

Joyce and Company, CPA

Proposal to  
Town of Sharpsburg

FIRST SECTION

Joyce and Company, CPA

Proposal to  
Town of Sharpsburg

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1. FIRM PROFILE

Joyce and Company, CPA is an equal opportunity employer located in Cary, NC.

2. ENGAGEMENT STAFFING

The engagement team for the audit will consist of the following:

Partner – 2

Staff – 2

Clerical – 1

D. Keith Joyce and Shelton Ennis will be the Town's primary contacts in dealing with audit related matters. At least one of these individuals will be on site during at least 90% of the time fieldwork is being performed.

3. GOVERNMENTAL EXPERIENCE

Town of Knightdale

Financial Audit, Single Audit, assisted in obtaining GFOA Certificate of Achievement for Excellence in Financial Reporting. Assisted in preparing first GASB 34 CAFR submitted in North Carolina. This unit has a water/sewer enterprise fund with related capital projects. See Note below. (25+ years of service.)

City of Sanford

Financial Audit, Single Audit, assisted in obtaining GFOA Certificate of Achievement for Excellence in Financial Reporting. (6 years of service.)

Town of Broadway

Financial Audit. This unit has a water/sewer enterprise fund. (6 years of service.)

Town of Apex (not a current client)

Financial Audit, Single Audit, Special work as requested, assisted in obtaining GFOA Certificate of Achievement for Excellence in Financial Reporting. This unit has both water/sewer and electrical enterprise funds with numerous related capital projects. (30+ years' service.)

Town of Morrisville (not a current client)

Financial Audit, Single Audit, Special work as requested, assisted in obtaining GFOA Certificate of Achievement for Excellence in Financial Reporting. This unit has a water/sewer enterprise fund with related capital projects. See Note below. (25+ years' service.)

Town of Wake Forest (not a current client)

Financial Audit, Single Audit, assisted in obtaining GFOA Certificate of Achievement for Excellence in Financial Reporting, Special work as requested. This unit has both water/sewer and electrical enterprise funds with numerous related capital projects. See Note below. (25+ years of service.)

Town of Selma (not a current client)

Financial Audit, Single Audit, Special work as requested. This unit has both water/sewer and electrical enterprise funds with numerous related capital projects. (11 years of service.)

Town of Zebulon (not a current client)

Financial Audit, Single Audit, assisted in obtaining GFOA Certificate of Achievement for Excellence in Financial Reporting, Special work as requested. See Note below. (18 years of service.)

NOTE: Three of these towns have completed mergers of their water sewer systems with other local town/cities and at this point have only the prior existing debt service of their water/sewer systems or have outstanding capital projects that are still to be completed and transferred.

4. ADDITIONAL PROFESSIONAL SERVICES

Town of Apex

Clean water bond grants and other grant audits prior to Single Audit Act. Special work involving misappropriation of funds – 1988. Assistance in calculating infrastructure values – 2003.

Town of Knightdale

Assistance in calculating infrastructure values – 2002. Review of water/sewer system financials and assistance with transfer of system to Town of Raleigh - 2006.

Town of Zebulon

Assistance in calculating infrastructure values – 2003. Review of water/sewer system financials and assistance with transfer of system to Town of Raleigh - 2006.

5. QUALITY CONTROL PROGRAMS

We are involved in the American Institute of Certified Public Accountants quality review program. Our firm had its most recent on-site quality review for the year ended May 31, 2018. Our quality review report indicated that our firm met the objectives of quality control standards established by the AICPA. Our next peer review is scheduled to take place June 28, 2021.

Our firm is a member of the AICPA’s Governmental Audit Quality Center. The Center membership provides us timely information on a variety of technical, legislative and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations. D. Keith Joyce has been named the firm’s designated partner in charge of ensuring the quality of our governmental audit services, including our services performed under Government Auditing Standards and OMB Circular A-133.

6. PARTNER QUALIFICATIONS AND EXPERIENCE

<u>Staff Position</u>	<u>Experience</u>	<u>Years/Position on each Audit</u>
D. Keith Joyce, CPA Partner NC License # 25336	Twenty-six years’ experience as staff, senior, manager and partner of governmental audits.	All Towns Partner – 2000 – 2021 Manager – 1998, 1999 Senior – 1997

Staff – 1995 – 1996

Keith Joyce will be onsite 50% of time.

Shelton Ennis, CPA  
Partner  
NC License # 32251

Fifteen years' experience as staff, senior, manager, and partner of governmental audits.

All Towns  
Partner 2013 - 2021  
Manager 2010-2012  
Senior 2008 – 2009  
Staff 2007

Shelton Ennis will be onsite 50% of time.

## 7. EDUCATIONAL BACKGROUND AND CONTINUING PROFESSIONAL EDUCATION

### D. Keith Joyce

#### Background -

Graduate of University of North Carolina – Chapel Hill  
26 years with local firm (partner since 2000)  
26 years of municipal audit experience

#### Government

#### Related CPE -

147 hours of continuing education credits over last three years.  
120 of these hours considered audit enhancing, 64 related specifically to governmental and non-profit auditing

### Shelton Ennis

#### Background-

Master of Accounting  
University of North Carolina – Chapel Hill  
13 years with local firm  
2 years with regional firm  
15 years of municipal audit experience, 15 years total audit experience

#### Government

#### Related CPE -

158 hours of continuing education credits over last three years  
126 of these hours considered audit enhancing, 64 related specifically to governmental and non-profit auditing

All staff accountants assigned to local government engagements have acquired their Bachelor 's degree and are have also obtained their CPA certification or are currently working towards meeting the requirements to achieve CPA certification. All staff are required to complete 40 hours of audit enhancing CPE annually with 24 in each two-year period being qualified for yellow book credit. All staff assigned to this engagement will also be working on other local government engagements of the firm. The firm's normal policy is to rotate between engagements working one or two days each week once fieldwork has begun on each particular engagement. This allows Town staff to work on their normal day to day activities other than the audit as well as providing time to pull invoices and other materials selected in various audit areas.

8. PROFESSIONAL EXPERIENCE

Each of the individuals have been involved in the annual audits of each of our municipal clients in each year those engagements were performed. The following list the governmental units with specific proprietary funds or stormwater functions that each of our municipal engagements involve.

