



**TOWN OF GRANITE QUARRY  
BOARD OF ALDERMEN  
REGULAR MEETING MINUTES  
Monday, April 10, 2023 6:00 p.m. &  
Thursday, April 13, 2023 9:00 a.m.**

**Monday, April 10, 2023**

**Present:** Mayor Brittany Barnhardt, Mayor Pro Tem John Linker, Alderman Jim Costantino, Alderman Doug Shelton, Alderman Jeff Cannon

**Staff:** Town Manager Larry Smith, Town Clerk Aubrey Smith, Town Planner E. Schwartz-Laubhann

**Call to Order:** Mayor Barnhardt called the meeting to order at 6:00 p.m.

**Moment of Silence:** Mayor Barnhardt led a moment of silence.

**Pledge of Allegiance:** The Pledge of Allegiance was led by Mayor Barnhardt.

**1. Approval of the Agenda**

**ACTION:** Alderman Costantino made a motion to approve the agenda. Alderman Shelton seconded the motion. The motion passed 4-0.

**2. Approval of the Consent Agenda**

**A. Approval of the Minutes**

- 1) Budget Workshop March 13, 2023
- 2) Regular Meeting March 13, 2023
- 3) Recessed Meeting March 30, 2023
- 4) Recessed Meeting April 3, 2023

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

**C. Financial Reports** *(Reports in Board packet)*

~~**D. Contract** with Eddie Carrick, CPA, PC for audit of accounts for FY 22-23~~

**E. Resolution 2023-04** CRMPO Projects List

**F. Proclamation** for Child Abuse Prevention Month

**ACTION:** Alderman Shelton made a motion to approve the consent agenda with the contract for auditing services pulled and moved to New Business for discussion. Mayor Pro Tem Linker seconded the motion. The motion passed 4-0.

**3. Citizen Comments:** There were no citizen comments.

## Recess

**ACTION:** Mayor Pro Tem Linker made a motion to recess the meeting to Thursday, April 13, 2023 at 9:00 a.m. Alderman Shelton seconded the motion. The motion passed 4-0.

*The meeting ended at 6:04 p.m.*

## Thursday, April 13, 2023

*Mayor Barnhardt was not present for the April 13, 2023 segment of the meeting.*

**Call to Order:** Mayor Pro Tem Linker called the regular meeting recessed on April 10, 2023 back into session at 9:03 a.m.

### 4. Town Manager's Update

Manager Smith reviewed items from his report in the agenda packet including an update on the police vehicle. There isn't a build date yet for the current vehicle, but there is a Dodge Durango police unit available. The upfit could be up to \$6,200 more than the current budgeted expense. There is room in the PD fuel budget to cover the overage as long as it doesn't go over \$7,000. He also shared that the Fish for Funs that had been advertised as contingent on stock are on track for this year.

Manager Smith shared that there is still a need to move mulch and asked the Board to help get the word out that the double-screened mulch is available. The RFP for a town attorney is posted and has been sent out. The Litter Sweep will be held April 21<sup>st</sup> from 1:00 p.m. – 3:00 p.m. with an informal reception at town hall afterward. The Rowan Municipal Association meeting will be held Thursday, April 27<sup>th</sup>.

## Old Business

### 5. Discussion

#### Wayfinding/Granite Industrial Park Sign

Manager Smith reviewed the presentation included in the agenda packet on the Wayfinding and Granite Industrial Park signs. After discussion on the logo to be used, there was consensus to use the logo without the slogan underneath. Manager Smith shared that, assuming there was consensus not to redo the entry signs, the money would be funneled to the industrial park sign. Alderman Costantino asked about the timeline for the project. Manager Smith replied that Tourism asked to submit any suggestions for wayfinding to DOT in June; they are hopeful to get started on implementation by the end of the calendar year. There was discussion on the size, location, and orientation of the industrial park sign. There was Board consensus to scale the sign back slightly (from 24 to 20 feet was suggested) and to have the larger part of the monument sign on the right, away from the road (*consensus on orientation was given later in the meeting*).

