

**THE ERWIN BOARD OF COMMISSIONERS  
JUNE 2020 REGULAR MEETING  
THURSDAY, JUNE 4, 2020 @ 7:00 P.M.  
ERWIN MUNICIPAL BUILDING BOARD ROOM**

**AGENDA**

1. **MEETING CALLED TO ORDER**
  - A. INVOCATION
  - B. PLEDGE OF ALLEGIANCE
2. **AGENDA ADJUSTMENTS /APPROVAL OF AGENDA**
3. **CONSENT (Page 2)**

*All items on Consent Agendas are considered routine, to be enacted on one motion without discussion. If a Board member or citizen request discussion of an item, the item will be removed from the consent Agenda and considered under New Business.*

  - A. Minutes of Regular Meeting on May 7, 2020 (Page 2)
  - B. Financial Report for April 2020 (Page 6)
  - C. DM2 Retainer Contract (Page 8)
  - D. N-Focus Agreement (Page 11)
  - E. Resolution of Awarding Badge and Service Sidearm to Ralph Kerley (Page 14)
  - F. Budget Ordinance Amendment BOA 2020-06 (Page 15)
4. **PUBLIC COMMENT**

*Each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 15 minutes or less. Citizens should sign up prior to the start of the meeting. Please provide the clerk with copies of any handouts you have for the Board. Although the Board is interested in hearing your concerns, speakers should not expect Board action or deliberation on subject matter brought up during the Public Comment segment. Thank you for your consideration of the Town Board, staff and other speakers. §160A-81.1*
5. **PUBLIC HEARING**
  - A. Proposed Budget for Fiscal Year 2020-2021 (Page)
6. **OLD BUSINESS**
  - A. Dunn-Erwin Rail Trail Rules (Page 16)
7. **CLOSED SESSION**
  - A. Pursuant to General Statute 143-318.11(a) (6) for the Purpose of Discussing Personnel
8. **MANAGER'S REPORT**
9. **ATTORNEY'S REPORT**
10. **GOVERNING BODY COMMENTS**
11. **ADJOURNMENT**

ERWIN BOARD OF COMMISSIONERS  
REGULAR MINUTES  
JUNE 4, 2020  
ERWIN, NORTH CAROLINA

The Board of Commissioners for the Town of Erwin with Mayor Carson presiding, held its Regular Meeting in the Town Hall on Thursday, June 4, 2020 at 7:00 P. M. in Erwin, North Carolina.

Board Members present were: Mayor Patsy Carson, Commissioners William Turnage, Randy Baker, Ricky Blackmon, Alvester McKoy, Thurman Whitman and Melinda Alvarado.

Town Manager Snow Bowden and Town Clerk Cynthia Patterson were present.

Town Attorney Tim Morris was present.

Mayor Carson called the meeting to order at 7:00 P. M.

Commissioner McKoy gave the invocation.

Those present recited the Pledge of Allegiance.

#### APPROVAL OF AGENDA

Commissioner Turnage made a motion to add under Consent Items (Item G) Budget Amendment 007 and (Item H) Audit ending June 30, 2020 with Thompson, Price, Scott, Adams & Co. and was seconded by Commissioner Baker. **The Board voted unanimously.**

#### CONSENT ITEMS

Commissioner Turnage made a motion to approve **(Item A)** Approval of Regular Minutes of 05/07/20, **(Item B)** Financial Report Summary for April 2020, **(Item C)** DM2 Retainer Contract, **(Item D)** N-Focus Agreement, **(Item E)** Resolution of Awarding Badge and Service Sidearm to Ralph Kerley, **(Item F)** Budget Ordinance Amendment BOA 2020-06, **(Item G)** Budget Ordinance Amendment BOA 2020-07, and **(Item H)** Audit ending June 30, 2020 with Thompson, Price, Scott, Adams & Co. and was seconded by Commissioner McKoy. **The Board voted unanimously.**

*A copy of the Financial Report Summary for April 2020, DM2 Retainer Contract, N-Focus Agreement, Resolution of Awarding Badge and Service Sidearm to Ralph Kerley, Budget Ordinance Amendment BOA 2020-06, Budget Ordinance Amendment BOA 2020-07, and Audit ending June 30, 2020 with Thompson, Price, Scott, Adams & Co. is incorporated into these minutes as **Attachment #1***

## MINUTES CONTINUED FROM JUNE 4, 2020

### PUBLIC HEARING

Commissioner Baker made a motion to open the public hearing at 7:03pm and was seconded by Commissioner Turnage. **The Board voted unanimously.**

### PROPOSED BUDGET FOR FISCAL YEAR 2020-2021

Town Manager Snow Bowden informed the board of some budget highlights that are below.

### Budget Highlights

- In the proposed budget there is not an increase in the property tax rate. The property tax rate remains the same at \$.51. There is a slight decrease in the amount I have projected we will collect. Harnett County does a great job for the Town by collecting our taxes and they have a high collection rate percentage. Typically, it is around 98% to 99%. In this proposed budget I have estimated the collection rate at 95%.
- The proposed budget includes a contribution to the Erwin Fire Department based on a \$.095 tax rate.
- Health insurance rates increased by 5%. The health insurance rates will be \$498/month per employee and qualified retirees.
- In the proposed budget there are increases in retirement rates that are mandated by the State of North Carolina retirement system. Keep in mind these rates will be rising again for sure over the next two Fiscal Years as well. For regular employees this rate includes the death rate. For Law Enforcement Officers the death benefit is offset by court costs
  - Regular employees increased from .0907% to .1025% of an employee's salary
  - Police Officer rates increased from .0970% to .1084% of an officer's salary
- The separation allowance in the line item in the Police Department budget increased due to the resignation of First Sergeant Ralph Kerley. His yearly allowance will be \$6,264. He will receive this allowance until he reaches the age of 62.
- There were numerous capital outlay requests from department heads. In this proposed budget there are no capital outlay requests being funded. Due to the uncertainty of the current economic conditions.
- I had initially planned to request funds for a comprehensive land use plan. The Town does have a land use plan that was completed in 2014. The Town needs a comprehensive land use plan to be in compliance with NCGS 160D. I feel like our current land use plan can meet the criteria set out in this new legislation but this is something we need to plan to do in the next Fiscal Year if it does not meet the standards. In the law it also states that the plan has to be updated on a timely basis. The

MINUTES CONTINUED FROM JUNE 4, 2020

law does not set a certain 'time period' but this is also something that needs to be considered when developing a plan.