Town of Apex	Electric and Water/Sewer Proprietary Fund Types
Town of Broadway	Water/Sewer Proprietary Fund Types
Town of Knightdale	Water/Sewer Proprietary Fund Types, Stormwater function
Town of Zebulon	Water/Sewer Proprietary Fund Types, Stormwater function
City of Sanford	Water/Sewer Proprietary Fund Types

All professional staff are members of the AICPA and all certified public accountants on staff are members of the North Carolina Association of Certified Public Accountants. Our governmental services consist of performing GAAS audits, performing agreed-upon procedures, advising clients on implementation of new accounting pronouncements, and providing assistance in writing comprehensive annual financial reports.

9. SPECIALIZED SKILLS AND TRAINING

D. Keith Joyce: Active membership in various community organizations.

Shelton Ennis: Active membership in various community organizations.

10. REFERENCES

Town of Apex  
P.O. Box 250  
Apex, NC 27502

Vance Holloman, Finance Director  
Telephone Number: (919) 249-3315  
Email: [vance.holloman@apexnc.org](mailto:vance.holloman@apexnc.org)

Town of Knightdale  
207 Main St., P.O. Box 640  
Knightdale, NC 27545

Bill Summers, Town Manager  
Tim Flora, Finance Director  
Telephone Number: (919) 217-2210  
Email: [tim.flora@knightdalenc.gov](mailto:tim.flora@knightdalenc.gov)

Town of Zebulon  
1001 N. Arendell Ave.  
Zebulon, NC 27597

Joe Moore, Town Manager  
Bobby Fitts, Finance Director  
Telephone Number: (919) 823-1805  
Email: [rfitts@townofzebulon.org](mailto:rfitts@townofzebulon.org)

11. PROFESSIONAL INDEPENDENCE STANDARDS

We meet professional independence standards by not being involved in local politics and by not holding public office with any governmental unit. All firm staff submit annual independence statements to the managing partner which require disclosure of any possible independence issues with clients, in either fact or appearance. Any staff with a possible independence conflict are excluded from participation of work with these specific clients.

In addition, the Firm evaluates non-audit services provided to all attest clients including those under Government Auditing Standards to identify threats to independence and establish proper safeguards where threats are identified. (See attached excerpt from employee handbook)

12. INSURANCE

We are covered under professional liability with CPA Mutual Insurance in the amount of \$1,000,000 per claim and \$2,000,000 in the aggregate.


13. REGULATORY ACTION

There has been no regulatory action taken against our Firm.

14. LOCAL GOVERNMENT COMMISSION OF NORTH CAROLINA AND UNIVERSITY OF NORTH CAROLINA – CHAPEL HILL SCHOOL OF GOVERNMENT

Our firm has frequent interaction with the NC Local Government Commission and the UNC School of Government including seeking guidance for technical compliance with auditing standards and GAAP as well as attending professional educational training.

Submitted this 15<sup>th</sup> day of June 2021.



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D. Keith Joyce, President  
Joyce and Company, CPA



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

To the Partners of Joyce and Company, CPA and the  
Peer Review Committee, North Carolina Association  
Of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Joyce and Company, CPA (the firm) in effect for the year ended May 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](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

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

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

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

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Joyce and Company, CPA in effect for the year ended May 31, 2018, 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*. Joyce and Company, CPA has received a peer review rating of *pass*.

*Koonce, Wooten & Haywood, LLP*

Koonce, Wooten & Haywood, LLP

July 12, 2018

**Raleigh**  
4060 Barrett Drive  
Post Office Box 17806  
Raleigh, North Carolina 27619

919 782 9265  
919 783 8937 FAX

**Durham**  
3500 Westgate Drive  
Suite 203  
Durham, North Carolina 27707

919 354 2584  
919 489 8183 FAX

**Pittsboro**  
10 Sanford Road  
Post Office Box 1399  
Pittsboro, North Carolina 27312

919 542 6000  
919 542 5764 FAX



## **SECTION II – CLIENT RELATIONSHIPS**

### **II.1 Independence**

All employees must adhere to the independence rules, regulations, interpretations, and rulings of the AICPA, state CPA society, state Board of Accountancy, state statutes and regulatory agencies under which we practice.

You are responsible for being familiar with our clientele and for informing the partner(s) of any potential conflicts of interest. The partner(s) will resolve questions relating to independence.

For audit engagements that fall under the 2018 revision of Government Auditing Standards, firm personnel shall identify and evaluate threats to independence, including providing nonaudit services to audited entities. Appropriate safeguards shall be applied to eliminate threats or reduce them to an acceptable level. Identified threats and safeguards should be reevaluated whenever firm personnel become aware of new information or changes in facts and circumstances that could affect whether a threat has been eliminated or reduced to an acceptable level.

If, for any reason, the Firm's independence is impaired, our Firm is limited to issuing only a "compilation" report regardless of the extent of our examination. In addition, our compilation report must state that we are not independent. Therefore, if you are not certain about your independence, discuss any questions with the partner in charge of the engagement or with the managing partner before proceeding with the assignment. When your questions are resolved, you may certify your independence as it relates to our client list.

### **II.2 Conduct at the Client's Office**

Whenever possible, staff members should do client's work at the client's office. Please adhere to the following rules affecting client relationships:

- Adjust your working hours to fit the client's schedule. Plan to arrive at the client's normal opening hour and remain until normal closing time.
- Avoid discussing:
  - Client business or other matters in public places or with friends or relatives.
  - Internal matters about our Firm with client personnel.
  - Technical matters and controversies in the presence of client personnel.
  - Personal matters with client personnel.
  - The work, fees or other characteristics of other accounting firms.
  - Controversial subjects with client personnel.

Joyce and Company, CPA's  
Proposal to Town of Sharpsburg

SECOND SECTION

Cost Estimate

## AUDIT APPROACH

We use standard government audit programs provided by Practitioners Publishing Company. Using our professional judgement, statistical sampling is applied if alternative audit approaches are not satisfactory to test accounts that exceed tolerable misstatement, which is generally not necessary under most circumstances in a government audit. We have not found a need on our past governmental audit engagements to require the use of a computer audit specialist and do not anticipate this need on your engagement. The necessity for this would arise if evidence of fraud becomes available or there are substantial computer generated irregularities.

We will test internal controls using a three-year rotation method which requires testing all material controls at least every three years. When there are material exceptions to internal controls noted, more frequent testing of these areas will be required until these exceptions are corrected.

