

**Agenda**  
**Board of Aldermen**  
**Town of Gibsonville**

**March 2, 2020**  
**Regular Meeting**

**Town Hall**  
**7:00 pm**

1. Invocation Alderman Pleasants
2. Public Comments
3. Approval of Agenda
4. Approval of Minutes
5. Burlington/Gibsonville Sewer Agreement
6. Downtown Mural Project
7. Approval of the FY 2020 Audit Contracts and Engagement Letters
8. FY 2020 Budget Ordinance Amendment #5
9. Sell Back of Cemetery Grave
10. Reports
  - a. Town Manager
  - b. Mayor
  - c. Board Members

## Addendum

- 5. Burlington/Gibsonville Sewer Agreement** – This Agreement is to modify the existing Burlington/Gibsonville Sewer Agreement with Burlington; dated March 20, 2018. This will allow Elon to provide wastewater collection for portions of the Town of Gibsonville at additional connection points including a the Travis Creek Pump Station. The City of Burlington approved the Agreement at their February 18, 2020 meeting. *Staff recommends approval of the Burlington/Gibsonville Sewer Agreement.*  
Attachment: Burlington/Gibsonville Sewer Agreement
- 6. Downtown Mural Project** - At the last meeting, Chelsea Dickey with Motley presented the details of a downtown mural project. Said project is a downtown public art initiative that will include a 250 – 300 square foot painted mural. The project cost is \$5,000. The project will improve downtown tourism and increase walkability. *If the board wishes to move forward with this project, staff recommends that the board vote on the following motion “to approve the downtown mural project and associated \$5,000 to fund the project”.*
- 7. Approval of the FY 2020 Audit Contracts** – The board needs to consider several audit documents (one contract and three engagement letters) related to year ending June 30, 2020 for the Town of Gibsonville and the Gibsonville Housing Authority. Said documents use standard language from the Local Government Commission for the Town of Gibsonville audit and Rural Development for the Gibsonville Housing Authority and require annual approval. The Town of Gibsonville audit requires approval of 1) an Audit Contract that will not exceed \$22,875 and 2) an Audit Engagement Letter. The Gibsonville Housing Authority requires approval of 1) an Audit Engagement Letter that will not exceed \$5,305 and 2) an Agreed Upon Procedures Engagement Letter. *Staff recommends that the board vote on the following motion “approve the Town of Gibsonville Audit Contract and Audit Engagement Letter for the year ending June 30, 2020 and the Gibsonville Housing Authority Audit Engagement Letter and Agreed Upon Procedures Letter for the year ending June 30, 2020.”*  
Attachments: Town of Gibsonville Audit Contract, Town of Gibsonville Audit Engagement Letter, Gibsonville Housing Authority Audit Engagement Letter, and Gibsonville Housing Authority Agreed Upon Procedures Engagement Letter
- 8. FY 2020 Budget Ordinance Amendment #5** – The FY 2020 Budget Ordinance Amendment #5 is needed to account for book sales/donations for the library, State Aid Grant to the Gibsonville Public Library, appropriate Federal Drug Funds for a K9 handler course, and appropriate Fund Balance – Powell Bill for street pavement crack sealing. *Staff is recommending approval of FY 2020 Budget Ordinance Amendment #5.*  
Attachments: Memo & FY 2020 Budget Ordinance Amendment #5
- 9. Sell Back of Cemetery Grave** – LaRue Southern would like to sell back a vacant grave she owns at the Gibsonville Cemetery; located at E-63 for \$200.00. *Staff recommends approval of the sell of the cemetery grave.*  
Attachment: Letter from LaRue Southern

NORTH CAROLINA

ALAMANCE COUNTY

GUILFORD COUNTY

THIS AGREEMENT, made and entered into this the \_\_\_ day of \_\_\_\_\_, 2020 by and between the **TOWN OF GIBSONVILLE**, a municipal corporation located in Alamance County, North Carolina, and in Guilford County, North Carolina, hereinafter referred to as "Gibsonville"; and the **CITY OF BURLINGTON**, a municipal corporation, located in Alamance County, North Carolina, and in Guilford County, North Carolina, hereinafter referred to as "Burlington";

WITNESSETH:

WHEREAS, Burlington is a regional provider of wastewater (sewer) treatment services; and