- The proposed budget does include continuing to use NFOCUS to handle our Code Enforcement. Currently, they send someone once a week. In this proposed budget I have only proposed funding to have them send someone 3 days a month at \$19,873.
- The Town of Erwin has an agreement with Waste Industries (Now known as GFL Environmental) to provide trash/recycling collection for our residents. The Town saw a major savings when they switched from Republic to Waste Industries. In the agreement the Town had with Waste Industries their fees had to remain the same during the first two years of the agreement. After two years, they could go up based on the current trends in the industry/ cost of living. Their fee is going up 3.2%. This is the last year of our agreement with Waste Industries/GFL Environmental. In a few months they will send us a proposed agreement to renew the contract. The Town can always put the contract out for bid again to see if we can get a better rate.
  - The processing fee for recyclables has skyrocketed. The fee has increased from \$.36/per ton to \$.61/per ton. There is still a processor in Eastern North Carolina at the moment. There have been some municipalities that have had to cut out items that were once considered recyclable due to the changes in the market. We also have to deal with a lot of contamination here in Town (when someone puts items that are not recyclable in their recycling container) which causes the fees to be increased.
    - Increase in rates for trash collection- \$1.66/per container
    - Increase in rates for recycling collection- \$0.98/per container
- The proposed budget does not include any increases in fees other than the increase in fees for trash and recycling collection.
- The proposed budget does include cuts in some of the part-time help for each department.
- The proposed budget does not have any money in proposed in contract services for storm water. Storm water is something that I wanted to address at our budget retreat. I do think we will need to reevaluate this later in the year when we have a better idea of where we stand financially.

Due to COVID-19 citizens were instructed to call/email the Town Manager or Town Clerk of any questions or comments for the proposed budget prior to this public hearing.

No one called or emailed.

The Town Manager was instructed by the board to freeze a position in Public Works and a position of Town Planner instead of eliminating. Will look at revenues later in fiscal year. Will also revisit salary increases as well.

Commissioner Baker made a motion to close the public hearing at 7:17pm and was seconded by Commissioner McKoy. **The Board voted unanimously.**

## MINUTES CONTINUED FROM JUNE 4, 2020

### OLD BUSINESS

#### DUNN-ERWIN RAIL TRAIL RULES

The Dunn-Erwin Rail Trail Board has put together a list of rules for the trail. In order for them to be enforceable they require approval from the Erwin Board of Commissioners. They have already been approved by the Harnett County Board of County Commissioners and the Dunn Board of Commissioners. The main thing these rules address is ATV's on the trail. We have received numerous complaints on this matter. We will not be able to catch everyone but if these rules are approved it is something that could be enforced when necessary. To the best of my knowledge the Harnett County Recreation Department would be purchasing the signs and installing them. There could be a delay in obtaining the signs due to COVID-19.

After some discussion, Commissioner Baker made a motion to table this item and was seconded by Commissioner Whitman. **The Board voted unanimously.**

### CLOSED SESSION

Commissioner Baker made a motion to go into a closed session at 7:32pm in pursuant to G.S. 143-318.11 (a) (6) to discuss personnel and was seconded by Commissioner Turnage. **The Board voted unanimously.**

### RECONVENED

Commissioner Turnage made a motion to go back in regular session at 8pm and was seconded by Commissioner Whitman. **The Board voted unanimously.**

### GOVERNING COMMENTS

Commissioner Turnage expressed concern of a tree on Mason Drive.


Mayor Carson informed the board of a graduation walk on Monday, June 8, 2020.


MINUTES CONTINUED FROM JUNE 4, 2020

ADJOURNMENT

Commissioner Turnage made a motion to adjourn at 8:15pm and was seconded by Commissioner Whitman. **The Board voted unanimously.**