## AUDIT TEAM

There will be two partners and two staff accountants assigned to the audit. The firm's normal policy is to rotate between engagements working one or two days each week once fieldwork has begun on each engagement. This allows Town staff to work on their normal day to day activities other than the audit as well as providing time to pull invoices and other materials selected in various audit areas. The percentage of audit time performed at each staff level is anticipated to be as follows:

Partner	50%
Staff	40%
Clerical	10%

## MANAGEMENT LETTER

The management letter will include recommendations and findings related to the Town of Sharpsburg's system of internal control as well as suggestions that we believe would improve and enhance the Town's accounting functions.

## ASSISTANCE FROM TOWN STAFF

Town staff will be expected to pull all required invoices needed for testing, prepare confirmations as deemed necessary, and be available for inquiries on days auditors are scheduled onsite.

## TENTATIVE SCHEDULE FOR COMPLETING THE AUDIT

Our firm would anticipate beginning preliminary audit work approximately June 30, 2021 and begin our detailed audit work as soon as your records are available, but no later than August 30, 2021. An agreed-upon post-closing trial balance will be completed prior to September 30, 2021 and we anticipate completing a draft of your financial statements by October 15, 2021. We anticipate issuing our opinion and delivering the financial statements to the Local Government Commission on or before October 29, 2021.

COST ESTIMATE

Base Audit Fee-Fiscal year ending June 30, 2021 (Not to exceed price) \$18,750

Note that the above price will reflect an additional cost of \$1,000 if a Single Audit is required.

**Basis of Cost Estimate:**

The following is our estimate of the hours and cost for the audit for fiscal year ending June 30, 2021.

A. Personnel costs

<u>Staff Level</u>	<u>Hours</u>			<u>Total</u>	<u>Rate</u>	<u>Total Costs</u>
	<u>Interim</u>	<u>Year-end</u>	<u>In Cary</u>			
Partner	20	30	40	90	\$165.00	\$ 14,850.00
Staff Accountants	20	20	20	60	90.00	5,400.00
Clerical	-	-	20	20	76.00	<u>1,520.00</u>
Total based on staff time						21,770.00
Incidental Costs (Non-allocated Travel, Binding, etc.)						-0-
Anticipated discount						<u>(3,020.00)</u>
Total Inclusive Not-to-Exceed Contract Price						\$ 18,750.00

B. Travel

Joyce and Company, CPA does not bill separately for travel costs. These charges are included in our all-inclusive price. Staff travel time during our normal business day is charged to the Town as part of our estimated time. Staff travel time outside of our normal business hours is included in our all-inclusive price at a rate of one half the actual time involved.

C. Cost of supplies and materials

Joyce and Company, CPA does not bill separately for cost of supplies and materials. These amounts are included in our all-inclusive price.

D. Other Costs

Joyce and Company, CPA does not anticipate any other costs. However, any other special services which the Town may require during the year, outside the scope of the audit, will be billed at our quoted hourly governmental rates below.

**SUMMARY OF AUDIT COSTS SHEET**  
**(Per Year)**

**THREE-YEAR CONTRACT**

Firm: Joyce and Company, CPA

	Binding	Estimate	Estimate
	FY 2021	FY 2022	FY 2023
Base Charge - Financial Audit	\$ 16,500	\$ 17,000	\$ 17,500
Financial Statement Preparation	2,250	2,250	2,250
Total (Not-to-Exceed)	\$ 18,750	\$ 19,250	\$ 19,750

Method for determining audit cost estimate after first year:

The fees for services in the future years and to future Governing Boards will be based on our standard governmental rates in effect for each of those years with a total contract amount quoted in advance. This not to exceed amount will be calculated using actual time needed for the audit in the prior year and taking into effect other factors such as changes in items falling under the single audit, actual and anticipated Town growth, the amount of assistance in workpaper preparation provided by Town staff, cost of living increases and any complexities in the audit which were encountered in prior years, but which are expected to affect future year audits.

Our hourly rates are as follows in determining fee quotes for the three-year period:

	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Partner	\$165.00	\$168.00	\$172.00
Staff	90.00	92.00	94.00
Clerical	76.00	78.00	80.00

**PROPOSAL CERTIFICATION**

Proposers  
Signature D. Keith Joyce, CPA Date 6-15-21

By Signing above, I certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

BY: D. Keith Joyce, CPA

TITLE: Managing Partner

COMPANY: Joyce and Company, CPA

ADDRESS: 104 Brady Court, Cary NC 27511

TELEPHONE: (919) 466-0946

EMAIL: keithjoyce@joyceandcompanycpa.com

PROPOSAL CERTIFICATION

Proposers  
Signature



Date 6/11/2021

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

BY (Printed): Lee Grissom, CPA

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TITLE: Partner

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COMPANY: S. Preston Douglas & Associates, LLP

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ADDRESS: 907 N. Walnut Street Lumberton, NC 28358

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TELEPHONE: (910) 739-7523 ext 307

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EMAIL: lgrissom@spdouglas.com

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S. Preston Douglas & Associates, LLP  
Certified Public Accountants

## **Town of Sharpsburg, North Carolina**

### **Section 1 – Profile of the Firm**

**Lee Grissom, CPA, CFE, CISA, Partner**  
**S. Preston Douglas & Associates, LLP**  
907 N. Walnut Street  
Lumberton, NC 28358  
(910) 739-7523 ext. 307

**Date of Proposal: June 11, 2021**





**S. Preston Douglas & Associates, LLP**  
**Section 1 – Profile of the Firm**  
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**1. Office Locations**

Lumberton, North Carolina and Whiteville, North Carolina.