WHEREAS, Burlington owns, maintains, and operates two sanitary wastewater treatment plants, the East Burlington Wastewater Treatment Plant, located at 225 Stone Quarry Road in Burlington, and the South Burlington Wastewater Treatment Plant located at 2471 Boywood Road in Alamance County, North Carolina; and

WHEREAS, at the present time, Burlington has municipal contracts for the treatment of wastewater the following: Town of Elon, Town of Gibsonville, Village of Alamance, Town of Green Level, Town of Haw River, Town of Swepsonville, Town of Whitsett, and City of Graham (portion of jurisdiction); and

WHEREAS, each of Burlington's municipal customers constructs, maintains, and operates its water distribution and/or wastewater collection systems as its own enterprise fund as provided by N.C.G.S 160A-312. In doing so, each municipality maintains its own water/sewer lines, maintains its own customer base for citizens within its corporate limits, and bills and collects rents from its customers; and

WHEREAS, in so operating its own water and/or sewer enterprise fund, each municipal customer of Burlington establishes water and/or sewer rates at such a level as to adequately maintain and repair its water distribution and/or wastewater collection systems; and

WHEREAS, the primary method of measuring wastewater flow from each municipality into Burlington's wastewater collection systems is a flow meter at the connection point where a municipality's sewage empties into Burlington's wastewater collection system; and

WHEREAS, Gibsonville's wastewater collection system discharges to Burlington's wastewater collection system under an agreement originally dated April 8, 1980, amended, March 21, 2005; subsequently amended once again, March 20, 2018; and

WHEREAS, Elon's wastewater collection system discharges to Burlington's wastewater collection system under an agreement originally dated May 14, 1971, and subsequently amended June 18, 1985, and again on January 10, 2006; and

WHEREAS, with the City's March 21, 2005 AGREEMENT Gibsonville agreed not to extend wastewater treatment services to any other municipality without the prior written consent and approval of Burlington; and

WHEREAS, with the City's January 10, 2006 AGREEMENT Elon agreed not to extend wastewater treatment services to any other municipality without the prior written consent and approval of Burlington; and

WHEREAS, per an Agreement dated November 4, 2019, the Town of Elon and Town of Gibsonville established a new annexation line pursuant to N.C.G.S. §160A-58.21 et seq., said agreement having been approved by the municipalities' respective governing boards on November 12, 2019 and November 4, 2019. The new annexation line runs along the Gibsonville-Ossipee Road. With said annexation agreement, the Travis Creek Wastewater Pump Station, the Travis Creek Wastewater Force Main and portions of the Travis Creek Sewer Outfall Line are not on the Town of Elon's side of the annexation line of agreement. Accordingly, by said agreement, the Town of Elon has purchased said assets from the Town of Gibsonville.

WHEREAS, sewage from both municipalities Elon and Gibsonville gravity flows to the Travis Creek Pump Station where it is pumped through the Travis Creek Force Main and is subsequently discharged into Burlington's wastewater collection system. Further, with the modification of said Gibsonville and Elon agreements with Burlington as set out herein: (1) the existing wastewater connection with Burlington's system will remain the same; (2) the sewage flow will be discharged in the same manner it is currently; (3) the composition of the wastewater will not be changed; and, (4) no adjustments to sewage allocations to either municipality Elon or Gibsonville will be necessitated.

NOW THEREFORE, the parties hereto in consideration of the mutual stipulations and agreements herein contained, hereby further contract and agree as follows:

- (1) The WASTEWATER TREATMENT AGREEMENT dated January 10, 2006 between Burlington and Elon remains in full force and affect except as amended herein by this AGREEMENT.
- (2) The WASTEWATER TREATMENT AGREEMENT of January 10, 2006 is modified to allow Elon to provide wastewater collection for portions of the Town of Gibsonville at additional connection points including at the Travis Creek Pump Station.
- (3) The allocations to Gibsonville and Elon to the East Burlington Wastewater Treatment Plant remain unchanged and shall remain separate.
- (4) Billing for sewer/wastewater service for flow generated by Elon and Gibsonville customers shall remain as stipulated in the respective agreements. Elon may negotiate with Gibsonville for a separate charge for the wastewater conveyance resulting from this modification of wastewater flow.

IN WITNESS WHEREOF, the Town of Gibsonville, pursuant to authority duly given, has caused this instrument to be executed on its behalf by its Mayor and to be attested by its Town Clerk and its corporate seal hereto attached; and the City of Burlington, pursuant to authority granted by Resolution adopted on the \_\_\_ day of \_\_\_\_\_, 2020, has caused this agreement to be executed in its behalf by its Mayor, to be attested by its City Clerk and its corporate seal hereunto attached, and this agreement is executed in duplicate.