**MINUTES RECORDED AND TYPED BY  
CYNTHIA B PATTERSON TOWN CLERK**

  
\_\_\_\_\_  
**Randy Baker,  
Mayor Pro-Tem**

**ATTEST**  
  
\_\_\_\_\_  
**Snow Bowden  
Town Manager**



TOWN OF ERWIN  
 FINANCIAL SUMMARY REPORT  
 YTD COMPARISON OF FY 2020 & FY 2019



REVENUES	YTD		YTD DIFFERENCE
	Apr. 2020	Apr. 2019	
CURRENT YEAR LEVY OF PROPERTY TAXES	1,119,663.99	1,121,576.19	(1,912.20)
CURRENT YEAR MOTOR VEHICLE TAXES	123,168.56	121,790.56	1,378.00
PRIOR YEAR TAXES	11,604.41	10,387.23	1,217.18
UTILITIES FRANCHISE TAXES	143,609.80	145,752.22	(2,142.42)
ENTRY FEES	19,031.00	18,955.00	76.00
SALES & USE TAX	601,786.26	558,635.65	43,150.61
ZONING PERMITS/APPLICATIONS	7,000.75	6,780.00	220.75
PERMITS AND INSPECTION FEES	321,601.34	2,765.00	318,836.34
REFUSE COLLECTIONS FEES	49,385.00	318,041.94	(268,656.94)
STORM WATER COLLECTION		32,374.50	(32,374.50)
<b>ALL OTHER REVENUES</b>	<b>1,504,202.94</b>	<b>676,844.36</b>	<b>827,358.58</b>
	3,901,054.05	3,013,902.65	887,151.40
			29.44%
EXPENSES	YTD		YTD DIFFERENCE
	Apr. 2020	Apr. 2019	
GOVERNING BODY	25,751.14	26,233.38	(482.24)
ADMINISTRATION	248,029.04	242,405.82	5,623.22
NON-DEPARTMENTAL	263,320.29	269,862.66	(6,542.37)
PLANNING & INSPECTIONS	29,336.67	29,950.57	(613.90)
POWELL BILL-STREETS	45,893.71	17,830.18	28,063.53
POLICE	639,293.15	700,965.67	(61,672.52)
POLICE-SRO	91,325.46		91,325.46
CONTRACT SERVICES-FIRE	234,915.49	210,949.29	23,966.20
PUBLIC WORKS-ADMIN.	81,947.97	81,448.28	499.69
PUBLIC WORKS-STREETS	1,000,272.52	369,681.18	630,591.34
PUBLIC WORKS-SANITATION	261,264.99	337,547.31	(76,282.32)
PUBLIC WORKS STORM WATER	2,591.07	6,532.19	(3,941.12)
RECREATION	251,176.75	252,410.76	(1,234.01)
LIBRARY	45,540.34	31,342.29	14,198.05
COMMUNITY CENTER	14,822.20	5,887.92	8,934.28
	3,235,480.79	2,583,047.50	652,433.29
<b>Y-T-O GENERAL FUND BALANCE INCREASE (DECREASE)</b>	<b>665,573.26</b>	<b>430,855.15</b>	<b>234,718.11</b>

ACCOUNT BALANCES		
	YTD Apr. 2020	YTD Apr. 2019
CASH MANAGEMENT	1,133,890.45	931,768.77
BB&T CASH IN BANK	594,827.96	569,760.26
FIRST FEDERAL BUSINESS MONEY MKT.	135,983.35	134,890.23
FIRST FEDERAL MONEY MARKET	854,589.50	852,615.71
<b>Y-T-O BALANCE IN GENERAL FUND ACCOUNTS</b>	<b>2,719,291.26</b>	<b>2,489,034.97</b>
BB&T STATE FORFEITURE	1,583.97	1,583.97
FIRST FEDERAL CAP. RESERVE/COMMUNITY ENHANCE	159,106.79	134,292.63
FIRST FEDERAL CAP. RESERVE/GENERAL	2,343,411.84	3,016,053.77
BB&T HEALTH RESERVE HRA ACCT.	15,347.64	12,837.55
PRIEBE FIELD ACCT.	10,776.72	7,681.28
AL WOODALL PARK IMPROVEMENTS	466,075.89	
<b>Y-T-D BALANCE RESTRICTED FUNDS</b>	<b>2,996,302.85</b>	<b>3,172,449.20</b>
<b>CUMULATIVE BALANCE FOR TOWN OF ERWIN</b>	<b>5,715,594.11</b>	<b>5,661,484.17</b>

	YTD Apr. 2020	YTD Apr. 2019	YTD DIFFERENCE	
				-1.84%
				2.32%
				-2.42%
				-2.05%
				157.39%
				-8.80%
				#DIV/0!
				11.36%
				0.61%
				170.58%
				-22.60%
				-60.33%
				-0.49%
				45.30%
				151.74%
				25.26%



May 11, 2020

Board of Commissioners  
Town of Erwin, North Carolina  
Post Office Box 459  
Erwin, NC 28339

**Attention:** Mr. Snow Bowden, Town Manager

**Reference:** Engineering Retainer Agreement Extension 2020-2021 Fiscal Year

Dear Board:

**DM2 Engineering, PLLC** is pleased to submit our Proposal to provide engineering and technical support services to the Town of Erwin, NC. Recognizing the professional needs of a municipality along with the associated budget constraints, I am proposing a retainer fee that will allow the Town to spread out the cost of professional services over a fiscal budget cycle and help eliminate the unanticipated costs. The Scope of Services below will be provided to the Town each month regardless of the time required. This approach will assure that the Town is represented by a professional engineer who can operate as a member of the staff. Furthermore, my personal experience within the Harnett County area spans over 30 years and allows the Town access to someone who has a history working with not only Harnett County, but also other municipalities within Harnett County.

#### SCOPE OF SERVICES

**DM2 Engineering** will perform the following Scope of Services as they relate to the above proposed retainer contract:

1. Attend Board of Commissioner meetings and provide an Engineer's Report if so requested.
2. Attend Planning Board meetings.
3. Attend Pre-Development meetings as requested to assist the Planning Department.
4. Attend Board of Adjustment meetings.
5. Attend Mid-Carolina Council of Governments Rural Transportation Planning Organization (RPO) meetings, if so requested.

6. Provide engineering technical review and comment for Site Plan Submittals.
7. Provide site inspections for construction projects that have been permitted by the Town.
8. Provide site inspections and construction administration services for Town of Erwin projects.
9. Provide technical assistance with regards to Phase II Stormwater compliance.
10. Provide review and engineering evaluation of the Town's existing stormwater studies and assist with seeking grant funds for improvements.
11. Provide technical review and comment for any sections of the Town's Code of Ordinances that may require review and/or update.
12. Assist the Town and/or private consultants working with the Town, with the preparation of Grant Applications.
13. Assist the Town and work with members of the public who have technical issues such as storm drainage.
14. Prepare the Town's Powell Bill mapping submittal.
15. Assist the Town's Public Works staff as may be required. This can include evaluation, cost estimating and recommendations regarding potential water and sewer extensions that the Town may desire Harnett County to consider.
16. Assist the Town's Recreation Department staff as may be required. This can include such areas as evaluating the water and sewer services at the Al Woodall Municipal Park.
17. Work from Town Hall a minimum of ½ day per week to be available to staff as may be required. A specific day will be established whereas staff and the public will know the Town Engineer will be available.

