



**TOWN OF GRANITE QUARRY
BOARD OF ALDERMEN
REGULAR MEETING MINUTES
Monday, April 6, 2020**

Present: Mayor Bill Feather, Mayor Pro Tem John Linker, Alderman Jim Costantino (*via video conferencing*), Alderman Doug Shelton (*via video conferencing*)

Not Present: Alderman Kim Cress

Staff: Town Manager Larry Smith, Town Attorney Chip Short (*via video conferencing*), Town Clerk Aubrey Smith, Town Planner Steve Blount (*via video conferencing*), Planning Coordinator Holly-Anne Franco (*via video conferencing*), Fire Chief/ Maintenance Supervisor Jason Hord (*via video conferencing*), Finance Officer Shelly Shockley (*via video conferencing*), Police Chief Mark Cook (*via video conferencing*)

Call to Order: Mayor Feather called the meeting to order at 7:00 p.m.

Determination of Quorum: Mayor Feather determined there was a quorum present after Board members attending both in person and remotely made their presence known.

1. Approval of the Agenda

ACTION: Alderman Costantino made a motion to approve the agenda as presented. Mayor Pro Tem Linker seconded the motion. The motion passed with all in favor.

2. Approval of the Consent Agenda

A. Approval of the Minutes

- 1) Planning Retreat Meeting Minutes February 28, 2020
- 2) Regular Meeting Minutes March 2, 2020
- 3) Recess Meeting Minutes March 9, 2020
- 4) Recess Meeting Minutes March 11, 2020

B. Departmental Reports (*Reports in Board packet*)

C. Financial Reports

D. Resolution 2020-04 in support of Salisbury's request for water protection

E. Resolution 2020-05 in support of an application for Bicycle and Pedestrian Plan Grant

F. Audit Contract with Eddie Carrick, CPA, PC for audit of accounts for FY1920

ACTION: Alderman Costantino made a motion to approve the consent agenda as presented. Mayor Pro Tem Linker seconded the motion. The motion passed with all in favor.

3. Citizen Comments - There were no citizen comments.

4. Town Manager's Update

Mr. Smith provided the Board members with a copy of the Town's Covid-19 Response Plan Summary for their review and ratification. There was Board discussion regarding classification of essential employees and whether working from home or alternate working arrangements would be appropriate.

The Board consensus was to allow the Town Manager to decide what would be best for staff working arrangements and keep the Board informed.

New Business

5. Public Hearing **Capital Streets Project Installment Financing**

Mr. Smith gave a brief overview of the Capital Streets Project Installment Financing.

A. Open Public Hearing

Mayor Feather opened the public hearing at 7:14 p.m.

B. Public Comments - There were no public comments.

C. Close Public Hearing

Mayor Feather closed the public hearing at 7:14 p.m.

D. Board Discussion / Review of Amended Resolution 2020-03

Board discussion included the importance of moving forward with the project.

ACTION: Alderman Costantino made a motion to amend Resolution 2020-03, authorizing the Town Manager to act on behalf of the Town in filing an application for approval of the project, the proposed financing contract with F&M Bank, and other actions not inconsistent with the Resolution for the 2020 Capital Streets Improvement Project. Mayor Pro Tem Linker seconded the motion. The motion passed with a vote of 3 to 0.

6. Capital Project Ordinance 2020-07 **2020 Capital Streets Improvement Project**

ACTION: Alderman Costantino made a motion to approve Capital Project Ordinance 2020-07 for the 2020 Capital Streets Improvement Project. Mayor Pro Tem Linker seconded the motion. The motion passed with all in favor.

7. Quarry Site Grading & Fence Repair Quotes **Chief Hord**

There was Board discussion regarding the status of the project and whether the zoning would be an issue. The Town Manager will work with the Town Planner to make certain the necessary steps are taken to make the site ready for leaf and limb storage.

ACTION: Mayor Pro Tem Linker made a motion to move money from fund balance to line item 01-4190-24 in the amount of \$25,000 to bring the quarry site up to the standard required to make the property useable for leaf and limb storage. Alderman Costantino seconded the motion. The motion passed with all in favor.

8. Moratorium on Code Enforcement for 60 Days **Discussion**

There was Board discussion regarding the summary the Town Manager sent to the Board on the approach that would be taken on code enforcement due to the COVID-19 state of emergency. The Board consensus was to move forward with the approach Mr. Smith described in his summary.