**TOWN OF GIBSONVILLE**

By: \_\_\_\_\_  
Leonard Williams, Mayor

ATTEST:

\_\_\_\_\_  
Laurie Yarbrough, Town Clerk

**CITY OF BURLINGTON**

By: \_\_\_\_\_  
Ian Baltutis, Mayor

ATTEST:

\_\_\_\_\_  
Beverly Smith, City Clerk

Item 1

The of and	Governing Board Board of Aldermen
	Primary Government Unit (or charter holder) Town of Gibsonville
	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 Gibson & Company, P.A.
	Auditor Address 1411 Old Mill Circle Winston-Salem, NC 27103

Hereinafter referred to as Auditor

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

hereby agree as follows:

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

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

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

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.  
  
If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

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

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.
14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.
15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

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

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.  
None other than attached engagement letter
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).

None

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 be not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

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

Name:	Title and Unit / Company:	Email Address:
Chad Coble	Finance Off./Town of Gibsonville	finance@gibsonville.net

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 Gibsonville
Audit Fee	\$ 19,375.00 (includes single audit @ 4,000)
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$ -0-
Writing Financial Statements	\$ 3,500.00
All Other Non-Attest Services	\$ -0-
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$ 17,155.00

## DPCU FEES (if applicable)

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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Gibson & Company, P.A.	
Authorized Firm Representative (typed or printed)* R. Harold Gibson, Managing Partner/Principal	Signature* 
Date* 2-7-20	Email Address* harold@gibcocpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Gibsonville	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Leonard Williams, Mayor	Signature*
Date	Email Address lenwms125@aol.com

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

GOVERNMENTAL UNIT -- PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed) Chad Coble, Finance Officer	Signature*
Date of Pre-Audit Certificate*	Email Address* finance@gibsonville.net

**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**

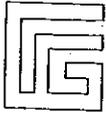
Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

*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**



February 7, 2020

To the Board of Aldermen  
Town of Gibsonville  
129 West Main Street  
Gibsonville, NC 27249

We are pleased to confirm our understanding of the services we are to provide the Town of Gibsonville for the year ended June 30, 2020. We 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 the Town of Gibsonville 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 the Town of Gibsonville'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 the Town of Gibsonville's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Local Government Employees' Retirement System – Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions.
- 3) Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress and Schedule of Employer Contributions.
- 4) Other Postemployment Benefits – Schedule of Funding Progress and Schedule of Employer Contributions.

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

- 1) Schedule of expenditures of federal and state awards.
- 2) Individual fund statements.
- 3) Other schedules.

## Audit Objectives

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

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

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. 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.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; 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 program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the members of the Board of Aldermen of the Town of Gibsonville. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we 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, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of 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 we 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 us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that

do not have a direct and material effect on the financial statements 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, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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

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

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

As required by the Uniform Guidance, 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.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Gibsonville'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 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 the Town of Gibsonville's major programs. The purpose of these procedures will be to express an opinion on the Town of Gibsonville's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

#### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Town of Gibsonville in conformity with U.S. generally accepted accounting principles and the Uniform

Guidance 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, schedule of expenditures of federal awards, 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.

### **Management Responsibilities**

Management is responsible 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 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 us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) 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.

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 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. 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 we report. Additionally, as required by the Uniform Guidance, 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.

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 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. 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. 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 or make the audited financial statements readily available to users of the supplementary information 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 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.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, 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, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

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

We 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, 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 Town of Gibsonville; 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 Gibson & Company, P.A. 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 North Carolina Local

Government Commission 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 Gibson & Company, P.A. 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 North Carolina Local Government Commission. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit at your earliest convenience and to issue our reports no later than October 31, 2020. R. Harold Gibson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services (basic audit) will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$22,875 (includes \$4,000 for single audit, if required). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes significantly overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. The costs included for the basic audit services are "not-to-exceed". If a "single audit" is not required we would propose that the single audit fee of \$4,000 be removed.

