICE DEPARTMENT REPORT: Chris Hatton reported the following:

- The department is currently planning for Town events coming up.
- They still have 2 job vacancies.
- There will be a Community Care symposium on March 4th.
- Joshua Geiger received the Officer of the Year award.
- Robbie Carter received the Supervisor of the Year award.
- Hatton updated the board on calls for service.

FIRE DEPARTMENT REPORT: Mike Beck reported on the following:

- 192 calls so far in 2024—this is up 70 from the previous year.
- New employee, Allen Orcutt, began today.

MAIN STREET REPORT: Bernadette Peters reported the following:

- Greening Up the Mountains is full for all vendors.
- Updated Highway 107 project information will be posted on the Town's website.
- Friends of Main Street program created to encourage involvement.

TWSA BOARD REPORT: Manager Dowling reported that the annual meeting will be March 5, 2024.

NEW BUSINESS

MILL STREET DESIGN PRESENTATION: Bernadette Peters gave a presentation on a 5-year revitalization project for the Mill Street area.

PROCLAMATION OF APPRECIATION: Last week, Julie Donaldson celebrated 25 years with the Jackson County Chamber. Mayor Phillips signed the proclamation in the agenda packet. Bernadette Peters presented this to Julie as a surprise. The Town of Sylva is very grateful for Julie's work and dedication to Sylva and Jackson County.

SPECIAL EVENT REQUEST—INNOVATION BREWING @ GREENING UP THE MOUNTAINS: Innovation Brewing is requesting the special event permit for the beverage arts area at Greening Up the Mountains. This permit comes to the board for approval each year. *Commissioner Jones made a motion to approve the special event request. The motion carried with a unanimous vote.*

RESCHEDULE MARCH PLANNING BOARD MEETING TO MARCH 21, 2024 AT 5:00 P.M.: *Commissioner Newman made a motion to reschedule the March Planning Board meeting to March 21, 2024 at 5:00 p.m. The motion carried with a unanimous vote.*

CLOSED SESSION: *Commissioner Gelbaugh made a motion to enter closed session pursuant to NCGS. 143-318-11(a)(3) to consult with the town attorney and (6) for personnel at 9:48 a.m. The motion carried with a unanimous vote.*

Commissioner Jones made a motion to come out of closed session. The motion carried with a unanimous vote and the Board entered into regular session at 10:39 a.m. No action was taken during closed session.

ADJOURNMENT: *Commissioner Waldrop made a motion to adjourn the meeting at 10:50 a.m. The motion carried with a unanimous vote.*

Johnny Phillips
Mayor

Amanda W. Murajda
Town Clerk

RESOLUTION
of the
Town of Sylva Board of Commissioners
To Rename A Portion of Municipal Drive to Vance Street

In Recognition and Appreciation for the Service of

R. O. Vance (1927-2014)

WHEREAS, the Town of Sylva Board of Commissioners would like to recognize the service of R.O. Vance to the citizens and communities of the Town of Sylva and Jackson County; and

WHEREAS, Mr. Vance began his working career on Main Street, Sylva in 1947 working at Winn-Dixie Supermarket followed by Western Auto from 1948 to May of 1963; and

WHEREAS, in May of 1963 Mr. Vance, along with his wife Willetta, opened Vance Hardware on Main Street, Sylva and were successful business owners until their retirement in December 2013; and

WHEREAS, Mr. Vance was a self-taught mechanic in the business where they stocked an array of items, from pressure cookers to mechanical parts and everything in between; he also maintained summer homes for residents and was known as the best key maker in Jackson County; and

WHEREAS, in addition to his services as a business owner, Mr. Vance was a member of the Sylva Fire Department from 1959 to 1984, retiring after 25 years of service to the community as a volunteer; and

WHEREAS, in 2010, to recognize Mr. Vance's Main Street service, the Town of Sylva granted a special parking space for his service vehicle as well as honoring he and wife Willetta as Grand Marshals of the Town of Sylva Christmas Parade in 2012; and

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Town of Sylva Board of Commissioners do hereby wish to publicly express their gratitude for his 50 years of service to the Town of Sylva by renaming a portion of Municipal Drive from the Sylva Fire Department to the intersection of Allen Street to Vance Street in his honor.

BE IT FURTHER RESOLVED that Mr. R. O. Vance will be remembered as a generous, kind, caring citizen of the Town of Sylva who most notably could fix everything but a broken heart.

Adopted this 14th day of March 2024.

 Johnny Phillips, Mayor

Attest:

 Amanda W. Murajda, Town Clerk

**AMENDED
TOWN OF SYLVA
PUBLIC RESTROOMS GRANT PROJECT ORDINANCE**

BE IT ORDAINED by the Governing Board of the Town of Sylva, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project is adopted:

Section 1. The project authorized is the for the engineering and construction of public restrooms downtown.

Section 2. The project may be funded by financing through debt, grant funding, fund balance reserves, earmarked monies or other revenue sources that are applicable.

Section 3. The officers of this unit are hereby directed to proceed with the grant project within the budget contained herein.