**2. Audit Personnel by Level**

Partner in Charge of the Audit:

1. Lee Grissom, CPA, CFE, CISA

Senior Audit Staff:

1. Austin Eubanks, CPA, CFE
2. Stephen Parker, CPA
3. Matt McLean, CPA

Staff Auditor:

1. Daniel Leonard, CPA

Review Partner:

1. John D. Masters, CPA

**3. List of Local Office's Governmental Audit Clients**

<u>Unit</u>	<u># of Years Served</u>	<u>Type of Service</u>
Alamance Community College	8	Audit
Calabash ABC Board	6	Audit
City of Archdale	3	Audit
City of Elizabeth City	3	Audit
City of Greer	6	Audit
City of Lumberton	12	Audit
College of The Albemarle	3	Audit
Leland Tourism Development Authority	3	Audit
Lumbee Tribe of North Carolina	3	Audit
Lumberton ABC Board	6	Audit
Lumberton Area Visitors Bureau	3	Audit
Lumberton Tourism Development Authority	12	Audit
Maxton ABC Board	6	Audit
McDowell Technical Community College	3	Audit
Public Schools of Robeson County	26	Audit
Richmond Community College	4	Audit
Shallotte ABC Board	6	Audit
Town of Atkinson	3	Audit
Town of Belhaven	3	Audit
Town of Boardman	3	Audit

*Continued on next page*

**3. List of Local Office's Governmental Audit Clients (continued)**

<u>Unit</u>	<u># of Years Served</u>	<u>Type of Service</u>
Town of Burgaw	3	Audit
Town of Calabash	9	Audit
Town of Carthage	3	Audit
Town of Chadbourn	6	Audit
Town of Coats	3	Audit
Town of Emerald Isle	4	Audit
Town of Fairmont	15	Audit
Town of Gibson	6	Audit
Town of Holly Ridge	6	Audit
Town of Leland	6	Audit
Town of Marietta	12	Audit
Town of Maxton	12	Audit
Town of Maysville	2	Audit
Town of McDonald	12	Audit
Town of Mount Olive	3	Audit
Town of Oak Island	4	Audit
Town of Orrum	12	Audit
Town of Parkton	6	Audit
Town of Pembroke	12	Audit
Town of Pinebluff	6	Audit
Town of Pine Level	1	Audit
Town of Princeton	1	Audit
Town of Proctorville	8	Audit
Town of Raynham	6	Audit
Town of Rennert	6	Audit
Town of Rowland	12	Audit
Town of Saint Pauls	3	Audit
Town of Spring Lake	6	Audit
Town of Sunset Beach	12	Audit
Town of Surf City	4	Audit
Town of Topsail Beach	3	Audit
Town of Wagram	3	Audit
Town of Watha	3	Audit
Town of Wilson's Mills	3	Audit

#### **4. Additional Services**

Our firm provides nonaudit services upon request. The 2018 revision of Generally Accepted Governmental Auditing Standards (Yellow Book) updated independence guidance on nonaudit services such as preparing financial statements. According to the 2018 Yellow Book revision, preparing financial statements for an audit client from a client-provided trial balance or underlying accounting records creates significant threats to independence. We anticipate many governmental units will seek assistance from accounting firms to prepare their annual financial statements as a result of the 2018 Yellow Book revision. Should you request additional services, we will gladly provide you with a separate quote.

#### **5. Peer Review Participation**

Our firm is a member of the American Institute of Certified Public Accountants and participates in a peer review program administered through the North Carolina Association of Certified Public Accountants. We are required to undergo a review every three years and have been in compliance with the quality control program since it became mandatory in the late 1980s. A copy of our most recent peer review report is included in the Appendix to this Technical Proposal.

## 6. Professional Experience in Governmental Audits

The professional experience in governmental audits of each senior and higher level team member assigned to the audit is provided below:

### *Lee Grissom, CPA, CFE, CISA*

<u>Unit</u>	<u># of Years Served</u>	<u>Position</u>
Alamance Community College	6	Partner
City of Archdale	3	Partner
City of Elizabeth City	3	Partner
City of Greer	6	Partner
City of Lumberton	3	Partner
College of The Albemarle	3	Partner
McDowell Technical Community College	3	Partner
Public Schools of Robeson County	9	Partner
Richmond Community College	3	Partner
Robeson Community College	2	Partner
Town of Atkinson	4	Partner
Town of Belhaven	3	Partner
Town of Biscoe	2	Partner
Town of Burgaw	4	Partner
Town of Coats	4	Partner
Town of Emerald Isle	4	Partner
Town of Fairmont	9	Partner
Town of Leland	3	Partner
Town of Maysville	2	Partner
Town of Mount Olive	2	Partner
Town of Pembroke	9	Partner
Town of Pine Level	2	Partner
Town of Princeton	2	Partner
Town of Red Spring	2	Partner
Town of Rennert	3	Partner
Town of Rowland	9	Partner
Town of Saint Pauls	3	Partner
Town of Spring Lake	5	Partner
Town of Sunset Beach	4	Partner
Town of Surf City	4	Partner
Town of Topsail Beach	3	Partner
Town of Wagram	3	Partner
Town of Wilson's Mills	3	Partner

6. Professional Experience in Governmental Audits (continued)

***Austin Eubanks, CPA, CFE***

<u>Unit</u>	<u># of Years Served</u>	<u>Position</u>
Alamance Community College	6	Manager
City of Archdale	2	Manager
City of Elizabeth City	3	Manager
City of Greer	6	Manager
College of The Albemarle	2	Manager
Communities in Schools Charter School	4	Manager
Lumbee Tribe of North Carolina	3	Manager
McDowell Technical Community College	3	Manager
Public Schools of Robeson County	6	Manager
Richmond Community College	2	Manager
Town of Atkinson	3	Manager
Town of Belhaven	3	Manager
Town of Burgaw	3	Manager
Town of Carthage	2	Manager
Town of Chadbourn	2	Manager
Town of Coats	3	Manager
Town of Emerald Isle	3	Manager
Town of Leland	2	Manager
Town of Maysville	2	Manager
Town of Mount Olive	2	Manager
Town of Parkton	2	Manager
Town of Pembroke	3	Manager
Town of Saint Pauls	3	Manager
Town of Spring Lake	3	Manager
Town of Sunset Beach	3	Manager
Town of Surf City	2	Manager
Town of Topsail Beach	3	Manager
Town of Wilson's Mills	3	Manager

**6. Professional Experience in Governmental Audits (continued)**

***Stephen Parker, CPA***

<b>Unit</b>	<b># of Years Served</b>	<b>Position</b>
Alamance Community College	8	Manager
City of Lumberton	3	Manager
Lumberton Tourism Development Authority	10	Manager
Pembroke Tourism Development Authority	10	Manager
Public Schools of Robeson County	10	Manager
Town of Fairmont	10	Manager
Town of Gibson	2	Manager
Town of Marietta	10	Manager
Town of Maxton	10	Manager
Town of McDonald	10	Manager
Town of Orrum	10	Manager
Town of Parkton	10	Manager
Town of Pembroke	10	Manager
Town of Proctorville	10	Manager
Town of Raynham	10	Manager
Town of Rennert	10	Manager
Town of Rowland	10	Manager
Town of Saint Pauls	3	Manager