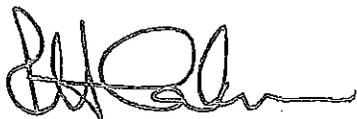
Our fees for other services, if any, (reconciliations, consultation, etc that are not related to or required by the basic audit) tend to be on an "as needed" basis and are therefore not subject to a fixed fee. We propose that these services, if any, be billed at our standard rate based on the actual time spent as needed or requested by you and your staff. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. These standard rates range from \$56 to \$224 which includes a 20% discount that we offer to municipals. (Please note that this paragraph will not be imposed for "routine questions" with a duration of 30 minutes or less.) This paragraph is intended to apply to "special projects" or requests by you that would require significant time and involvement by us. Further we would advise you of any potential additional fees before they were incurred.

This service engagement arrangement may be terminated by you or Gibson & Company, P.A. upon written notification.

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

Very truly yours,

Gibson & Company, P.A.



R. Harold Gibson  
Managing Partner/Principal

RESPONSE:

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

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# SHEILA GAHAGAN, CPA

229 Penland Street

Clyde, NC 28721

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

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## Report on the Firm's System of Quality Control

July 7, 2017

To: Gibson & Company, P.A. and the Peer Review Committee of the North Carolina Association of CPA's

I have reviewed the system of quality control for the accounting and auditing practice of Gibson & Company, P.A. (the firm) in effect for the year ended March 31, 2017. My peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope; limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firms Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

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

## Required Selections and Considerations

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

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

## Opinion

In my opinion, the system of quality control for the accounting and auditing practice of Gibson & Company, P.A. in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gibson & Company, P.A. has received a peer review rating of *pass*.



Sheila Gahagan, CPA



February 11, 2020

To the Board of Aldermen  
Gibsonville Housing Authority  
Town of Gibsonville  
129 West Main Street  
Gibsonville, NC 27249

We are pleased to confirm our understanding of the services we are to provide the Gibsonville Housing Authority for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Gibsonville Housing Authority 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 the Gibsonville Housing Authority'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 the Gibsonville Housing Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

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

1) Other Schedules

**Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Gibsonville Housing Authority's financial statements. Our report will be addressed to the Board of Commissioners of the Gibsonville Housing Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you

in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or 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, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

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

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

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

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. 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.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Gibsonville Housing Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will also prepare the financial statements of the Gibsonville Housing Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for designing, implementing, 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 monitoring ongoing activities; for the selection and application of accounting principles;

and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

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

Your responsibilities include adjusting the financial statements to correct material misstatements and 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 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, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the 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.

You agree to assume all management responsibilities for financial statement preparation services and any other nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

#### **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.

The audit documentation for this engagement is the property of Gibson & Company, P.A. 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 Local Government Commission or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Gibson & Company, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to Local Government Commission or its designee. The Local Government Commission or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit at your earliest convenience and to issue our reports no later than September 30, 2020. R. Harold Gibson is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services (basic audit) will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$5,305. Our standard hourly rates vary according to the degree of

responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes significantly overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

This service engagement arrangement may be terminated by you or Gibson & Company, P.A. upon written notification.

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

Very truly yours,

Gibson & Company, P.A.



R. Harold Gibson  
Managing Partner/Principal

RESPONSE:

This letter correctly sets forth the understanding of the Gibsonville Housing Authority.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# SHEILA GAHAGAN, CPA

229 Penland Street  
Clyde, NC 28721

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

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## Report on the Firm's System of Quality Control

July 7, 2017

To: Gibson & Company, P.A. and the Peer Review Committee of the North Carolina Association of CPA's

I have reviewed the system of quality control for the accounting and auditing practice of Gibson & Company, P.A. (the firm) in effect for the year ended March 31, 2017. My peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

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

## Required Selections and Considerations

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

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

## Opinion

In my opinion, the system of quality control for the accounting and auditing practice of Gibson & Company, P.A. in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gibson & Company, P.A. has received a peer review rating of *pass*.



Sheila Gahagan, CPA



February 11, 2020

Gibsonville Housing Authority  
Town of Gibsonville  
129 West Main Street  
Gibsonville, NC 27249

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for the Gibsonville Housing Authority.