Section 4. The following amounts are appropriated for the project:

Revenues:

State Capital and Infrastructure Grant Fund (SCIF #11611)	250,000
State Capital and Infrastructure Grant Fund (SCIF #11613)	100,000
Southwestern Commission Council of Government (SCIF)	40,000
Interest (SCIF #11611 and SCIF#11613)	8,900
Town of Sylva ARPA Related Funds (10/26/2023)	209,773
Town of Sylva ARPA Related Funds (12/14/2023)	5,976
Town of Sylva ARPA Related Funds (3/14/2024)	<u>22,000</u>
	\$ 636,649

Expenditures:

Professional Services	32,500
Construction (\$22,000 Contingency)	507,423
Utility Relocation	5,000
Property Lease	10,000
Misc. Supplies and Expense	3,000
Sales Tax	2,000
Landscape/Tables/Benches	20,000
TWSA Allocation/Associated Services	5,976
Contingency	<u>50,750</u>
	\$ 636,649

Section 6. The Finance Officer is hereby directed to maintain within the grant project ordinance sufficient detailed accounting records to satisfy the requirements of a grantor agency and any federal regulations if applicable.

Section 7. If needed, funds may be advanced from the General Fund Balance for the purpose of making payments due. Any funds appropriated from Fund Balance will be approved by the Board of Commissioners.

Section 8. The Finance Officer is directed to report on a quarterly basis the financial status of each project element in Section 4.

Section 9. Copies of this grant capital project ordinance shall be furnished to the Clerk of the Governing Board and the Finance Officer for direction in carrying out this project.

Section 10. Fund 30 (Public Restroom Grant Project Ordinance) will account for the bookkeeping records of this project.

Section 11. Per SCIF Grant and Southwestern Commission of Government Grant requirements, investment earnings received from grant monies must be used for the same purpose as the authorized uses.

Section 12. Per SCIF Grant requirements, monies will not revert until the end of the project.

Section 13. Per SCIF Grant and Southwestern Commission of Government Grant requirements, all records related to the grant project must be retained at least five years after the close of the project.

Adopted this the 14th day of March 2024.

Johnny Phillips, Mayor

ATTEST:

Amanda Murajda, Town Clerk

SHEILA GAHAGAN, CPA

229 Penland Street

Clyde, NC 28721

Phone: 828-627-1040 Fax: 828-627-2329

March 6, 2024

To the Mayor, Board of Commissioners, and Management of Town of Sylva, North Carolina

I am pleased to confirm my understanding of the services I am to provide the Town of Sylva, North Carolina (Town of Sylva) for the year ended June 30, 2024.

Audit Scope and Objectives

I will audit the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the Town of Sylva, North Carolina (Town of Sylva) as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Sylva's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of my engagement, I will apply certain limited procedures to the Town of Sylva's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Local Government Employees' Retirement Schedules (Other Post-Employment Benefits Schedules)
- 3) Law Enforcement Officers' Special Separation Allowance Schedules
- 4) Budget to Actual Schedules

I have also been engaged to report on supplementary information other than RSI that accompanies the Town of Sylva's financial statements. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS and I will provide an opinion on it in relation to the financial statements as a whole, in a report combined with my auditor's report on the financial statements:

- 1) Schedule of expenditures of federal and state awards.
- 2) Combining and Individual Fund Statements and Schedules
- 3) Schedule of Ad Valorem Taxes Receivable
- 4) Schedule of Current Tax Levy – Town Wide Levy

The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes my opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate they would influence that judgment of a reasonable user based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and the terms and conditions of state awards that could have a direct and material effect on each major program in accordance with the State Single Audit Implementation Act and applicable sections of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and the terms and conditions of state awards that could have a direct and material effect on each major program in accordance with the State Single Audit Implementation Act.

Auditor's Responsibilities for the Audit of the Financial Statements and State Single Audit

I will conduct my audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Uniform Guidance, provisions of the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major program(s) in accordance with the State Single Audit Implementation Act, and other procedures I consider necessary to enable me to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, I exercise professional judgment and maintain professional skepticism throughout the audit.

I will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. I will evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, an unavoidable risk exists that

some material misstatements or noncompliance may exist and not be detected by me, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, I will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. I will include such matters in the reports required for a State Single Audit. My responsibility as an auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as an auditor.

I will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

I have identified the following significant risks of material misstatement as part of my audit planning:

1. Management override of controls
2. Revenue Recognition

I may, from time to time and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am able to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

My audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

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

As required by the State Single Audit Implementation Act, I will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that I consider relevant to preventing

or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, my tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to the State Single Audit Implementation Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, I will express no such opinion. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, applicable sections of Uniform Guidance and the State Single Audit Implementation Act.

Audit Procedures—Compliance

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

The State Single Audit Implementation Act requires that I also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. My procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town of Sylva's major programs. For federal and state programs that are included in the Compliance Supplement, my compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Town of Sylva's compliance with requirements applicable to each of its major programs in my report on compliance issued pursuant to the State Single Audit Implementation Act.