**6. Professional Experience in Governmental Audits (continued)**

***Matt McLean, CPA***

<b>Unit</b>	<b># of Years Served</b>	<b>Position</b>
Alamance Community College	6	Manager
Calabash ABC Board	6	Manager
City of Archdale	2	Manager
City of Greer	6	Manager
Lumbee Tribe of North Carolina	6	Manager
Lumberton ABC Board	6	Manager
Maxton ABC Board	6	Manager
Public Schools of Robeson County	6	Manager
Shallotte ABC Board	6	Manager
Tabor City ABC Board	6	Manager
Town of Leland	3	Manager
Town of Maxton	6	Manager
Town of McDonald	6	Manager
Town of Oak Island	4	Manager
Town of Orrum	6	Manager
Town of Parkton	6	Manager
Town of Pembroke	6	Manager
Town of Pinebluff	2	Manager
Town of Proctorville	6	Manager
Town of Raynham	6	Manager
Town of Rennert	6	Manager
Town of Rowland	6	Manager
Town of Surf City	2	Manager
Town of Topsail Beach	2	Manager



6. Professional Experience in Governmental Audits (continued)

***John D. Masters CPA***

Unit	# of Years Served	Position
City of Lumberton	12	Partner
Lumberton Area Visitors Bureau	3	Partner
Lumberton Tourism Development Authority	12	Partner
Pembroke Tourism Development Authority	3	Partner
Town of Fairmont	15	Partner
Town of Gibson	6	Partner
Town of Marietta	12	Partner
Town of Maxton	12	Partner
Town of McDonald	12	Partner
Town of Orrum	12	Partner
Town of Parkton	6	Partner
Town of Pembroke	12	Partner
Town of Proctorville	8	Partner
Town of Raynham	6	Partner
Town of Rennert	6	Partner
Town of Rowland	12	Partner
Town of Saint Pauls	3	Partner

The percentage of time **on-site** for each senior member of the audit team is provided below:

Audit Personnel	Percentage of Time On-site	Position
Lee Grissom, CPA, CFE, CISA	100%	Partner
Austin Eubanks, CPA, CFE	100%	Manager
Stephen Parker, CPA	50%	Manager
Matt McLean, CPA	50%	Manager
John D. Masters, CPA	0%*	Review Partner

\*John D. Masters, CPA is the Quality Control Reviewer on municipal audit engagements. As noted above, he does not spend time on-site.

## **7. Relevant Educational Background**

The relevant educational background by senior members of the audit team within the last three years is provided below:

### ***Lee Grissom, CPA, CFE, CISA***

#### **Education**

B.S., Accounting, North Carolina State University

M.S., Accounting, North Carolina State University

#### **Seminars/Courses in Governmental Accounting**

2020 Local Government Conference (2020)

Annual Update: Top Governmental and Not-For-Profit Accounting and Auditing Issues Facing CPAs (2020)

Audit Sampling (2020)

Documenting Fieldwork (2020)

Not-For-Profit Accounting and Audit Update (2020)

2019 Local Government Conference (2019)

Yellow Book: Governmental Auditing Standards (2019)

Fundamentals of Governmental Accounting and Reporting (2019)

Governmental and Not-for-Profit Annual Update (2019)

Top Governmental and Not-for-Profit Accounting Issues Facing CPA's (2019)

2018 Local Government Conference (2018)

Yellow Book: Governmental Auditing Standards (2018)

Not-for-Profit Accounting and Auditing Update (2018)

Governmental Accounting and Audit Update (2018)

**7. Relevant Educational Background (continued)**

***Austin Eubanks, CPA, CFE***

**Education**

B.S., Accounting, University of North Carolina at Pembroke

**Seminars/Courses in Governmental Accounting**

2020 Local Government Conference (2020)

Annual Update: Top Governmental and Not-For-Profit Accounting and Auditing Issues Facing CPAs (2020)

Audit Sampling (2020)

Documenting Fieldwork (2020)

2019 Local Government Conference (2019)

Studies on Single Audits and Yellow Book Deficiencies (2019)

Fundamentals for Performing Single Audits under the Uniform Guidance (2019)

Yellow Book: Governmental Auditing Standards (2019)

Fundamentals of Governmental Accounting and Reporting (2019)

Governmental and Not-for-Profit Annual Update (2019)

Top Governmental and Not-for-Profit Accounting Issues Facing CPA's (2019)

2018 Local Government Conference (2018)

Yellow Book: Governmental Auditing Standards (2018)

Not-for-Profit Accounting and Auditing Update (2018)

Governmental Accounting and Audit Update (2018)

Compliance Auditing - School Districts (2018)

**7. Relevant Educational Background (continued)**

***Stephen Parker, CPA***

**Education**

B.S., Accounting, North Carolina State University

**Seminars/Courses in Governmental Accounting**

2020 Local Government Conference (2020)

Annual Update: Top Governmental and Not-For-Profit Accounting and Auditing Issues Facing CPAs (2020)

Audit Sampling (2020)

Documenting Fieldwork (2020)

2019 Local Government Conference (2019)

Yellow Book: Governmental Auditing Standards (2019)

Fundamentals of Governmental Accounting and Reporting (2019)

Governmental and Not-for-Profit Annual Update (2019)

Top Governmental and Not-for-Profit Accounting Issues Facing CPA's (2019)

Yellow Book: Changes & Common Deficiencies (2019)

2018 Local Government Conference (2018)

Yellow Book: Governmental Auditing Standards (2018)

Not-for-Profit Accounting and Auditing Update (2018)

Governmental Accounting and Audit Update (2018)

7. Relevant Educational Background (continued)

***Matt McLean, CPA***

**Education**

B.A., Communications, University of North Carolina at Wilmington

**Seminars/Courses in Governmental Accounting**

2020 Local Government Conference (2020)

Annual Update: Top Governmental and Not-For-Profit Accounting and Auditing Issues Facing CPAs (2020)

Audit Sampling (2020)

Documenting Fieldwork (2020)

2019 Local Government Conference (2019)

Yellow Book: Governmental Auditing Standards (2019)

Fundamentals of Governmental Accounting and Reporting (2019)

Governmental and Not-for-Profit Annual Update (2019)

Top Governmental and Not-for-Profit Accounting Issues Facing CPA's (2019)

2018 Local Government Conference (2018)

Yellow Book: Governmental Auditing Standards (2018)

Not-for-Profit Accounting and Auditing Update (2018)

Governmental Accounting and Audit Update (2018)