9. Approval of Contract

GoToMeeting/ LogMeIn

ACTION: Mayor Pro Tem Linker made a motion to approve entering a contract with LogMeIn for \$10.00 per month for twelve months for virtual meeting platform hosting services. Alderman Costantino seconded the motion. The motion passed with all in favor.

Adjourn

ACTION: Alderman Costantino made a motion to adjourn. Mayor Pro Tem Linker seconded the motion. The motion passed with all in favor.

The meeting ended at 7:33 p.m.

Respectfully Submitted,

Aubrey Smith

Town Clerk

RESOLUTION NO. 2020-04

**A RESOLUTION OF THE BOARD OF ALDERMEN OF THE TOWN OF
GRANITE QUARRY, NORTH CAROLINA IN SUPPORT OF THE CITY OF SALISBURY'S
REQUEST FOR FEDERAL AND STATE ACTION TO PROTECT THE WATER SUPPLY FOR
52,000 NORTH CAROLINIANS**

WHEREAS, the Town of Granite Quarry is home to over 3,000 citizens and customers of Salisbury-Rowan Utilities, the City of Salisbury's water supply system, which relies on Salisbury's pump station at the confluence of the Yadkin River and South Yadkin River; and

WHEREAS, prompt implementation by Cube Yadkin Generation LLC of a complete, well-engineered sedimentation and flood protection plan for the pump station (as required by State and federal dam approvals) is critical to prevent significant damage to or destruction of the pump station by flooding; and

WHEREAS, the health, safety, and welfare of our citizens, and the economic well-being of our Town, depend upon the prompt implementation of a plan to avoid damage to or destruction of the pump station by future flooding.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen, that the Town of Granite Quarry fully supports the City of Salisbury's *Resolution Requesting Federal and State Action to Protect the Water Supply for 52,000 North Carolinians*, and requests that the State of North Carolina and the United States Government take the action requested in that Resolution.

Adopted at Granite Quarry, North Carolina this 6th day of April, 2020.


William D. Feather, Mayor

ATTEST:

Aubrey Smith, Town Clerk



RESOLUTION NO. 2020-05

**A RESOLUTION OF THE BOARD OF ALDERMEN OF
THE TOWN OF GRANITE QUARRY, NORTH CAROLINA
SUPPORTING THE TOWN'S APPLICATION FOR THE
NCDOT 2020 BICYCLE AND PEDESTRIAN PLANNING GRANT**

WHEREAS, the North Carolina Department of Transportation (NCDOT) has made available funding for the creation of *Comprehensive Bicycle and Pedestrian Plans* for municipalities; and

WHEREAS, the Board of Aldermen for the Town of Granite Quarry (Town) has expressed an interest in creating such a plan; and

WHEREAS, such a plan would be beneficial to the health and quality of life of the Town's citizens; and

WHEREAS, the Town understands that a 10% match (estimated total cost of match \$3,500) will be required for funding, and that staff time will be required in the development of this Plan; and

NOW, THEREFORE, BE IT RESOLVED, the Board of Aldermen for the Town of Granite Quarry support the Town Planner submitting a grant application for the NCDOT 2020 Bicycle and Pedestrian Planning Grant.

**RESOLVED, APPROVED, AND EFFECTIVE UPON ADOPTION BY THE
BOARD OF ALDERMEN OF THE TOWN OF GRANITE QUARRY, NORTH
CAROLINA, ON THIS THE 10th DAY OF April 2020**


William D. Feather, Mayor

ATTEST:


Aubrey Smith, Town Clerk



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

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

and	Auditor Name Eddie Carrick, CPA, PC
	Auditor Address 151 Young Drive, Lexington, NC 27292

Hereinafter referred to as Auditor

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

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

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

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

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

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

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

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

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

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

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

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

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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.