#### **ADDITIONAL SERVICES**

Additional services required beyond that stated in the Scope of Services will be provided if so requested at an agreed upon rate.

#### **RESPONSIBILITY OF OWNER**

The following items are to be provided by the Town of Erwin:

18. Provide access to any information that may be required to perform the scope of services.

**SCHEDULE**

DM2 Engineering proposes that the initial Agreement begin April 1, 2013 and run through June 30, 2013 (3 months) to align with the Town's fiscal budget cycle. If at the end of this initial 3-month period the Town of Erwin is satisfied with the services being provided under this retainer agreement, then the agreement would be extended to run annually from July 1<sup>st</sup> through June 30<sup>th</sup>. The agreement would be re-evaluated at each annual budget cycle.

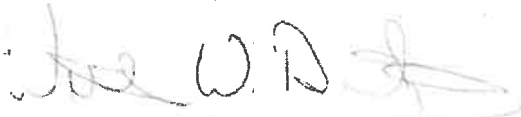
The Town of Erwin Board of Commissioners approves the extension of this Retainer Agreement to run from July 1, 2020 through June 30, 2021. An extension for the 2021-2022 budget may be evaluated by the Board during next year's normal budget cycle.

**FEES**

DM2 Engineering will provide the above services on a monthly basis, regardless of the time required, for a retainer fee of \$2,000/month paid the first week of each month during the Town's normal payment schedule.

To affect the acceptance of this Retainer Agreement, please execute both originals and return a copy to our office. We appreciate the opportunity to provide our services to the Town of Erwin, NC.

Sincerely,  
DM2 Engineering, PLLC



William W. Dreitzler, P.E.  
Managing Partner

**The Scope of Services, Terms and Conditions of this Retainer Agreement are accepted.**

Town of Erwin, North Carolina

print/type individual, firm or corporate name

Snow Bowden / Town Manager

print/type name of authorized representative with title

Snow Bowden

6-5-2020

signature of authorized representative

date

# N·FOCUS

LOCAL GOVERNMENT SERVICES

May 11, 2020

Snow Bowden, Manager  
 Town of Erwin  
 100 West F Street  
 Erwin, NC 28339

Re: FY 21 Code Enforcement Services

Dear Snow,

I hope this finds you, your staff, and the citizens of Erwin well. As we find ourselves in uncertain times, I want to offer you several Levels of Service options for uninterrupted Code Enforcement ***maintaining your current rate***. Upon your review should you have any questions, please advise. It is our pleasure to serve the Town of Erwin.

Period of Service (POS): July 1, 2020 – June 30, 2021			
OPTIONS	LEVEL OF SERVICE (LOS)	FY 21 FEE	BI-WEEKLY PAYMENTS
A.	➤ CURRENT LEVEL 1-Day / Week on average / 52 Weeks_ 416 Hours_20% FTE	<u>\$28,704.00</u>	<u>\$1,104.00</u>
<u>B.</u>	➤ 3-Days / Month on average / 12 Months_ 288 Hours_9% FTE	<u>\$19,872.06</u>	<u>\$764.31</u>
C.	➤ 2-Days / Month on average / 12 Months_ 192 Hours_9% FTE	<u>\$13,248.04</u>	<u>\$509.54</u>

NOTE: The preceding are examples of LOS and can be tailored to meet the needs of the Town of Erwin.

N·Focus, Inc.  
 315 South Main Street, Suite 200  
 Kannapolis, NC 28081  
 704.933-0772  
 NFocusPlanning.org



Our fees are inclusive of all personnel costs including but not limited:

- a. Base Salary plus:
  - i. Social Security & Medicare (FICA)
  - ii. State Unemployment Insurance (SUTA)
  - iii. Federal Unemployment Insurance (FUTA)
  - iv. Worker's Compensation Insurance
- b. Benefits:
  - i. Health, Life & Disability Insurance
  - ii. Paid Vacation & Personal Time
  - iii. Paid Holidays
  - iv. Paid Travel Time
- c. Professional Development & Certifications;
- d. Cellular Communications;
- e. Company Vehicle with
  - i. Vehicle Insurance
  - ii. Vehicle Operations & Maintenance
- f. Meals & Lodging;
- g. Travel Time & Cost; and
- h. Management cost.

Should your board approve our proposal, you may send me an executed copy of the Acceptance (page 3 herewith attached) via e-mail at which point an FY 21 Agreement will be prepared. Should you have any questions my contact information appears below.

The N-Focus Team appreciates the opportunity to serve the Town of Erwin.

Respectfully,

*Patti Rader*

Patti Rader, Manager  
N-Focus, Inc.  
704.933.0772  
PRader@NFocusPlanning.org  
NFocusPlanning.org



ACCEPTANCE:

Patricia A. Rader

May 11, 2020

Patricia A. Rader, Manager  
N-Focus, Inc.  
PRader@NFocusPlanning.org  
704.933.0772

OPTION A.:      Initials:     

OPTION B.: X Initials: MSB

OPTION C.:      Initials:     

ACCEPTED on behalf of the Local Government by:

Snow Bowden

Signature

6/25/2020

Date

Snow Bowden

Printed name of authorized person signed above

Seal of the unit of Local Government

ATTEST:

Cynthia B. Patterson

Clerk to the Governing Board/Council

6-25-2020

Date

This document has been pre-audited in accordance with applicable North Carolina General Statute.