Alderman Shelton was interested in having the baseball field included and Alderman Costantino agreed. Manager Smith shared that Mayor Barnhardt was interested in having the field and the original F&M bank included. After he presented the requests to Tourism, they felt since the F&M building wasn't open to the public, it shouldn't be included. Manager Smith asked for Board feedback on additional landmarks. Alderman Shelton stated that he felt since the bank wasn't an active museum and not open to the public, signage money shouldn't be wasted on something no one was going to. Alderman Costantino agreed. Mayor Pro Tem Linker stated that instead of adding it to a wayfinding sign, he would propose a directory for local historical sites be added to the website in the future.

**6. Discussion** **Transformational Projects Update**

Manager Smith reviewed the updated presentation for Transformational Projects that was included in the agenda packet. He pointed out that the changes included the slide with grant opportunities. Because the Town Square and streetscape projects are waiting on Duke Energy and feasibility studies, the options being presented to the Board for next steps are for the Civic Park only. The recommendation, shared from the *Next Steps* slide on page 96 of the agenda packet, is to move forward with Option 1 which is to go to bid for all three projects (New Parking Lot, Repave/accessibility, and Trails reconstruction). There was discussion on the most urgent needs regarding trail repair.

**ACTION:** Alderman Costantino made a motion to go forward with phase one of the Civic Park improvements and approve the Stewart scope of services and proceed with Option 1 to do that. Alderman Shelton seconded the motion. The motion passed 4-0.

**7. Discussion and Possible Action** **Rules of Procedure**

Clerk Smith shared Attorney Short's responses to the questions the Board had after the March 30, 2023 meeting. No additional amendments to the Rules of Procedure were suggested by Attorney Short.

**ACTION:** Alderman Cannon made a motion to adopt Resolution 2023-03 to adopt Rules of Procedure for the Board of Aldermen of the Town of Granite Quarry. Alderman Costantino seconded the motion. The motion passed 4-0.

**New Business**

**8. Ordinance Amendment** **Parks Ordinance / Alcohol**

Manager Smith shared that the topic of allowing alcohol in parks came up during the discussions on sponsorship guidelines and that it had been discovered that the current ordinance does not allow alcohol in the parks, even at town-sponsored events. An ordinance amendment to the current ordinance that would allow for alcohol at the parks only at town-sponsored events was presented to the Board for feedback and possible adoption. The proposed wording would not allow for other groups holding events to allow alcohol.

Individual Board members shared their personal opinions on whether alcohol should be allowed at town-sponsored events. Mayor Pro Tem Linker questioned whether the Board wanted to wait to make the decision to be able to give Mayor Barnhardt an opportunity to comment as well. Alderman Shelton asked if there was a time issue associated with the approval because of the upcoming Arts in the Park. Manager Smith replied that he could explain to the Events Committee that there could not be alcohol vendors at the upcoming event because there was a conflict found in the ordinance and the Board needed more time to discuss the issue and get it resolved.

**ACTION:** Alderman Shelton made a motion to defer the decision to the next regularly scheduled meeting. Alderman Costantino seconded the motion. The motion passed 3-1 with Mayor Pro Tem Linker, Alderman Costantino, and Alderman Shelton in favor and Alderman Cannon opposed.

**9. Discussion and Possible Action** **Mural**

Alderman Costantino requested that the item be deferred to the next regular meeting since the Mayor wasn't present.

**ACTION:** Alderman Costantino made a motion to defer discussion to the next regularly scheduled meeting. Alderman Shelton seconded the motion. The motion passed 4-0.

**10. Discussion** **Town Charter**

Board direction for staff to research and prepare information on a charter amendment process and timeline to change the mayoral election from 2 to 4 years and authorizing voting privileges for the mayor was added at the March 30 meeting and staff was not able to complete the process in time for this meeting. Staff requested additional time to get information together.