Other Services

I will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and disclosures and fixed asset schedule of the Town of Sylva and assist with conversion journal entries from budget to full accrual in conformity with U.S. generally accepted accounting principles and the State Single Audit Implementation Act based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and disclosures, fixed asset schedule and bookkeeping services previously defined. I, in my sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal and state awards, and related disclosures and any other nonaudit services I provide. You will be required to acknowledge in the management representation letter my assistance with the preparation of the financial statements, the schedule of expenditures of federal and state awards, related disclosures, and other nonaudit services and that you have reviewed and approved the financial statements, the schedule of expenditures of federal and state awards, related disclosures and other nonaudit services prior to their issuance and have accepted responsibility for them. Further you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with

suitable skills, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and the State Single Audit

My audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal and state awards, all financial records and related information available to me and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the State Single Audit Implementation Act, (3) additional information that I may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence. At the conclusion of the of my audit, I will require written representations from you about the financial statements; schedule of expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other matters.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that I report. Additionally, as required by the State Single Audit Implementation Act, it is management's

responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for my review on October 7, 2024.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including disclosures and noncash assistance received, and COVID-19 related concepts, such as lost revenues) in conformity with Uniform Guidance and the State Single Audit Implementation Act. You agree to include my report on the schedule of expenditures of federal and state awards in any document that contains and indicates that I have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes my reports thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards, including its form and content, is fairly stated in accordance with Uniform Guidance and the State Single Audit Implementation Act; (2) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (3) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

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

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

Engagement Administration, Fees, and Other

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

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

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

As an attest client, Sheila Gahagan CPA cannot retain your documents on your behalf. This is in accordance with ET 1.295.143 of the AICPA *Code of Professional Conduct*. Town of Sylva is responsible for maintaining its own data and records.

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

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State Auditor or North Carolina Local Government Commission. If I am aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, I will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Sheila Gahagan is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. I expect to begin my interim audit work on June 10, 2024 and audit on approximately October 14, 2024 and to issue my reports no later than November 30, 2024.

I estimate my fee for these services will not exceed \$24,500. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report(s). You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, I will keep you informed of any problems I encounter and my fees will be adjusted accordingly.

Reporting

I will issue written reports upon completion of my State Single Audit. My report will be addressed to management and those charged with governance of the Town of Sylva. Circumstances may arise in which my report may differ from its expected form and content based on the results of my audit. Depending on

the nature of these circumstances, it may be necessary for me to modify my opinions, add a separate section, or add emphasis-of-matter or other-matter paragraph to my auditor's report, or if necessary, withdraw from this engagement. If my opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to form or have not formed opinions, I may decline to express opinions or I may withdraw from this engagement.

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

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

Sheila Gahagan, CPA

Sheila Gahagan, CPA

RESPONSE: This letter correctly sets forth the understanding of the Town of Sylva, North Carolina.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



Bernard Robinson & Company, L.L.P.

Report on the Firm's System of Quality Control

June 24, 2021

To the Owner of Sheila Gahagan, CPA
and the Peer Review Committee of the Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Sheila Gahagan, CPA (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 an engagement 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 Sheila Gahagan, CPA 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*. Sheila Gahagan, CPA 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

The of and	Governing Board Mayor and Board of Commissioners
	Primary Government Unit Town of Sylva, North Carolina
	Discretely Presented Component Unit (DPCU) (if applicable)

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

and	Auditor Name Sheila Gahagan, CPA
	Auditor Address 229 Penland Street, Clyde NC 28721

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
-----	--------------------------------	---

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

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

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

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

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

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

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

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

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

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

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

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

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

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

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

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

FEEES FOR AUDIT SERVICES

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

Financial statements were prepared by: [X] Auditor [] Governmental Unit [] Third Party

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

Name: Lynn Bryant Title and Unit / Company: Finance Officer Email Address: lbryant@townofsylva.org

OR Not Applicable [] (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

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

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.


4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Table with 2 columns: Description, Amount. Rows include Primary Government Unit (Town of Sylva, North Carolina), Audit Fee (\$18500), Fee per Major Program (\$3900), Additional Fees Not Included Above (if applicable), Financial Statement Preparation (\$2100), All Other Non-Attest Services (\$), TOTAL AMOUNT NOT TO EXCEED (\$24,500).

Table with 2 columns: Description, Amount. Rows include Discretely Presented Component Unit, Audit Fee (\$), Fee per Major Program (\$), Additional Fees Not Included Above (if applicable), Financial Statement Preparation (\$), All Other Non-Attest Services (\$), TOTAL AMOUNT NOT TO EXCEED (\$).