Debbie H. Chestnut

Finance Officer

6-25-2020

Date



STATE OF NORTH CAROLINA  
COUNTY OF HARNETT

AGREEMENT WITH  
LOCAL GOVERNMENT

THIS AGREEMENT made the 15<sup>th</sup> day of July, 2020 by and between Town of Erwin, a North Carolina unit of Local Government (hereinafter known as "Local Government"); and, N-Focus, Inc.; a North Carolina corporation (hereinafter known as "Contractor"), by signatures below, enter into the following Agreement:

**WITNESSETH:**

**WHEREAS**, Contractor has expertise in local government functions and Local Government has a need for such functions; and

**WHEREAS**, Local Government and Contractor desire to enter into this Agreement;

**NOW THEREFORE**, Local Government and Contractor agree as follows:

Contractor will provide Contractor personnel to perform the following specialized Functions:

**Section A. SCOPE OF FUNCTIONS**

1. **General Code Enforcement and Minimum Housing Services to include:**
  - a) Investigations of complaints and/or reports of violations;
  - b) Preparation of materials for distribution and notifications to owners of record and/or occupants of violation activities;
  - c) Meeting and/or hearing with owners of record and/or occupants of violation activities;
  - d) Field inspections to determine progress and/or compliance;
  - e) Preparation of governing and/or advisory board/council/commission reporting materials;
  - f) Presentations of governing and/or advisory board/council/commission reporting materials;
  - g) Assisting owners of record and/or occupants of violation activities and advising said to achieve compliance;
  - h) Coordination with Local Government legal counsel, when necessary, to provide supporting materials as may be required for the filing of actions and/or liens;
  - i) Participate in Court proceedings as necessary; and
  - j) Updating and submitting summary reports on periodic activities and accomplishments.

**Section B. TERMS AND CONDITIONS**

1. **Contractor Personnel:** To ensure performance of Functions defined in "Section A" herein above meet the expectations of Local Government, Contractor shall assign a primary professional, an employee of the Contractor, to Local Government. The primary professional shall be responsible for Contractor employees performing the agreed upon Functions. Contractor personnel performing the Functions shall be either certified or licensed in their respective fields or apprentice under direct

N-Focus

Initials: PAR Date: 07.01.20

Erwin - FY 21\_Code\_Agreement

Initials: MSB Date: 7/7/2020



supervision of the primary professional. Contractor personnel performing these Functions shall have considerable knowledge in the principles and practices of local government. The primary professional, supporting personnel and subordinate person(s), if applicable, assigned to perform these Functions shall be skilled in the use of work related computer software packages and other technology used to perform position Functions.

2. **E-Verify:** Contractor represents and warrants that it is in compliance with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, Contractor warrants that any subcontractors used by Contractor will be in compliance with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.
3. **Equal Employment Opportunity:** Contractor, without limitation of any provision set forth herein, expressly agrees to abide by any and all applicable federal and/or State equal employment opportunity statutes, rules and regulations, as may be from time to time modified or amended.
4. **Certification:** Contractor certifies that, as of the Effective Date of this Agreement, Contractor is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.58. In compliance with the Iran Divestment Act and N.C.G.S. § 147-86.58, Contractor shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.
5. **Equal Employment Opportunity:** Contractor, without limitation of any provision set forth herein, expressly agrees to abide by any and all applicable federal and/or State equal employment opportunity statutes, rules and regulations, as may be from time to time modified or amended.
6. **Status of Contractor:** Contractor and Local Government agree that in the performance of the Functions defined in "Section A." herein above, Contractor personnel shall not be deemed to be an employee(s) of Local Government for any purpose whatsoever, nor act under Color of State Law.
7. **Work Products:** All materials produced by Contractor personnel assigned to Local Government shall be the property of Local Government and shall be filed on-site in the offices of Local Government, unless otherwise authorized for purposes and intent of the performance of Functions. Contractor shall be entitled to retain copies, both electronic and paper, of any work products prepared for the benefit of Local Government to the extent a public record and not otherwise confidential, privilege, or not otherwise subject to disclosure. Contractor shall not copyright any work products on behalf of Local Government; however, Contractor shall retain the right to utilize work products, such as improved administrative forms, plans, etc., or any portion thereof, for the purpose of performing similar Functions to other jurisdictions to the extent a public record and not otherwise confidential, privilege, or not otherwise subject to disclosure.
8. **Progress Reporting:** Contractor shall communicate progress of work performed to Local Government's administrative officer and/or department head periodically or as determined by Local Government.

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N-Focus

Initials: PAR Date: 07.01.20

Erwin – FY 21 Code Agreement

Initials: MSB Date: 7/17/2020





9. **Period of Service (POS):** Functions defined in "Section A." herein above shall be performed routinely based upon a mutually agreeable schedule during the period beginning July 1, 2020 and ending June 30, 2021. POS as defined herein may be amended through either Termination as set forth in "Section B.15." herein, or, Extension as set forth in "Section B.17".
10. **Level of Service (LOS):** Functions to be performed as defined in "Section A." herein above total 288 hours of service or 13.8% Full Time Equivalency (FTE) and shall be delivered at approximately 24 hours per calendar month on average. LOS will be monitored monthly, with quarterly invoicing for overages. LOS may be amended by either separate agreement, subsequent addendum hereto, or written/e-mail authorization with Compensation as defined in "Section B.11." herein, and Payments as defined in "Section B.12." herein, adjusted accordingly.
11. **Compensation:** The fee for Functions to be performed as defined in "Section A." herein above shall Nineteen Thousand Eight Hundred Seventy-Two and 06/100's (\$19,872.06) dollars for the POS as noted in "Section B.9" herein. This fee is inclusive of personnel costs including but not limited to:
- a Base Salary plus
    - i Social Security & Medicare (FICA)
    - ii State Unemployment Insurance (SUTA)
    - iii Federal Unemployment Insurance (FUTA)
    - iv Worker's Compensation Insurance
  - b Benefits:
    - i Health, Life & Disability Insurance
    - ii Paid Personal & Vacation Time
    - iii Paid Holidays
    - iv Paid Travel Time
  - c Professional development & certifications;
  - d Cellular communications;
  - e Vehicle with
    - i Vehicle Insurance
    - ii Vehicle Operations & Maintenance
  - f Travel Time & Cost;
  - g Meals & Lodging; and
  - h Management cost.