We will apply the agreed-upon procedures listed in attached schedule that were specified and agreed to by the Gibsonville Housing Authority and the United States Department of Agriculture Rural Development on evaluating Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in Rural Development Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determination noted in Attachment 4-D of RD Handbook HB-2-3560 for the year ended June 30, 2020. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedures performed or to be performed is solely the responsibility of those parties specified in the report and will require an acknowledgement in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination, we will not express an opinion or conclusion on evaluating Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in Rural Development Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determination noted in Attachment 4-D of RD Handbook HB-2-3560 for the year ended June 30, 2020. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the Gibsonville Housing Authority and the United States Department of Agriculture Rural Development Servicing Office. If, for any reason, we are unable to complete any of the procedures, we will describe in our report any restrictions on the performance of the procedures, or not issue a report and withdraw from this engagement. You understand that the report is intended solely for the information and use of the Gibsonville Housing Authority and the United States Department of Agriculture Rural Development Servicing Office and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting evaluating Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form

RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in Rural Development Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determination noted in Attachment 4-D of RD Handbook HB-2-3560 for the year ended June 30, 2020 that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict evaluating Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in Rural Development Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determination noted in Attachment 4-D of RD Handbook HB-2-3560 for the year ended June 30, 2020 we will disclose those matters in our report. Such disclosures, if any, may not necessarily include all matters that might have come to our attention had we performed additional procedures or an examination or review.

You are responsible for evaluating Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in Rural Development Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determination noted in Attachment 4-D of RD Handbook HB-2-3560 for the year ended June 30, 2020 and for them being in accordance with the United States Department of Agriculture Rural Development and other criteria set forth in the attachment and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes. You are also responsible for, and agree to provide us with, a written assertion about on evaluating Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in Rural Development Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determination noted in Attachment 4-D of RD Handbook HB-2-3560 for the year ended June 30, 2020. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

We plan to begin our procedures in July, 2020 and, unless unforeseeable problems are encountered, the engagement should be completed as soon as possible.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for the preparation and fair presentation of evaluating Form RD 3560-10, Multiple Family Housing Borrower Balance Sheet, Form RD 3560-7, Multiple Family Housing Project Budget ("Financial Reports") and Supporting Documentation are prepared in accordance with the criteria specified in Rural Development Regulations contained in 7 CFR 3560 section 303(b) and section 306, in accordance with the determination noted in Attachment 4-D of RD Handbook HB-2-3560 for the year ended June 30, 2020 in accordance with the criteria set out in the attachment.

R. Harold Gibson is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$515. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be

suspended if your account becomes significantly overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

This service engagement may be terminated by you or Gibson & Company, P.A. upon written notification.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their agreement with the procedures performed or to be performed and their responsibility for the sufficiency of procedures.

Very truly yours,

Gibson & Company, P.A.



R. Harold Gibson  
Managing Partner/Principal

RESPONSE:

This letter correctly sets forth our understanding of  
Gibsonville Housing Authority.

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Name and Title

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Date

## Attachment

Gibsonville Housing Authority  
Agreed-Upon Procedures Criteria  
Year ended June 30, 2020

### Agreed Upon Procedures Criteria:

- 1) Exam selected receipts, invoices, and cancelled checks (or check imaging on original bank statement) that support administrative; and operating and maintenance expenses presented on Form RD 3560-7, Part II, line items 1-10 and 19-32 to determine they were incurred as part of the ongoing operations of the project. Select a representative sample of invoices and supporting documentation, based on the sample size determined by Rural Development in Attached 4-D of RD Handbook HB-2-3560, for expenses included in Lines 1-10 and 19-32 of Form RD 3560-7 and determine that the services were eligible expenses, in accordance with Attachment 4-A of HB-2-3560, and the shipping address agreed to the project address. Confirm a sample of the expenditures with the vendors to determine the invoice paid agreed to the vendor's records.
- 2) Confirm the balance in the replacement reserve account presented on Form RD 3560-7, Part III, and confirm that no amounts were encumbered by the financial institution that holds the accounts. Determine that all balances are within the FDIC insurance limits. Determine number of reserve account withdrawals from the original bank statements and compare the withdrawals to the amounts approved by Rural Development on Form RD 3560-12. Compare the invoices and cancelled checks (or check imaging on original bank statement) to the approved withdrawals from Rural Development.
- 3) Obtain the Identity of Interest (IOI) company listing and Form RD 3560-31 from Rural Development and determine that the services provided and approved fees, if applicable, agree to the actual service and fees charged to the project. Examine a sample of invoices and determine that the services and charges are in accordance with the disclosures contained in Form RD 3560-31 as agreed to by Rural Development.