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Sheila Gahagan, CPA	
Authorized Firm Representative (typed or printed)* Sheila Gahagan	Signature* 
Date* 03/06/24	Email Address* sheila@gahagancpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Sylva, North Carolina	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	03/14/24
Mayor/Chairperson (typed or printed)* Johnny Phillips	Signature*
Date	Email Address* jphillips@townofsylva.org

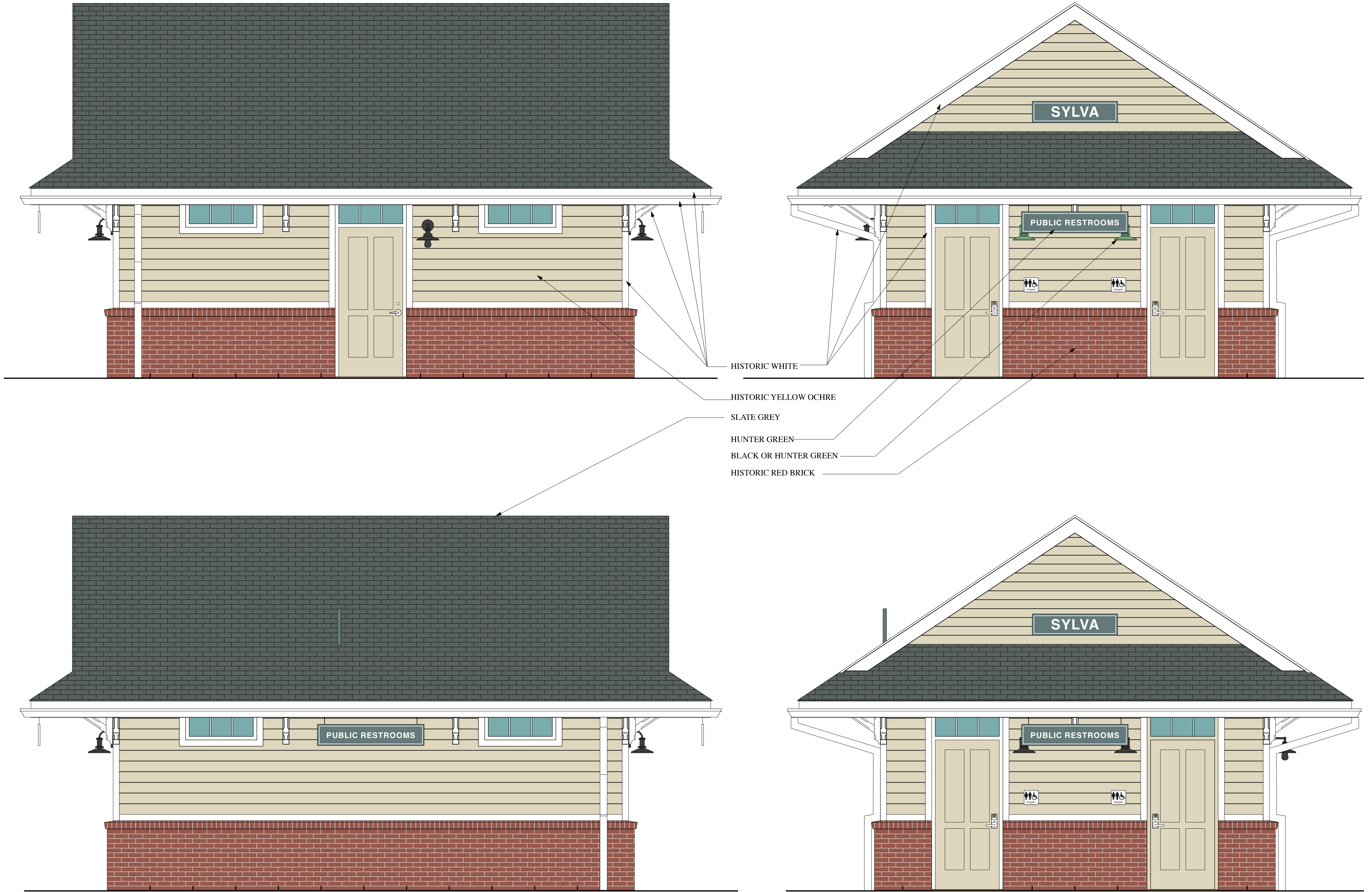
Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