Printing and reproduction shall be provided by Local Government. Any direct expenses (i.e. printing, postage, etc.) provided by Contractor personnel on behalf of Local Government, shall be reimbursed at actual cost plus seven (7%) percent. Travel time to and from Local Government jurisdiction by Contractor personnel is included in the fee above. Travel by Contractor personnel on behalf of Local Government to perform inspections within Local Government jurisdiction, or attend meetings outside Local Government jurisdiction, shall be reimbursed at the current IRS Standard Mileage Rate.

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N-Focus

Initials: PAR Date: 07.01.20

Erwin – FY 21 Code Agreement

Initials: MFB Date: 7/17/2020



12. **Payments:** Local Government shall provide Twenty-Six (26) equal bi-weekly payments per "Exhibit A" Payment Schedule herewith attached in the amount of Seven Hundred Sixty-Four and 31/100's (\$764.31) dollars without invoice. Bi-Weekly payments shall be made during the Bi-Weekly POS with the first payment due and payable within ten (10) days of the beginning of the POS defined in "Section B.9." herein. Monthly invoicing for travel & direct expenses as noted in "Section B.11." herein and quarterly invoicing for LOS overages as noted in "Section B.10." herein shall be due and payable within ten (10) days of invoice. A late payment penalty equal to 1.5% of the unpaid balance may be assessed.
13. **Access:** Local Government shall provide Contractor personnel with legal access to the primary work area during normal operating hours.
14. **Liability:** Contractor personnel assigned to Local Government are acting as contracted agents of Local Government in accordance with NCGS 160A-20.1 and no liability is implied or assumed for actions on behalf of Local Government, its administration, appointed officials and/or elected officials. General liability insurance shall be maintained by Contractor throughout the POS as defined in "Section B.9" herein for the Functions to be performed under this Agreement. Contractor shall provide Local Government with a Certificate of Insurance. This certificate will become a part of this Agreement upon execution of this Agreement. Contractor shall further indemnify and hold Local Government harmless from any/all worker compensation claims by Contractor personnel and any other claims arising out of Contractor personnel's conduct in performing functions for Local Government under this Agreement.
15. **Termination:** Contractor or Local Government may terminate this Agreement for any reason with sixty (60) days written notification. In the event of early termination, compensation for all Functions actually provided through the date of termination will be due and payable at the unit costs in effect at the time of termination. Compensation for any part of a billing cycle based upon the days within said cycle shall be prorated through the date of termination. In the event Contractor personnel currently employed, recently separated/terminated, or retired from Contractor, become employed directly by Local Government either during the POS as defined in "Section B.9." herein or within one-hundred-eighty (180) days of the effective date of contract termination and/or expiration, Contractor shall be entitled to supplemental compensation by Local Government equal to three (3) months of said employee's full time gross salary equivalent in effect at the time of Agreement Termination and or/Expiration; furthermore, the supplemental compensation shall be due and payable within ten (10) calendar days of the date Contractor personnel begins employment with Local Government.
16. **Expiration:** This Agreement shall expire at 11:59 midnight on June 30, 2021, unless extended, as defined in "Section B.17." herein.
17. **Extension:** This Agreement may be extended by either separate agreement, subsequent addendum hereto, or written/e-mail authorization. Upon extension of this Agreement, LOS as defined in "Section B.10." herein, Compensation as defined in "Section B.11." herein, and Payments as defined in "Section B.12." herein, are subject to change.

N-Focus

Initials: PAR Date: 07.01.20

Erwin – FY 21 Code Agreement

Initials: MSD Date: 7/7/20



18. **Certifications:** Contractor personnel shall not be required to sign any documents, no matter by whom requested, that would result in Contractor personnel having to certify, guarantee or warrant the existence of conditions whose existence Contractor personnel cannot ascertain. Local Government agrees not to make resolution of any dispute with Contractor or payment of any amount due to Contractor in any way contingent upon Contractor's personnel signing any such certification or document.
19. **Force Majeure:** Contractor shall not be responsible for any delays, damages, costs, expenses, liabilities or other problems that may arise as a result of a force majeure. A "Force Majeure" is defined as any event arising from causes beyond the reasonable control of Contractor, including but not limited to fire, flood, unusual inclement weather, acts of God, civil strikes or labor disputes, riots, pandemics, acts or failures of Local Government or others.
20. **Conflicting Terms and Provisions:** In the event of conflict among this Agreement and any hereto attached exhibits, this Agreement shall govern.
21. **Dispute Resolution:** It is acknowledged this Agreement shall be governed by the laws of the State of North Carolina in the event of dispute. Any dispute, controversy or claim arising out of or relating to this Agreement, in particular its conclusion, interpretation, performance, breach, termination or invalidity, shall be finally settled by the courts having exclusive jurisdiction within the county of Local Government.
22. **Counterparts:** This Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.
23. **Entire Agreement:** Local Government and Contractor acknowledge this Agreement and any Attachments hereto constitute the entire agreement between Local Government and Contractor concerning the subject matter hereof. Any amendments or modifications of this Agreement shall be in writing and executed by Local Government and Contractor. Unless stated otherwise in this Agreement, this Agreement may not be modified.
24. **Representatives:** On behalf of Contractor, only the following individuals have authority to modify or alter the terms and conditions of this Agreement:

F. Richard Flowe, President & CEO  
Patricia A. Rader, Secretary/Treasurer & COO

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N·Focus

Initials: PAR Date: 07.01.20

Erwin – FY 21 Code Agreement

Initials: MSB Date: 7/7/2020



25. Notification:

All correspondence shall be directed to:  
Patti Rader, Manager  
N-Focus, Inc.  
315 South Main Street, Suite 200  
Kannapolis, NC 28081  
704.933.0772  
PRader@NFocusPlanning.org

Section C. ACCEPTANCE:

Patricia A. Rader

July 1, 2020

Patricia A. Rader, Manager  
N-Focus, Inc.