**ACTION:** Alderman Shelton made a motion to defer the discussion to the regularly scheduled meeting in July. Alderman Costantino seconded the motion. The motion passed 4-0.

**11. Discussion and Possible Action** **Contract with Eddie Carrick, CPA, PC for Audit**

Manager Smith updated the Board on the differences in cost between the current contract and last year's contract for audit services. The total cost increased by \$2,500.

**ACTION:** Alderman Shelton made a motion to approve the contract (*with Eddie Carrick, CPA, PC for audit services*). Alderman Costantino seconded the motion. The motion passed 4-0.

**12. Board Comments**

- Alderman Costantino had questions on the status of the Stoneglen development. Chief Hord stated the 32-home subdivision should see work resume within 30 to 45 days.

**13. Announcements and Date Reminders**

A.	Wednesday	April 12	5:00 p.m.	Centralina Executive Board Meeting
B.	Thursday	April 13	9:00 a.m.	Possible BOA Recessed Meeting
C.	Thursday	April 13	5:30 p.m.	Community Appearance Commission
D.	Monday	April 17	5:00 p.m.	Business After Hours
E.	Tuesday	April 18	3:30 p.m.	Revitalization Team
F.	Thursday	April 20	7:30 a.m.	Power in Partnership Breakfast
G.	Friday	April 21	1:00 p.m.	Litter Sweep
H.	Monday	April 24	6:00 p.m.	Possible Joint PB/BOA GQDO Meeting
I.	Wednesday	April 26	5:30 p.m.	CRMPO TAC
J.	Thursday	April 27	6:00 p.m.	Rowan Municipal Association
K.	Saturday	April 29	11:00 a.m.	Staff & Volunteer Appreciation Event
L.	Monday	May 1	6:00 p.m.	Planning Board
M.	Saturday	May 6	1:00 p.m.	Arts in the Park

**Adjourn**

**ACTION:** Alderman Costantino made a motion to adjourn. Alderman Shelton seconded the motion. The motion passed 4-0.

The meeting ended at 10:22 a.m.

Respectfully Submitted,

Aubrey Smith  
Town Clerk

**RESOLUTION 2023-04**

**A RESOLUTION ENDORSING BYRD ROAD ROUNDABOUT FOR THE  
CABARRUS-ROWAN METROPOLITAN PLANNING ORGANIZATION  
REGIONAL PRIORITY LIST**

**WHEREAS**, the North Carolina Board of Transportation (BOT), every two years, prepares a Statewide Transportation Improvement Program (STIP) that identifies transportation projects to be implemented over the next seven years with State and Federal funding; and

**WHEREAS**, the North Carolina BOT solicits input for identifying transportation projects of local and regional importance to be included in the next STIP; and

**WHEREAS**, the Cabarrus-Rowan Transportation Advisory Committee is charged with the development of a Metropolitan Transportation Improvement Program (MTIP); and

**WHEREAS**, the Town of Granite Quarry is a member jurisdiction of the CRMPO; and

**WHEREAS**, the Cabarrus-Rowan MPO encourages the North Carolina Department of Transportation (NCDOT) to design all highway projects, where appropriate, to accommodate bicycle and pedestrian traffic that support alternative means of transportation; and

**WHEREAS**, the Town of Granite Quarry has outlined its transportation and highway project priorities within the CRMPO planning area in the attached application to the MPO;

**NOW, THEREFORE, BE IT RESOLVED** by the Town of Granite Quarry that the Board of Aldermen endorses the following new highway project to be evaluated on the list of projects that will ultimately be considered for the FY 2026-2035 CRMPO MTIP.

*This request is to add 1 roundabout at the Byrd Road and Faith Road intersection as a traffic calming device.*


*This project will be submitted as a new highway project to be considered for inclusion in the next update of the CRMPO Metropolitan Transportation Plan (MTP) and MTIP as well as the 2026-2035 STIP.*

Upon motion of Alderman Shelton seconded by Mayor Pro Tem Linker, the foregoing resolution was adopted this the 10<sup>th</sup> day of April, 2023.