FEES FOR AUDIT SERVICES

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

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

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

Name:

Title and Unit / Company:

Email Address:

N/A

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 Granite Quarry
Audit Fee	\$ 11,000.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$ 0
All Other Non-Attest Services	\$ 0
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$ 8,250.00

DPCU FEES (if applicable)

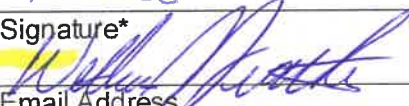
Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$

SIGNATURE PAGE

AUDIT FIRM

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

GOVERNMENTAL UNIT

Governmental Unit* Town of Granite Quarry	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a)) 4/6/2020	
Mayor/Chairperson (typed or printed)* William D. Feather, Mayor	Signature* 
Date 4/4/2020	Email Address wfeather@granitequarrync.gov
Chair of Audit Committee (typed or printed, or "NA") N/A	
Date	Signature
	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) Sheilly Shockley	Signature* 
Date of Pre-Audit Certificate* 4/6/2020	Email Address* office@granitequarrync.gov

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
N/A	
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

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

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

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

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

PRINT

EDDIE CARRICK, CPA, PC

Certified Public Accountant

March 1, 2020

To the Honorable Mayor and Board of Aldermen
Town of Granite Quarry
Granite Quarry, North Carolina

I am pleased to confirm my understanding of the services I am to provide Granite Quarry for the year ended June 30, 2020. I will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Granite Quarry 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 Granite Quarry'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 Granite Quarry'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 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 evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

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

I have also been engaged to report on supplementary information other than RSI that accompanies Granite Quarry'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 auditing standards generally accepted in the United States of America, 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) Individual fund statements and schedules.
- 2) Schedule of expenditures of federal awards (if applicable).
- 3) Law Enforcement Officers' Special Separation Allowance Report (if applicable).

Audit Objectives

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

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

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

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

My audit will be conducted in accordance with auditing standards generally accepted in the United States of America; if applicable, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; if applicable, the Single Audit Act Amendments of 1996; and if applicable, the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures I consider necessary to enable me to express such opinions. I will issue written reports upon completion of my Single Audit (if applicable). My reports will be addressed to management and the Board of Aldermen of Granite Quarry. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for me to modify my opinions or add emphasis-of-matter or other-matter paragraphs. 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 issue reports, or I may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my 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. 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 abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* (if applicable). In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, 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, and of any material abuse that comes to my attention. I will include such matters in the reports required for a Single Audit (if applicable). My responsibility as 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 auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I 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 my audit, I will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards (if applicable); federal award programs (if applicable); compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

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* (if applicable).

As required by the Uniform Guidance (if applicable), 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 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 Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, 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* (if applicable), and the Uniform Guidance (if applicable).

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of Granite Quarry'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* (if applicable).

The Uniform Guidance (if applicable) requires that I also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. 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 Granite Quarry's major programs. The purpose of these procedures will be to express an opinion on Granite Quarry's compliance with requirements applicable to each of its major programs in my report on compliance issued pursuant to the Uniform Guidance.

Management Responsibilities

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

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance (if applicable), (3) additional information that 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.

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

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

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

You are also responsible for the preparation of the other supplementary information, which 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 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.

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

Engagement Administration, Fees, and Other

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, (if applicable) 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 awards, summary schedule of prior audit findings, auditors' 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 auditors' reports or nine months after the end of the audit period.

I will provide copies of my 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 my reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Eddie Carrick CPA, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Eddie Carrick CPA, PC personnel. Furthermore, upon request, 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 oversight agency. If I am aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, I will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

I expect to begin my audit after July 1, 2020 and to issue my reports no later than October 31, 2020. Eddie Carrick is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

My fee for these services will be at my agreed upon fee per my LGC contract less any amounts paid to Tony Brewer, CPA, PC for financial statement preparation and other non-attest services. 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 90 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 discuss it with you and arrive at a new fee estimate before I incur the additional costs.

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

Eddie Carrick CPA, PC

RESPONSE:

This letter correctly sets forth the understanding of the Town of Granite Quarry.

Management signature: *Bruce Smith*

Title: Town Manager

Date: 4/6/2020

Governance signature: *William Smith*

Title: Mayor

Date: 4/6/2020

TONY BREWER, CPA, PC

Certified Public Accountant

March 1, 2020

To the Honorable Mayor and Town Council
Town of Granite Quarry
Granite Quarry, North Carolina

This letter is to confirm our understanding of the arrangements regarding the services I am to perform for Town of Granite Quarry for the year ending June 30, 2020.

Financial Preparation and Other Non-Attest Services

I will provide financial preparation services and other non-attest services as needed to accommodate the audit of the June 30, 2020 financial statements of the Town by its external auditor.

Management's responsibilities

The Town and the external auditor have the responsibility for the reporting of financial statements as of June 30, 2020.