Date

ACCEPTED on behalf of Local Government by:

Snow Bowden

7/7/2020

Signature

Date

Snow Bowden

Printed name of authorized person signed above

Seal of Local Government

ATTEST:

Cynthia B. Patterson

Clerk to the governing board/council of  
Local Government

7/7/2020

Date

PRE-AUDIT:

This document has been pre-audited in accordance with applicable North Carolina General Statute.

Dellie H. Chestnut

Finance Officer

7/7/2020

Date

N-Focus

Initials: PAR Date: 07.01.20

Erwin - FY 21 Code Agreement

Initials: MSB Date: 7/7/2020

N-Focus, Inc.

Exhibit "A"

- Town of Erwin
- FY 21 Code Agreement

Payment Schedule

	Contract Payment Due Dates	Payment Dates	Check Number	(32) Bi-Weekly Payments of	Contract Balance	Notes
				\$ 764.31	\$ 19,872.06	
	<b>2020</b>					
1	July 10th			1 \$ 764.31	\$ 19,107.75	
2	July 24th			2 \$ 764.31	\$ 18,343.44	
3	August 7th			3 \$ 764.31	\$ 17,579.13	
4	August 21st			4 \$ 764.31	\$ 16,814.82	
5	Sept. 4th			5 \$ 764.31	\$ 16,050.51	
6	Sept. 18th			6 \$ 764.31	\$ 15,286.20	
7	Oct. 2nd			7 \$ 764.31	\$ 14,521.89	
8	Oct. 16th			8 \$ 764.31	\$ 13,757.58	
9	Oct. 30th			9 \$ 764.31	\$ 12,993.27	
10	Nov. 13th			10 \$ 764.31	\$ 12,228.96	
11	Nov. 27th			11 \$ 764.31	\$ 11,464.65	
12	Dec. 11th			12 \$ 764.31	\$ 10,700.34	
13	Dec. 25th			13 \$ 764.31	\$ 9,936.03	
	<b>2021</b>					
14	Jan. 8th			14 \$ 764.31	\$ 9,171.72	
15	Jan. 22nd			15 \$ 764.31	\$ 8,407.41	
16	Feb. 5th			16 \$ 764.31	\$ 7,643.10	
17	Feb. 19th			17 \$ 764.31	\$ 6,878.79	
18	March 4th			18 \$ 764.31	\$ 6,114.48	
19	March 18th			19 \$ 764.31	\$ 5,350.17	
20	April 1st			20 \$ 764.31	\$ 4,585.86	
21	April 15th			21 \$ 764.31	\$ 3,821.55	
22	April 29th			22 \$ 764.31	\$ 3,057.24	
23	May 13th			23 \$ 764.31	\$ 2,292.93	
24	May 27th			24 \$ 764.31	\$ 1,528.62	
25	June 10th			25 \$ 764.31	\$ 764.31	
26	June 24th			26 \$ 764.31	\$ -	

N-Focus

Initials: PAR Date: 07/01/20

Erwin – FY 21 Code Agreement

Initials: MSB Date: 7/17/2020



# TOWN OF ERWIN

P.O. Box 459 · Erwin, NC 28339  
Ph: 910-897-5140 · Fax: 910-897-5543  
www.erwin-nc.org

**Mayor**  
Patsy M. Carson  
**Mayor Pro Tem**  
Randy L. Baker  
**Commissioners**  
William R. Turnage  
Thurman E. Whitman  
Alvester L. McKoy  
Ricky W. Blackmon  
Melinda Alvarado

## TOWN OF ERWIN RESOLUTION AWARDING BADGE AND SERVICE SIDEARM TO RETIRING FIRST SERGEANT RALPH EDWARD KERLEY

2019-2020—007

**WHEREAS**, NC GS 20-187.2 provides that retiring members of municipal law enforcement agencies may receive, at the time of their retirement, the badge worn or carried by them during their service with the municipality; and

**WHEREAS**, NC GS 20-187.2 further provides that the governing body of the municipal law enforcement agency may, in its discretion, award to a retiring member the service sidearm of such retiring members; and


**WHEREAS**, Ralph E. Kerley has served many distinguished years with the Erwin Police Department and will retire at the rank of First Sergeant;

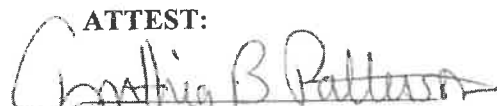
**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Board of Commissioners of the Town of Erwin, North Carolina as follows:

The Town Manager or his designee is hereby authorized, in accordance with the provisions of NC GS 20-187.2, to transfer to First Sergeant Ralph Edward Kerley the badge worn by him during his service with the Erwin Police Department and his service sidearm, Semi-Automatic Glock model 22 .40 caliber handgun. Serial #: STT456

**BE IT FURTHER RESOLVED** that appreciation is expressed to First Sergeant Ralph Edward Kerley for the dedicated service rendered by him during his employment with the Town of Erwin.

Duly adopted this 4<sup>th</sup> day of June, 2020.

  
Patsy M. Carson  
Mayor

**ATTEST:**  
  
Cynthia B. Patterson, CMC  
Town Clerk

**BUDGET ORDINANCE AMENDMENT  
BOA 2020-06  
FISCAL YEAR 2019-2020**

BE IT ORDAINED by the Governing Board of the Town of Erwin, North Carolina that the following amendments are made to the annual budget ordinance for the fiscal year ending June 30, 2020:

Section 1. This Budget Ordinance Amendment seeks to increase East Erwin Drainage 2017 Grant (10-3350-002) revenues in the amount of \$57,543.15 for the East Erwin Drainage Project and increase East Erwin Golden Leaf 2018 (10-3350-004) revenues in the amount of \$139,448.01 for the Maye St. Culvert Replacement and to increase the expense account Contracted Services-Grant (10-5600-451) by the same amount (\$196,991.16). This Amendment also increases Fema Revenues (10-3350-001) in the amount of \$2,585.29 from Hurricane Florence and increases expense account Adm. Salaries (10-4200-020) by the same amount.