I, Aubrey Smith, Clerk to the Board of Aldermen, **DO HEREBY CERTIFY** that the foregoing is a true copy of so much of the proceedings of said Board at a meeting held on April 10<sup>th</sup>, 2023, as relates in any way to the adoption of the foregoing and that said proceedings are recorded in the minutes of said Council.

WITNESS my hand and the seal of said Town, this 10<sup>th</sup> day of April, 2023.



  
Clerk to the Board

**Cabarrus-Rowan MPO**

**Local Highway Priority List Project Request Form**

**Agency:** Town of Granite Quarry

**Type of Project:** Highway

**Location:** Intersection of Byrd Road and Faith Road

**Length and Scope:** 3-way intersection currently with a one-way stop on the westbound lane. We are looking to add a roundabout intersection.

**Right of Way:** Current right of way is 60 feet in all directions and the Town of Granite Quarry owns most of the needed right of way to complete the project.

**Summary of Need / Benefit of Project:** This 3-way intersection connects traffic from Byrd Rd and Faith Rd into and from downtown Granite Quarry. This is also a major throughfare for the Town of Faith and City of Salisbury. This intersection handles residential and commercial traffic from interstate 85 as well. The roundabout would serve as a traffic calming device and reduce traffic crashes.

Office of The Mayor:

# Proclamation

## Child Abuse Prevention Month 2023

**WHEREAS**, children are vital to our Town and State's future success, prosperity, and quality of life as well as being our most vulnerable assets; and

**WHEREAS**, all children deserve to have the safe, stable, nurturing homes and communities they need to foster their healthy growth and development; and

**WHEREAS**, child abuse and neglect is a community responsibility affecting both the current and future quality of life of a community; and


**WHEREAS**, communities that provide parents with the social support, knowledge of parenting and child development, and concrete resources they need to cope with stress and nurture their children ensure all children grow to their full potential; and

**WHEREAS**, effective child abuse prevention strategies succeed because of partnerships created among citizens, human service agencies, schools, faith communities, health care providers, civic organizations, law enforcement agencies, and the business community.


**NOW, THEREFORE, I**, Brittany H. Barnhardt, Mayor of the Town of Granite Quarry, on behalf of the Board of Aldermen and the citizens of Granite Quarry do hereby proclaim, **April 2023 as Child Abuse Prevention Month** and call upon all Granite Quarry citizens, community agencies, faith groups, medical facilities, elected leaders and businesses to increase their participation in our efforts to support families, thereby preventing child abuse and strengthening the communities in which we live.

**ADOPTED this 10th day of April 2023.**



  
Brittany H. Barnhardt, Mayor

ATTEST:

  
Aubrey Smith, Town Clerk



## RESOLUTION 2023-03

### A RESOLUTION TO APPROVE RULES OF PROCEDURE FOR THE BOARD OF ALDERMEN OF THE TOWN OF GRANITE QUARRY, NORTH CAROLINA

**WHEREAS**, policies and procedures governing the conduct of public meetings may be adopted and amended by the Board of Aldermen not inconsistent with applicable federal and state laws, rules, and regulations, and local ordinances; and

**WHEREAS**, Rules of Procedure have been drafted for the Town which comply with and are consistent with North Carolina Open Meetings Law and North Carolina General Statutes; and

**WHEREAS**, the Rules of Procedure are structured to promote order, continuity, and efficiency for public meetings and the conduction of Town business; and

**WHEREAS**, the Rules of Procedure are intended to be in keeping with relevant statutory provisions and generally accepted principles of parliamentary procedure; and

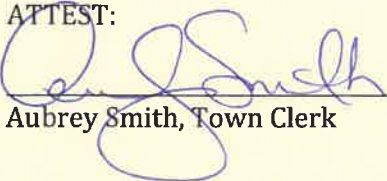
**WHEREAS**, the Board of Aldermen deems it in the best interest of the Town of Granite Quarry to formally adopt the updated Rules of Procedure;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Aldermen of the Town of Granite Quarry hereby adopts the Rules of Procedure as presented and attached hereto.