**7. Relevant Educational Background (continued)**

***John D. Masters, CPA***

**Education**

B.S., Finance, University of Tennessee

M.S., Accounting, Memphis State University

**Seminars/Courses in Governmental Accounting**

2020 Local Government Conference (2020)

Annual Update: Top Governmental and Not-For-Profit Accounting and Auditing Issues Facing CPAs (2020)

Audit Sampling (2020)

Documenting Fieldwork (2020)

2019 Local Government Conference (2019)

Yellow Book: Governmental Auditing Standards (2019)

Fundamentals of Governmental Accounting and Reporting (2019)

Governmental and Not-for-Profit Annual Update (2019)

Top Governmental and Not-for-Profit Accounting Issues Facing CPA's (2019)

2018 Local Government Conference (2018)

Yellow Book: Governmental Auditing Standards (2018)

Not-for-Profit Accounting and Auditing Update (2018)

Governmental Accounting and Audit Update (2018)

## **8. Professional Experience**

The professional experience of each senior member of the audit team is provided below:

**Lee Grissom, III, CPA, CFE, CISA** has 13 years of experience auditing governmental units and non-profits. Lee is the in-house administrator of computer-based, fraud detection tools for the firm.

**Austin Eubanks, CPA, CFE** has eight years of experience auditing governmental units and non-profits. Austin specializes in compliance audits under the Uniform Guidance for Federal Awards and the State Single Audit Implementation Act.

**Stephen Parker, CPA** has 11 years of experience auditing governmental units and non-profits. Stephen has been the leader in multiple technology initiatives for the firm including the firm's transition into a 100% paperless audit process.

**Matt McLean, CPA** has 11 years of experience auditing governmental units and non-profits.

**John D. Masters, CPA** has over 30 years of experience auditing governmental units and non-profits.

## **9. Specialized Skills, Training, and Background in Governmental Finance**

The specialized skills, training, and background in governmental finance and membership in professional organizations by each senior member of the audit team is provided below:

### ***Lee Grissom, CPA, CFE, CISA***

#### **Skills/Training/Background**

Certified Fraud Examiner (CFE)

IDEA Data Extraction/ Analysis

North Carolina CPA Certificate #33564

Association of Certified Fraud Examiners, License #562210 (ACFE)

Certified Information Systems Auditor, License #19158866 (CISA)

Lee has 13 years of experience in auditing governmental units.

**9. Specialized Skills, Training, and Background in Governmental Finance (continued)**

***Lee Grissom, CPA, CFE, CISA (continued)***

**Professional Organizations**

American Institute of Certified Public Accountants (AICPA)

North Carolina Association of Certified Public Accountants (NCACPA)

***Austin Eubanks, CPA, CFE***

**Skills/Training/Background**

Certified Fraud Examiner (CFE)

North Carolina CPA Certificate #39481

Association of Certified Fraud Examiners, License #952023 (ACFE)

IDEA Data Extraction/ Analysis

Austin has eight years of experience in auditing governmental units.

**Professional Organizations**

American Institute of Certified Public Accountants (AICPA)

North Carolina Association of Certified Public Accountants (NCACPA)



9. Specialized Skills, Training, and Background in Public Finance (continued)

***Stephen Parker, CPA***

**Skills/Training/Background**

North Carolina CPA Certificate #39393

IDEA Data Extraction/ Analysis

Stephen has 11 years of experience in auditing governmental units.

**Professional Organizations**

American Institute of Certified Public Accountants (AICPA)

North Carolina Association of Certified Public Accountants (NCACPA)

***Matt Mclean, CPA***

**Skills/Training/Background**

North Carolina CPA Certificate #39138

IDEA Data Extraction/ Analysis

Matt has 11 years of experience in auditing governmental units.

**Professional Organizations**

American Institute of Certified Public Accountants (AICPA)

North Carolina Association of Certified Public Accountants (NCACPA)

9. Specialized Skills, Training, and Background in Public Finance (continued)

*John D. Masters, CPA*

**Skills/Training/Background**

North Carolina CPA Certificate #14964

John has over 30 years of experience in auditing governmental units.

**Professional Organizations**

American Institute of Certified Public Accountants (AICPA)

North Carolina Association of Certified Public Accountants (NCACPA)

10. References

<u>Client</u>	<u>Contact</u>	<u>Address</u>	<u>Phone</u>
Town of Emerald Isle	Laura Rotchford	7500 Emerald Drive Emerald Isle, NC 28594	(252) 354-3424
Town of Sunset Beach	Tara Dropp	700 Sunset Blvd North Sunset Beach, NC 28468	(910) 579-6297 ext 1015
Town of Surf City	David McCole	201 Community Center Drive Surf City, NC 28445	(910) 328-4131 ext 102

#### **11. Policy and Procedures Regarding Independence**

Our Quality Control Document and professional standards require us to be independent in fact and in appearance. On an annual basis, all employees receive and must sign a written Statement of Independence to document our firm's adherence to independence rules of conduct, which include any employee's personal or business relationships with our clients.

#### **12. Liability Insurance Information**

Our firm has contracted with Continental Casualty Company for liability insurance coverage in the amount of \$1,000,000 per claim and \$2,000,000 in the aggregate.

#### **13. Regulatory Action**

In 2017, the NC Office of the State Auditor ("OSA") completed a Quality Review of our audit documentation for a randomly selected June 30, 2016 municipal audit client. The OSA's Quality Review noted areas in which our paperless audit documentation did not conform with generally accepted auditing standards. The OSA submitted their comments along with our responses to the North Carolina State Board of CPA Examiners ("Board") and this resulted in our firm agreeing to the Board's Consent Order requiring us to pay a \$1,000 penalty and complete an 8-hour group-study A&A CPE course. According to the OSA, the review was limited to a single audit engagement and was not an evaluation of the firm's overall quality control system.

#### **14. Relationship with NC Local Government Commission**

Our audit team members attend the Local Government Conference each year, which includes speakers from the NC Local Government Commission. We have also partnered with Sharon Edmundson on a presentation to new board members within the last five years. Sharon Edmundson now serves as the Director of the State and Local Government Finance Division and as Secretary of the Local Government Commission. We also frequently consult with James Burke who is the Senior Accounting and Financial Management Advisor on State and Federal grant compliance. We strongly believe in the value of collaborative efforts with The NC Local Government Commission and other agencies to serve the common goal of improving internal controls and financial reporting of municipalities in North Carolina.