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

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

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

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

Sincerely,

Tony Brewer, CPA, PC

Tony Brewer, CPA, PC

Accepted By:

Management Signature: *Bruce Smith*

Title: *Town Manager*

Date: *4/6/2020*

Board Signature: *John Linker*

Title: *Mayor Pro Tem*

Date: *4-6-2020*

RESOLUTION 2020-03 (Amended 4/6/2020)

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION
FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY
NORTH CAROLINA GENERAL STATUTE 160A-20**



WHEREAS, the Town of Granite Quarry, North Carolina desires to conduct a capital streets improvements project in an amount not to exceed \$390,750 (the "Project") to better serve the citizens of Granite Quarry; and

WHEREAS, the Town of Granite Quarry desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the Board of Aldermen of the Town of Granite Quarry, North Carolina, meeting in regular session on the 6th day of April, 2020, make the following findings of fact:

1. The proposed contract is necessary or expedient because current priority repair needs exceed available Powell Bill funds on hand, and by financing the project the Town of Granite Quarry can utilize a portion of future Powell Bill fund payments toward repayment of the loan.
2. The proposed contract is preferable to a bond issue for the same purpose because the timeline for the financing process would be faster than a bond process, allowing for a paving schedule during the ideal season of the summer months. It will also have less costs associated than with issuing bonds (e.g., administrative process and bond attorney fees).
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the Town has updated its priority assessment standards and cost estimations to reasonably estimate the scope of project needs at this amount of financing. Further, the cost of the project does not exceed current cash flows of general fund balance, but it is preferable to the Town and its citizens to conduct the full project now and apply future Powell Bill funds toward its financing repayment.
4. The Town of Granite Quarry's debt management procedures and policies are good because the Town has not defaulted on any debt payments, and town budgeting and finance procedures allow staff to professionally monitor and ensure timely future payments.
5. The increase in taxes necessary to meet the sums to fall due under the proposed contract will be 0 cents per \$100 valuation and is not deemed to be excessive. No increase in taxes is proposed for this project.
6. The Town of Granite Quarry is not in default in any of its debt service obligations.
7. The attorney for the Town of Granite Quarry has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Town Manager is hereby authorized to act on behalf of the Town of Granite Quarry in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 6th day of April, 2020.

The motion to adopt this resolution was made by Alderman Jim Costantino, seconded by Alderman John Linker, and passed by a vote of 3 to 0.

ATTEST:

Aubrey Smith
Town Clerk Aubrey Smith



William D. Feather
Mayor William D. Feather

This is to certify that this is a true and accurate copy of Resolution No. 2020-03, as amended and adopted by the Granite Quarry Board of Aldermen on the 6th day of April, 2020.

Aubrey Smith
Town Clerk Aubrey Smith

4/6/2020
Date

ATTORNEY'S OPINION (Amended 4/6/2020)

Department of State Treasurer
Local Government Commission
3200 Atlantic Avenue
Raleigh, North Carolina 27604

Re: Town of Granite Quarry Financing of Capital Streets Improvements
Pursuant to G.S. 160A-20

Gentlemen:

We are counsel for the Town of Granite Quarry, North Carolina, and as such, are familiar with its organization and operation. We are familiar with the official action on the part of its Board of Aldermen in connection with the financing by Granite Quarry under G.S. 160A-20 of a capital streets improvements project not to exceed \$390,750.

In connection with this opinion letter, we have examined:

- A. Drafts of the financing documents;
- B. Resolutions of the Board of Aldermen;
- C. Article V of the North Carolina Constitution and the appropriate provisions of Chapters 159 and 160 of the General Statutes; and
- D. Such other documents as we deemed relevant or necessary in rendering this opinion.

Based upon the examination described above, we are of the opinion:

(1) That the Town of Granite Quarry has the power and authority to enter into the transaction to finance the project under the provisions of G.S. 160A-20;

(2) That the appropriate documents have been duly authorized by all necessary action on the part of the Board of Aldermen and when duly executed and delivered, will be valid and binding obligations of Granite Quarry in accordance with the terms of the documents except that the enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally, as such laws would apply in the event of bankruptcy, insolvency, reorganization or liquidation of, or other similar occurrence with respect to the Municipality or in the event of any moratorium, temporary injunction or similar occurrence affecting the Municipality;

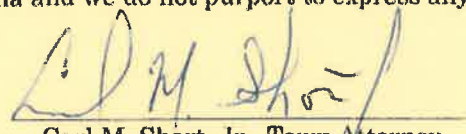
(3) That the proposed undertaking by the Town of Granite Quarry is authorized by law and does constitute a public purpose under the Constitution of the State of North Carolina;

(4) That all necessary and appropriate actions by the Board have been taken including a public hearing, if required, and that such public hearing as conducted, met fundamental requirements of the statutes;

(5) That the Notice for a Public Hearing is timely and sufficient to identify the contract to be considered; and

(6) That the Town of Granite Quarry has followed applicable bid law requirements in full compliance with applicable public bid statutes; and

We are members of the Bar of the State of North Carolina and we do not purport to express any opinion except as to the laws of the State of North Carolina.