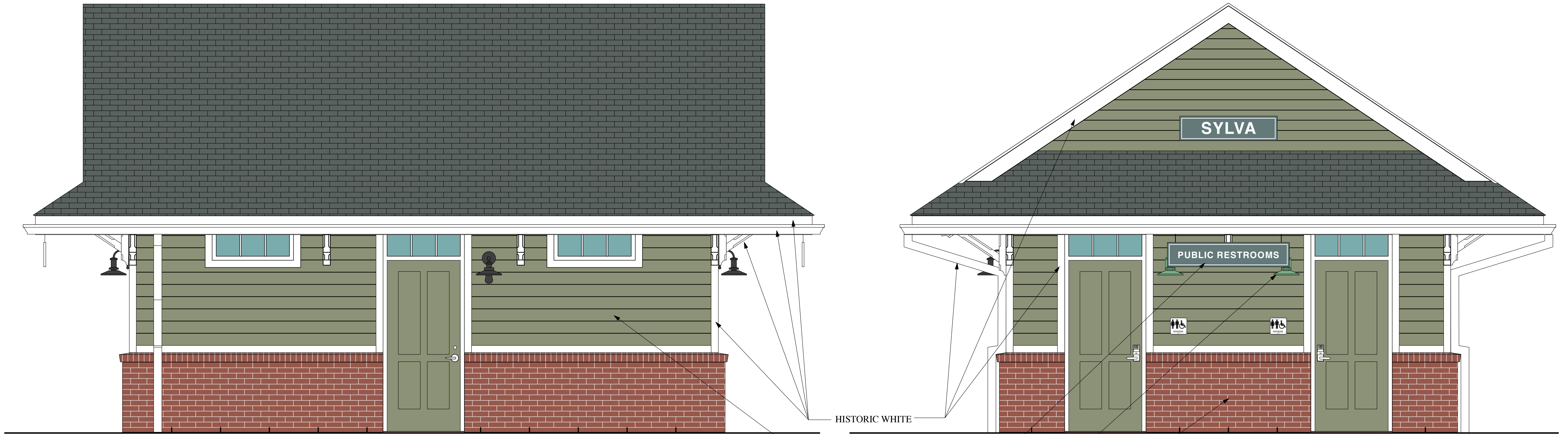
Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