**RESOLVED, APPROVED, AND EFFECTIVE UPON ADOPTION BY THE BOARD OF ALDERMEN OF THE TOWN OF GRANITE QUARRY, NORTH CAROLINA, ON THIS THE 13<sup>th</sup> DAY OF APRIL 2023.**

  
John Linker, Mayor Pro Tem

ATTEST:

  
Aubrey Smith, Town Clerk

[SEAL]





March 1, 2023

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

We are pleased to confirm our understanding of the services we are to provide for Town of Granite Quarry for the year ended June 30, 2023.

**Audit Scope and Objectives**

We will audit, where applicable, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Town of Granite Quarry as of and for the year ended June 30, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of 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 our engagement, we will apply certain limited procedures to Town of Granite Quarry's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to 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 appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

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

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Granite Quarry'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 GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

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

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

- 1) N/A

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

that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on (if applicable):

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal 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).

#### **Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit (if applicable)**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Cash
- Support, receivables, and receipts
- Program service fees, revenue, and receivables
- Expenses for program and supporting services, and accounts payable and other liabilities
- Inventories (if applicable)
- Property and equipment

Debt and other liabilities  
Net assets

Our audit of financial statements does not relieve you of your responsibilities.

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

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. 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*.

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

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

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town 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 we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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

#### **Other Services**

##### **For audits subject to Yellow Book, we will not provide any nonattest services.**

For audit not subject to Yellow Book, we will also assist in preparing the financial statements and related notes of Town of Granite Quarry in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes 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.

You agree to assume all management responsibilities for 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 and that you have reviewed and approved the 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.

### **Responsibilities of Management for the Financial Statements and Single Audit (if applicable)**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal 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, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, 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.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management 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. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance (if applicable), it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on the first of audit field work.

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, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance (if applicable). You agree to include our report on the schedule of

expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us 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 us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). 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 no later than the date the supplementary information is issued with 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 Scope and 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 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.

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

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

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

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

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

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agency. If we are aware that a federal awarding

agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Eddie Carrick is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit after July 1, 2023.

My fee for these services will be at our agreed upon fee per our LGC contract less any amounts paid directly to Tony Brewer CPA, PC for financial statement preparation and other non-attest services. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate 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 engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

### Reporting

We will issue written reports upon completion of our Single Audit (if applicable). Our reports will be addressed to the Council of the Town of Granite Quarry. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

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

We appreciate the opportunity to be of service to the Town of Granite Quarry 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 attached copy and return it to us.

Very truly yours,



Eddie Carrick CPA, PC

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

Management signature: 

Title: Town Manager

Date: 4/20/2023

Governance signature: 

Title: Mayor Pro-Tem

Date: 4/20/2023



The of and	Governing Board Town Council
	Primary Government Unit 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 06/30/23	Date Audit Will Be Submitted to LGC 10/31/23
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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). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

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

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

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

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

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

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

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

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

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



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

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

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

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, 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 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 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 *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will 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:

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

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

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

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

## PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Granite Quarry
Audit Fee	\$ 11,500.00
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$ 2,000.00
Writing Financial Statements	\$
All Other Non-Attest Services	\$

## 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	\$

## SIGNATURE PAGE

## AUDIT FIRM

Audit Firm*	
Eddie Carrick, CPA, PC	
Authorized Firm Representative (typed or printed)*	Signature*
Eddie Carrick	
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))	
April 13, 2023	
Mayor/Chairperson (typed or printed)*	Signature*
John Linker, Mayor Pro Tem	
Date	Email Address
4/20/2023	jlinker@granitequarrync.gov

Chair of Audit Committee (typed or printed, or "NA")	Signature
N/A	
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*
Shelly Shockley	
Date of Pre-Audit Certificate*	Email Address*
4/10/23	finance@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
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**