Carl M. Short, Jr., Town Attorney



CAPITAL PROJECT ORDINANCE

2020-07

TOWN OF GRANITE QUARRY NC 2020 CAPITAL STREETS IMPROVEMENT PROJECT

BE IT ORDAINED by the Governing Board of the Town of Granite Quarry, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Capital Project Ordinance is hereby adopted:

Section 1: The Project authorized is the 2020 Capital Streets Improvements Project, as explained in more detail on Attachment A.

Section 2: The officers of this unit of government are hereby directed to proceed with the capital project within the terms of this project ordinance and the budget contained herein.

Section 3: The following amounts are appropriated for the capital project:

Administrative Fees	\$	10,500
Construction Costs		339,500
Capitalized Interest		40,750
Total Appropriations	\$	<u>390,750</u>

Section 4: The following revenues are anticipated to be available to complete this project:

Powell Bill Allocations	\$	390,750
Total Revenues	\$	<u>390,750</u>

Section 5: The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of all state and federal regulations.

Section 6: Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 7: The Finance Officer is directed to report on the financial status of each project element in Section 3 of this ordinance on a quarterly basis.

Section 8: The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board until this project is complete.

Section 9: A copy of this capital project ordinance shall be entered into the Governing Board's meeting minutes, and within five days after adoption, copies shall be filed with the Finance Officer, Budget Officer, and in the Office of the Town Clerk for direction in carrying out this project.

Adopted this 6th day of April 2020

(Seal)





William D. Feather, Mayor

Attest:



Aubrey Smith, Town Clerk

**2020 Capital Streets Improvement Project
Street Paving Priority List***

Street Name	Beginning Street	End Street	Square Yards
N Jack St	E Lyerly St	Lake Dr	1250
Yadkin St	E Church St	E Kerns St	2872
N Oak St	Crook St	Peeler St	2392
N Oak St	W Bank St	Peeler St	1955
S Oak St	W Bank St	W Lyerly St	1114
S Oak St	Rowan St	W Lyerly St	1968
Rowan St	Walnut St	Dead End	2103
Railroad St	Depot St	US Hwy 52	4394
Depot St	Main St	Railroad St	374
Depot St	Railroad St	US Hwy 52	1096
N Kayla St	Phillip Dr	cul-de-sac	1769

21,287

Patchwork*	
Kerns St	RR track fill & 12-ton dig
N Cleo St	Dig and skin 15.5 tons
Phillip Dr	Dig cul-de-sac and entrance
E Church St	Intersection at US Hwy 52 10' width
Foil St	Dig patch
Garland Dr	Dig patch
Palisade Dr	Dig patch
Dominion Dr	Dig patch
Kluttz St	Dig Patch

*List prioritized by Asphalt Rating Database. Subject to amendment during construction based on actual site conditions and up to financial cap.

Town of Granite Quarry

FISCAL YEAR 2019-2020
BUDGET AMENDMENT REQUEST #13

April 6, 2020

PURPOSE: To transfer funds from Fund Balance Appropriated (01-3991-99) to Maintenance – Maint & Repair–Bldgs/Grounds (01-4190-24) in the amount of \$25,000 to bring the quarry site up to standards for leaf and limb storage.

TRANSFER FUNDS FROM:

General Ledger Acct. # and Description		Amount
01-3991-99	Fund Balance Appropriated	\$ 25,000
TOTAL		\$ 25,000

ADD FUNDS TO:

General Ledger Acct. # and Description		Amount
01-4190-24	Maintenance – Maint & Repair-Bldgs/Grounds	\$ 25,000
TOTAL		\$ 25,000

The above Budget Amendment was approved / denied by the Manager or Board on 4/6/2020.


William Feather, Mayor


Shelly Shockley, Finance Officer