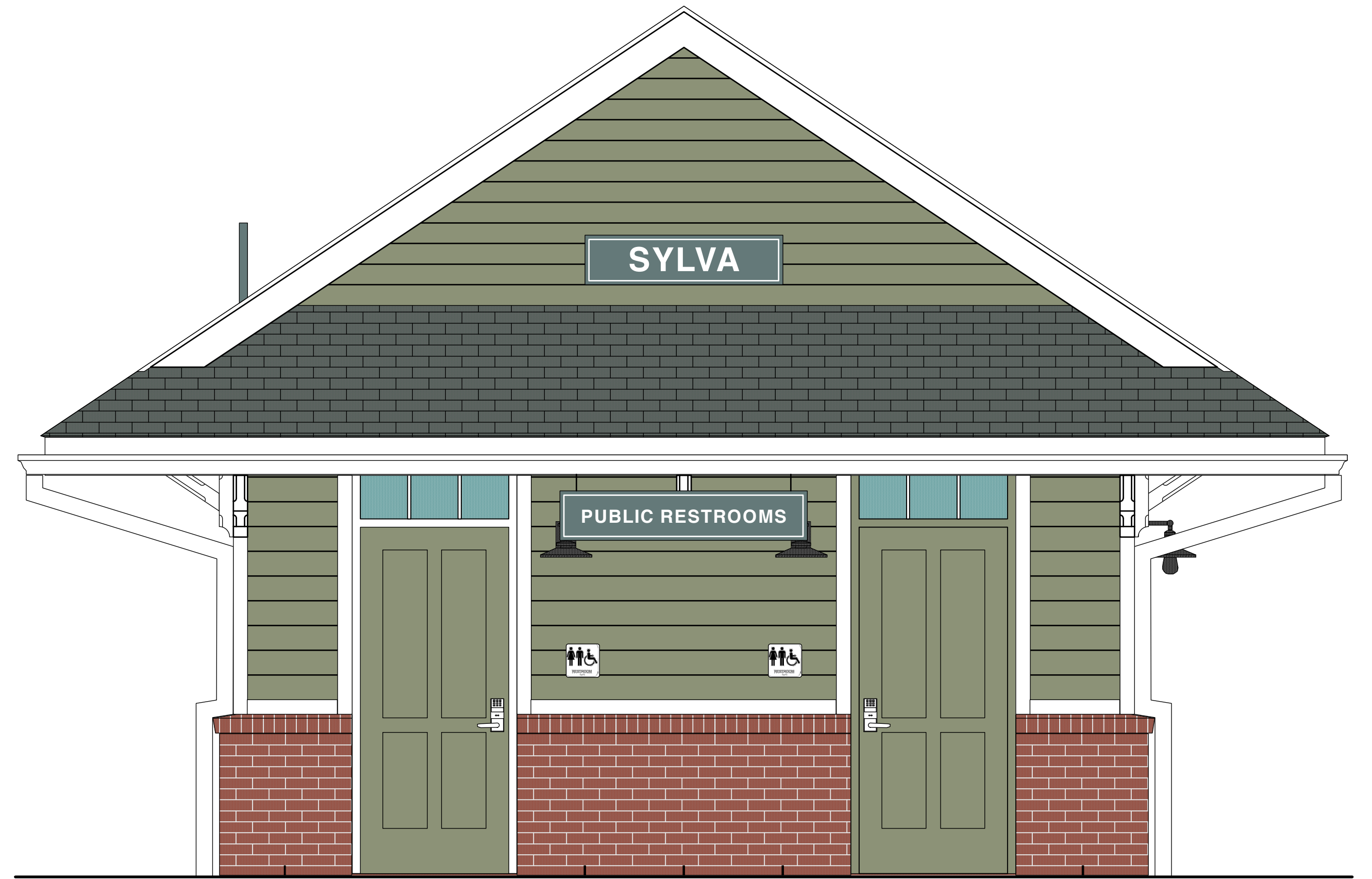
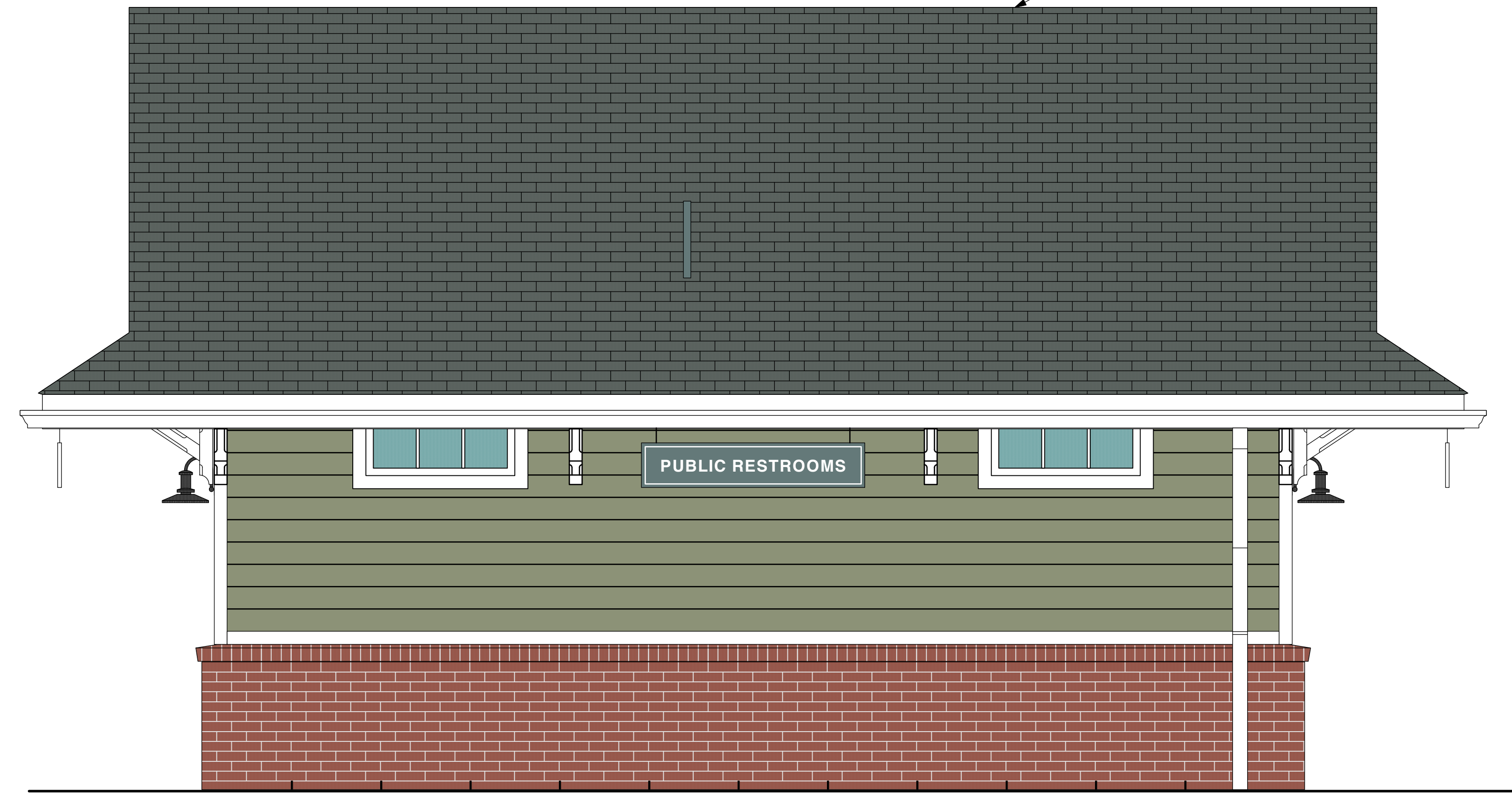
Sum Obligated by This Transaction:	\$ 24,500
Primary Governmental Unit Finance Officer* (typed or printed) Lynn Bryant	Signature*
Date of Pre-Audit Certificate*	Email Address* lbryant@townofsylva.org