## **APPENDIX**



Bernard Robinson & Company, L.L.P.

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

January 3, 2020

To the Partners of S. Preston Douglas & Associates, LLP  
and the Peer Review Committee of the North Carolina  
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of S. Preston Douglas & Associates, LLP (the firm) in effect for the year ended July 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](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

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

### Required Selections and Considerations

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

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of S. Preston Douglas & Associates, LLP in effect for the year ended July 31, 2019, 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*. S. Preston Douglas & Associates, LLP has received a peer review rating of *pass*.

*Bernard Robinson & Company, L.L.P.*

BERNARD ROBINSON & COMPANY, L.L.P.





S. Preston Douglas & Associates, LLP  
Certified Public Accountants

## **Town of Sharpsburg, North Carolina**

### **Section 2 – Audit Approach**

**Lee Grissom, CPA, CFE, CISA, Partner**  
**S. Preston Douglas & Associates, LLP**  
907 N. Walnut Street  
Lumberton, NC 28358  
(910) 739-7523 ext. 307

**Date of Proposal: June 11, 2021**



**S. Preston Douglas & Associates, LLP**  
**Section 2 – Audit Approach**  
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## **1. Audit Program**

S. Preston Douglas & Associates, LLP utilizes Practitioners Publishing Company (PPC) resources for Audit Programs and Checklists for "Audits of Local Governments". PPC's audit programs and checklists are updated annually for changes in generally accepted accounting standards, Codification of Governmental Accounting Guides, generally accepted governmental auditing standards, and the GAOs *Governmental Auditing Standards*. In April and May of each year, our audit department specifically tailors PPC's Audit Programs and Checklists for "Audits of Local Governments" based on the firms' audit methodology developed over the years.

## **2. Statistical Sampling**

Our firm utilizes CaseWare's IDEA Data Analysis software (IDEA) to perform statistical sampling. IDEA allows us to quickly analyze large sets of data. The specific method we select depends on the size of the population sampled as well as risk factors that are specific to the client.

## **3. Use of Automated Processes and Internal Control Testing Methods**

We incorporate automation into our audit process by using CaseWare IDEA Data Analytics software (IDEA). IDEA is a powerful and comprehensive tool that enables auditors to assess risk, gather evidence, uncover trends, and provide the intelligence needed to make more informed decisions from multiple data sources. IDEA allows us to efficiently evaluate large sets of data, which saves time and provides value to our audit clients.

Our internal control testing includes an evaluation of control *design* and *implementation* of all significant audit areas, which is accomplished through the performance of risk assessment procedures. During this evaluation of internal controls, we consider audit risk as well as how well the unit measures up to other municipalities. We utilize dual-purpose procedures where we test controls at the same time as substantive audit procedures (such as testing disbursements). At the conclusion of the audit, we report any material weaknesses or significant deficiencies in internal control that were identified.

## **4. Use of Computer Audit Specialists**

None.



**5. Organization of Audit Team**

The approximate percentage of time to be spent on the audit by each member of the audit team is provided below:

<u>Audit Personnel</u>	<u>Percentage of Time On-site</u>	<u>Position</u>
Lee Grissom, CPA, CFE, CISA	100%	Partner
Austin Eubanks, CPA, CFE	100%	Manager
Stephen Parker, CPA	50%	Manager
Matt McLean, CPA	50%	Manager
John D. Masters, CPA	0%*	Review Partner

\*John D. Masters, CPA is the Quality Control Reviewer on municipal audit engagements. As noted above, he does not spend time on-site.

**6. Information Contained in Management Letter**

Management Letters include internal control improvements which are identified during the audit engagement that are not significant enough to be disclosed as findings in the audit report.

**7. Assistance Expected from Government's Staff**

We will furnish your staff with an Audit Request List. For efficiency purposes, we tailor the Audit Request List to each client. Our goal is to include 90-95% of all requests in the Audit Request List. Before we begin the audit, we expect electronic copies of the trial balance and general ledger to be sent in advance of our on-site fieldwork. Depending on the client's preferences and other considerations, we may request documents via secure file exchange.

**8. Tentative Schedule for Completing the Audit**

The tentative schedule for completing the audit is provided below:

<u>Activity</u>	<u>June</u>	<u>September</u>	<u>October</u>	<u>November</u>
* Conduct planning meeting with management	X			
Send audit request list	X			
Perform interim audit procedures	X			
Conduct internal control walk-throughs		X		
Perform substantive audit procedures		X		
Prepare financial statements		X		
Submit financial statements to LGC			X	
Prepare Management Letter and applicable reports			X	
Conduct exit conference with personnel			X	
Present results of audit to the board				X

\*For initial audits, we import the prior year trial balance into our software and then assign a grouping code to each general ledger account, which creates the basis of our Grouping Schedule reports. To ensure accuracy of our Grouping Schedules, we verify that the assigned grouping codes agree to the prior year financial statements. Then, we link the grouping schedule codes to our financial statement template consisting of excel and word documents. The linked financial statement template allows us to: 1) focus most of our time in August and September on completing the audit fieldwork and 2) provide a draft copy of the financial statements to the Finance Director by October 1.

**9. Specified Costs**

The total costs listed in this section are binding, not-to-exceed amounts.

*Year Ended June 30, 2021*

**A. Personnel Costs**

Personnel Category	Estimated Hours			Total	Rate per Hour	Total Cost
	On-Site Interim	On-Site Year End	Auditor's Office			
Partners	20	25	40	85	\$ 135.00	\$ 11,475.00
Senior Audit Staff	20	25	40	85	120.00	10,200.00
Staff Accountants	0	25	0	25	100.00	2,500.00
<b>Total</b>	<b>40</b>	<b>75</b>	<b>80</b>	<b>195</b>		<b>24,175.00</b>

**B. Travel**

825.00

**C. Cost of Supplies and Materials**

-

**D. Other Costs**

-

**Total Amount for Fiscal Year 2021 Audit**

\$ 25,000.00

**9. Specified Costs (continued)**

The total costs listed in this section are not-to-exceed amounts.