Section 2. To amend the General Fund the revenues are to be changed as follows:


Account	Description	Current Approp.	Increase/Decrease	Amended Appropriation
10-3350-002	East Erwin Drainage 2017 Grant	(414,831.28)	(57,543.15)	(472,374.43)
10-3350-004	East Erwin Golden Leaf 2018	(179,551.99)	(139,448.01)	(319,000.00)
10-3350-001	Fema Revenues	(8,868.31)	(2,585.29)	(11,453.60)

Section 3. To amend the General Fund the expenditures are to be changed as follows:

Account	Description	Current Approp.	Increase/Decrease	Amended Appropriation
10-5600-451	Contracted Services Grant	594,383.27	196,991.16	791,374.43
10-4200-020	Adm. Salaries	213,633.00	2,585.29	216,218.29

Section 4. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, and to the Budget Officer and the Finance Officer for their direction.

Adopted this 4th day of June 2020.

  
 Patsy Carson, Mayor

ATTEST:  
  
 Cynthia Patterson, Town Clerk

**BUDGET ORDINANCE AMENDMENT  
BOA 2020-07  
FISCAL YEAR 2019-2020**

BE IT ORDAINED by the Governing Board of the Town of Erwin, North Carolina that the following amendments are made to the annual budget ordinance for the fiscal year ending June 30, 2020:

Section 1. This Budget Ordinance Amendment seeks to increase Other Revenues (10-3350-000) in the amount of \$7,349.50 for reimbursement from Insurance Company for damages to 2014 Charger and to increase expense account Maint. and Repair Auto (10-5100-170) in the amount \$7,349.50.

Section 2. To amend the General Fund the revenues are to be changed as follows:


Account	Description	Current Approp.	Increase/Decrease	Amended Appropriation
10-3350-000	Other Revenues	(10,000.00)	(7,349.50)	(17,349.50)


Section 3. To amend the General Fund the expenditures are to be changed as follows:

Account	Description	Current Approp.	Increase/Decrease	Amended Appropriation
10-5100-170	Maint. & Repair Auto	10,000.00	7,349.50	17,349.50

Section 4. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, and to the Budget Officer and the Finance Officer for their direction.

Adopted this 4th day of June 2020.

  
 Patsy Carson, Mayor

ATTEST:  
  
 Cynthia Patterson, Town Clerk





Thompson, Price, Scott, Adams & Co., P.A.  
Post Office Box 1690  
Elizabethtown, North Carolina 28337  
Telephone (910) 862-8129  
Fax (910) 862-8120

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

May 1, 2020

To Mayor and Town Council

Town of Erwin, NC

We are pleased to confirm our understanding of the services we are to provide Town of Erwin for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Town of Erwin as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Erwin's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Erwin's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Net Pension Asset/Liability RSI
- 3) OPEB

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

- 1) Budgetary Comparison Statements
- 2) Combining Statements
- 3) Individual Fund Statements
- 4) Supporting Schedules

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Town of Erwin and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Town of Erwin's financial statements. Our report will be addressed to the Mayor and Town Council of Town of Erwin. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that 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 on compliance, and (2) that 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. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Town of Erwin is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial statements nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

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

#### **Audit Procedures—Internal Control**

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

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

#### **Audit Procedures—Compliance**

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

### **Other Services**

We will also assist in preparing the financial statements and related notes of Town of Erwin in conformity with U.S. generally accepted accounting principles based on information provided by you. In addition, we will assist in preparing depreciation schedules and adjusting entries to convert cash basis financial information to accrual. 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*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for 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, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us 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 taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us 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 us 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 and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us 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 us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

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

#### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we 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 we are unable 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, we will remain responsible for the work provided by any such third-party service providers.

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

The audit documentation for this engagement is the property of Thompson, Price, Scott, Adams & Co., PA 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 cognizant agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Thompson, Price, Scott, Adams & Co., PA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

We expect to begin our audit on approximately July 1, 2020 and to issue our reports no later than November 30, 2020. R. Bryon Scott is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services is stated in the LGC approved contract. Any additional work out of the normal scope of the audit will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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

Very truly yours,

Thompson, Price, Scott, Adams & Co., PA

Thompson, Price, Scott, Adams & Co., PA

RESPONSE:

This letter correctly sets forth the understanding of Town of Erwin.

Management signature: *[Signature]*  
Title: Town manager  
Date: 6-5-2020

Governance signature: *[Signature]*  
Title: Mayor  
Date: 6-4-20

The	Governing Board Town Council
of	Primary Government Unit (or charter holder) Town of Erwin
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

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

and	Auditor Name Thompson Price Scott Adams & Co PA
	Auditor Address PO Box 1690 Elizabethtown, NC 28337

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/20	Audit Report Due Date 10/31/20
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*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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



3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

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

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

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

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

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

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

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

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.
23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

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

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

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

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

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

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

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

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

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 *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

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

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
Debbie Chestnut	Finance Officer	dchestnut@erwin-nc.org

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

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Erwin
Audit Fee	\$ 11,500.00
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$ 2,000.00
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$ 10,125.00

DPCU FEES (if applicable)

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

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm* Thompson Price Scott Adams & Co PA	
Authorized Firm Representative (typed or printed)* R. Bryon Scott	Signature*
Date* 05/01/20	Email Address* bscott@tpsacpas.com

**GOVERNMENTAL UNIT**

Governmental Unit* Town of Erwin	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Ratsy M. Carson	Signature* <i>Ratsy M. Carson</i>
Date 6-4-20	Email Address erwinmayor1@gmail.com

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

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

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

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

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

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

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

**DPCU – PRE-AUDIT CERTIFICATE**

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

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

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

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

PRINT