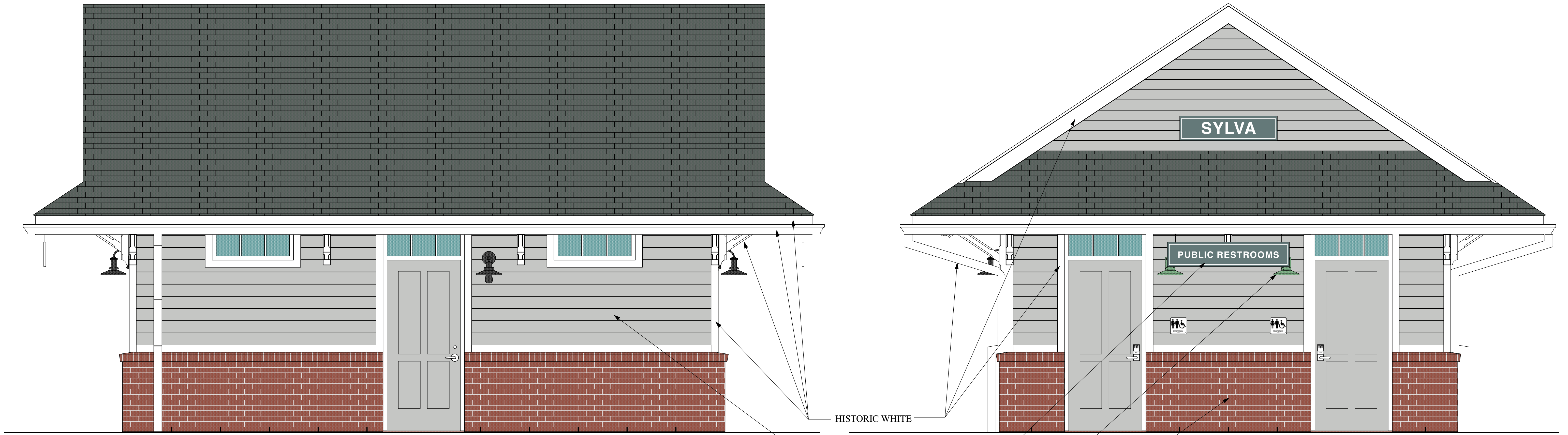
EXTERIOR COLORS- OPTION 1



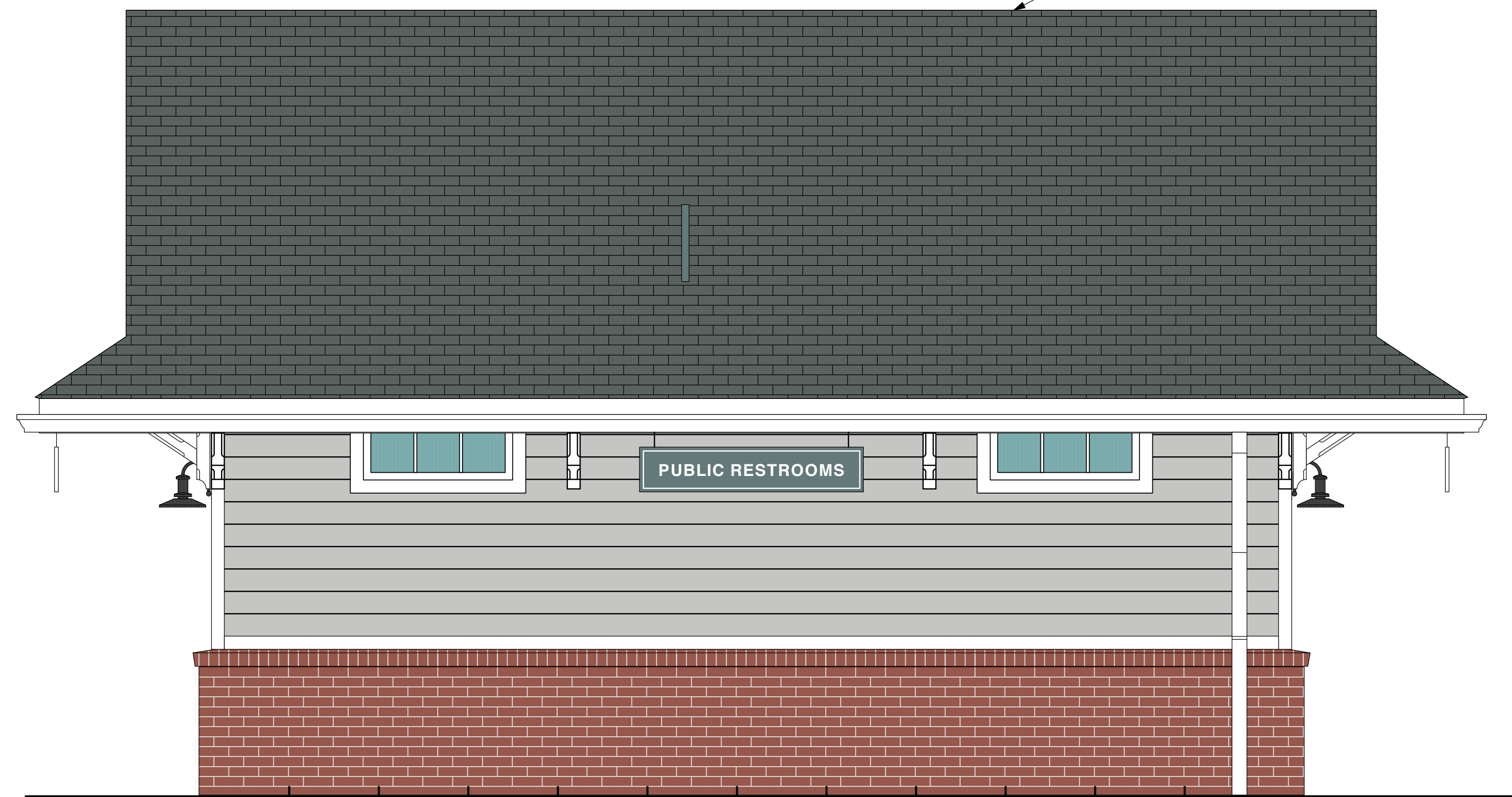
- HISTORIC WHITE
- HISTORIC YELLOW OCHRE
- SLATE GREY
- HUNTER GREEN
- BLACK OR HUNTER GREEN
- HISTORIC RED BRICK