# Memo

**To:** Mayor Williams and Members of the Board of Aldermen

**From:** <sup>RBB</sup> Ben Baxley, Town Manager

**Date:** 2/25/2020

**Re:** FY 2020 Budget Ordinance Amendment #5

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The attached FY 2020 Budget Ordinance Amendment #5 is needed to account for book sales/donations for the library, State Aid Grant to the Gibsonville Public Library (allocation of two months of a grant), appropriate Federal Drug Funds for a K9 Handler course, and appropriate Fund Balance – Powell Bill for street pavement crack sealing. Below is a list of the amendments with explanations.

## General Fund Revenues

- Increase of \$1,334 in Miscellaneous line item to account for book sales/donations to the Gibsonville Public Library
- Increase of \$888 in Library State Aid Grant line item to account for said funding
- Increase of \$9,170 in Federal Drug Funds line item to appropriate said funding for a K9 Handler course
- Increase of \$42,265 in Appropriated Fund Balance – Powell Bill line item for street pavement crack sealing
- Increase of \$5,000 in Appropriated General Fund Balance line item to fund the Downtown Mural Project

## General Fund Expenditures

- Increase of \$5,000 in Administration line item to fund the Downtown Mural Project
- Increase of \$9,170 in Police line item to appropriate Federal Drug Funds for a K9 Handler course
- Increase of \$42,265 in Powell Bill line item for street pavement crack sealing
- Increase of \$2,222 in Library line item to account for two months of a State Aid Grant and book sales/donations

The amendments increase the General Fund budget by \$58,657.

**TOWN OF GIBSONVILLE, NORTH CAROLINA  
FY 2020 BUDGET ORDINANCE AMENDMENT #5**

BE IT ORDAINED by the Board of Aldermen of the Town of Gibsonville, North Carolina, a meeting was held this the 2nd day of March, 2020 that the following fund revenues and departmental expenditures together with certain restrictions and authorizations be amended.

**SECTION I. GENERAL FUND**

Anticipated Revenues	FY 2020	Amendment	FY 2020
	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
Taxes, Current Year	2,956,000	-	2,956,000
Taxes, Prior Years	25,150	-	25,150
Motor Vehicle Tax	372,000	-	372,000
Penalties & Interest	12,000	-	12,000
Cemetery	10,000	-	10,000
Recreation	82,000	-	82,000
Sanitation Service Charge	306,000	-	306,000
Interest on Investments	8,000	-	8,000
Fire District Tax (Guilford)	14,400	-	14,400
Library	2,000	-	2,000
Transfer Perpetual Care	2,700	-	2,700
Sale of Fixed Assets	10,000	-	10,000
Guilford County Funds	55,500	-	55,500
Code Enforcement/Planning	8,000	-	8,000
Brush/White Goods Pickup Fees	2,000	-	2,000
Miscellaneous	32,822	1,334	34,156
GHA	2,340	-	2,340
Stormwater Fee	32,000	-	32,000
Solid Waste Disposal Tax	4,600	-	4,600
Intangible: Sales Tax (Alamance Co.)	921,000	-	921,000
Intangible: Sales Tax (Guilford Co.)	488,500	-	488,500
Utility Franchise	400,000	-	400,000
Beer & Wine	30,000	-	30,000
Library State Aid Grant	2,484	888	3,372
Governor's Crime Commission Grant	24,490	-	24,490
Federal Drug Funds	34,500	9,170	43,670
Powell Bill Funds	192,000	-	192,000
Appropriated Fund Balance - Powell Bill	-	42,265	42,265
Appropriated General Fund Balance	929,989	5,000	934,989
Appropriated Recreation Capital Reserve	30,033	-	30,033
<b>Total Anticipated Revenues</b>	<b>6,990,508</b>	<b>58,657</b>	<b>7,049,165</b>

**Authorized Expenditures**

	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
Governing Board	68,346	-	68,346
Administration	1,138,474	5,000	1,143,474
Police	2,172,775	9,170	2,181,945
Fire	1,070,619	-	1,070,619
Public Works	1,491,214	-	1,491,214
Powell Bill	102,500	42,265	144,765
Recreation	714,265	-	714,265
Library	174,815	2,222	177,037
Cemetery	17,500	-	17,500
Contingency	40,000	-	40,000
<b>Total Authorized Expenditures</b>	<b>6,990,508</b>	<b>58,657</b>	<b>7,049,165</b>
	0		0

**SECTION II. WATER & SEWER**

	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<b>Anticipated W&amp;S Revenues</b>			
<u>Water Revenues</u>			
Water Service Fees	815,000	-	815,000
Tapping Fees	1,000	-	1,000
Meter Setting	13,000	-	13,000
Reconnection Fees	45,000	-	45,000
Realize Deferred Revenue	57,045	-	57,045
Miscellaneous Revenues	11,000	-	11,000
Internet Convenience Fees	12,000	-	12,000
Retained Earnings Appropriation	15,000	-	15,000
<b>Total Anticipated Water Revenues</b>	<b>969,045</b>	<b>-</b>	<b>969,045</b>
<u>Sewer Revenues</u>			
Sewer Service Fees	2,200,000	-	2,200,000
Tapping Fees	1,000	-	1,000
Meter Setting	13,000	-	13,000
Reconnection Fees	45,000	-	45,000
Realize Deferred Revenue	57,045	-	57,045
Miscellaneous Revenues	11,000	-	11,000
Internet Convenience Fees	12,000	-	12,000
Retained Earnings Appropriation	15,000	-	15,000
<b>Total Anticipated Sewer Revenues</b>	<b>2,354,045</b>	<b>-</b>	<b>2,354,045</b>
<b>Total Anticipated W&amp;S Revenues</b>	<b>3,323,090</b>	<b>-</b>	<b>3,323,090</b>
<b>Authorized W&amp;S Expenditures</b>			
Water Expenditure	969,045	-	969,045
Sewer Expenditures	2,354,045	-	2,354,045
<b>Total Authorized Expenditures</b>	<b>3,323,090</b>	<b>-</b>	<b>3,323,090</b>

**SECTION III. PERPETUAL CARE FUND**

<i>Anticipated Revenues</i>	2,700	-	2,700
<i>Authorized Expenditures</i>	2,700	-	2,700

**SECTION IV. TAX RATE ESTABLISHED**

An ad valorem tax rate of \$0.53 per \$100 at full valuation is hereby established as the official tax rate for the Town of Gibsonville for the fiscal year 2020. This rate is based on a total valuation of property of \$636,652,700 and an estimated collection rate of 98.61%.

**SECTION V.**

Charges for services and fees by Town Departments are levied in the amounts set forth in the Fee Schedule (See Attachment A).

**SECTION VI. SPECIAL AUTHORIZATION - BUDGET OFFICER**

- A. Budget Officer shall be authorized to reallocate departmental appropriations among various object of expenditures as he believes necessary.
- B. The Budget Officer shall be authorized to effect interdepartmental transfers, in the same fund, not to exceed 10% of the appropriated monies for the department whose allocations is reduced. Notation of all such transfers shall be made to the Board on the next succeeding Financial Report.
- C. He may make interfund loans for a period of not more than 60 days.
- D. Interfund transfers, established in the budget document may be accomplished without recourse to the Board.

**SECTION VII. RESTRICTION - BUDGET OFFICER**

- A. Interfund transfer of monies, except as noted in Section VI. Shall be accomplished by the Board authorization only.
- B. The utilization of any contingency appropriations shall be accomplished only with Board authorization.

**SECTION VIII. UTILIZATION OF BUDGET ORDINANCE**

This Ordinance Amendment and the Budget Document shall be the basis of the financial plan for the Gibsonville Municipal Government during the 2020 fiscal year. The Budget Officer shall administer the budget and shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget. The accounting section shall establish records which are consonance with the Budget and this Ordinance and the appropriate statute of the State of North Carolina.

Amended this the 2nd day of March, 2020.

Attest:

\_\_\_\_\_  
Mayor of Gibsonville, NC

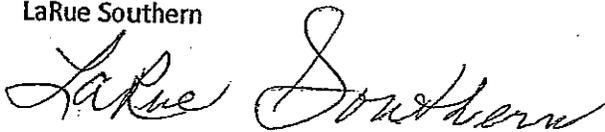
\_\_\_\_\_  
Town Clerk of Gibsonville, NC

February 24, 2020

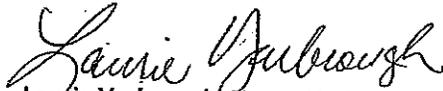
I, LaRue Southern, owner of plot E-63 (Cleo Teague, Mother of LaRue Southern ) wish to sell back one grave to the Town of Gibsonville for \$200.00; half of the going price.

This is a four grave plot; vacant grave to sell back to the town is to the far right. This leaves three graves with a head stone in the middle of the three graves.

LaRue Southern



Witness:



Laurie Yarbrough, Town Clerk

Town of Gibsonville