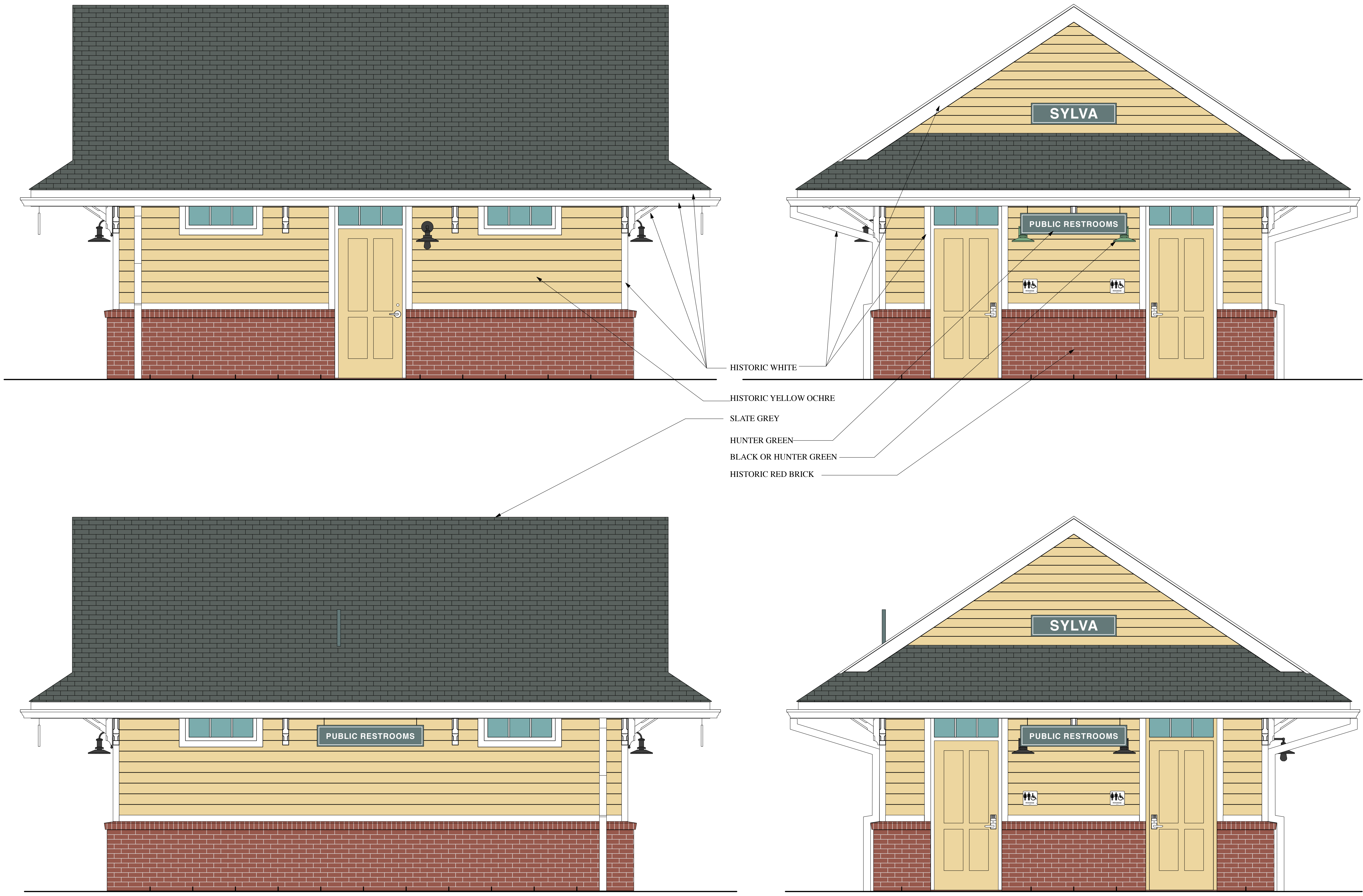
EXTERIOR COLORS- OPTION 1



- HISTORIC WHITE
- HISTORIC YELLOW OCHRE
- SLATE GREY
- HUNTER GREEN
- BLACK OR HUNTER GREEN
- HISTORIC RED BRICK



EXTERIOR COLORS- OPTION 1



EXTERIOR COLORS- OPTION 1