*Year Ended June 30, 2022*

**A. Personnel Costs**

Personnel Category	Estimated Hours			Total	Rate per Hour	Total Cost
	On-Site Interim	On-Site Year End	Auditor's Office			
Partners	20	25	40	85	\$ 135.00	\$ 11,475.00
Senior Audit Staff	20	25	40	85	125.00	10,625.00
Staff Accountants	0	25	0	25	100.00	2,500.00
<b>Total</b>	<b>40</b>	<b>75</b>	<b>80</b>	<b>195</b>		<b>24,600.00</b>

**B. Travel**

875.00

**C. Cost of Supplies and Materials**

-

**D. Other Costs**

-

**Total Amount for Fiscal Year 2022 Audit**

\$ 25,475.00

**9. Specified Costs (continued)**

The total costs listed in this section are not-to-exceed amounts.

*Year Ended June 30, 2023*

**A. Personnel Costs**

Personnel Category	Estimated Hours			Total	Rate per Hour	Total Cost
	On-Site Interim	On-Site Year End	Auditor's Office			
Partners	20	25	40	85	\$ 135.00	\$ 11,475.00
Senior Audit Staff	20	25	40	85	130.00	11,050.00
Staff Accountants	0	25	0	25	100.00	2,500.00
Total	40	75	80	195		25,025.00

**B. Travel** 925.00

**C. Cost of Supplies and Materials** -

**D. Other Costs** -

**Total Amount for Fiscal Year 2023 Audit** \$ 25,950.00

**10. Additional Information**

We do not bill for questions/comments/telephone calls/etc. during the year. Our clients routinely ask about budgets, internal controls, grants, and payroll without incurring any additional charges.

**The Town of Sharpsburg**

**Proposal – Audit Services  
First Section**

**June 16, 2021**



June 16, 2021

Ms. Margaret Wiecek, Finance Officer  
The Town of Sharpsburg  
PO Box 1759  
Sharpsburg, NC 27858

Dear Ms. Wiecek:

Thank you for the opportunity to submit this proposal to serve as independent auditor for the Town of Sharpsburg for the years ended June 30, 2021, 2022, and 2023.

As you requested, our proposal is being submitted in two sections and will address the specific requested items as outlined in your request for proposal.

**1. Office location handling your audit**

The Gibson & Company, P.A. office at 1411 Old Mill Circle, Winston-Salem, NC 27103 will be handling the audit. The firm is registered with the North Carolina Secretary of State and the State Board of CPA Examiners.

**2. Personnel that will be participating on your engagement**

The partners/principals of the firm are as follows:

**R. Harold Gibson, CPA, Managing Partner/Principal**

- 54 years public accounting experience.
- Extensive experience with audits, reviews, compilations, and taxation for a variety of industries and nonprofit organizations.
- 31 years experience with municipals and nonprofit organizations.
- Graduate of Wake Forest University.

## 2. Personnel that will be participating on your engagement (continued)

### Monty R. Pendry, CPA, Partner/Principal

- 26 years public accounting experience.
- Extensive experience with audits, reviews, compilations, and taxation for a variety of industries and nonprofit organizations.
- 26 years experience with municipals and nonprofit organizations.
- Graduate of University of North Carolina at Wilmington

Other personnel that will be participating on your engagement:

### Craig V. Hopkins, CPA, Manager

- 27 years public accounting experience
- Extensive experience with audits, reviews, compilations, agreed upon procedures and taxation for a variety of industries and not for profit organizations.
- 27 years experience with municipals and not for profit organizations
- BS, Accounting, University of North Carolina at Greensboro

### G. Carroll Hoyle, CPA, Manager

- 30 years public accounting experience
- 12 years CFO / Controller experience
- Extensive experience with audits, reviews, compilations, agreed upon procedures and taxation for a variety of industries and not for profit organizations.
- 2 years experience with municipals and 15 years with not-for-profit organizations
- BS, Accounting, Appalachian State University

### Amanda S. Scott, CPA, Senior Accountant

- 6 years public accounting experience concentrating on small to medium size entities.
- Experience with audits, compilations, agreed upon procedures, and taxation for a variety of industries and not for profit organizations.
- 4 years experience with nonprofit organizations and 3 years with municipals.
- BS, Accounting, High Point University



**3. Current and prior government audit clients**

Current      Village of Tobaccoville  
Audit (GAAS, GAGAS, and Single Audit)  
28 years  
Dan Corder, Village Administrator  
PO Box 332  
Tobaccoville, NC 27050  
336-983-0029

Current      Town of Walkertown  
Audit (GAAS, GAGAS, and Single Audit)  
21 years  
Scott Snow, Town Manager  
PO Box 39  
Walkertown, NC 27051  
336-595-4212

Current      Town of Bethania  
Audit (GAAS and GAGAS)  
20 years  
Tom Beroth, Finance Officer  
Karen Keller, Town Clerk  
PO Box 259  
Bethania, NC 27010  
336-922-4744

Current      Town of Lewisville  
Audit (GAGAS and Single Audit)  
20 years  
Pam Orrell, Finance Officer  
PO Box 547  
Lewisville, NC 27023  
336-945-5558

**3. Current and prior government audit clients (continued)**

Current      City of Trinity  
Audit (GAGAS and Single Audit)  
15 years  
Debbie Hinson, City Manager/Finance Officer  
PO Box 50  
Trinity, NC 27370  
336-431-2841

Current      Town of Sparta  
Audit (GAGAS and Single Audit)  
14 years  
Peggy Choate, Finance Officer  
PO Box 99  
Sparta, NC 28675  
336-372-4257

Current      Town of Walnut Cove  
Audit (GAAS and GAGAS)  
12 years  
Kim Greenwood, Town Manager  
208 West 3<sup>rd</sup> Street  
Walnut Cove, NC 27052  
336-591-4809

Current      Town of Dobson  
Audit (GAGAS and Single Audit)  
6 years  
Laura Neely, Town Manager  
Marlene Lopez, Finance Officer  
PO Box 351  
307 North Main Street  
Dobson, NC 27017  
336-356-8061

**3. Current and prior government audit clients (continued)**

Current	<p>Town of North Wilkesboro          Audit (GAGAS and Single Audit)          6 years (June 30, 2015-Present)          3 years (June 30, 2001, 2002, and 2003)          Connie Bauguess, Finance Officer          PO Box 218          832 Main Street          North Wilkesboro, NC 28659          336-667-7129</p>
Current	<p>Town of Stoneville          Audit (GAGAS and Single Audit)          5 years          Joanna Dalton, Finance Officer          101 Smith Street          Stoneville, NC 27048          336-573-9393</p>
Current	<p>Town of Gibsonville          Audit (GAGAS and Single Audit)          3 years          Chad Coble, Finance Officer          129 West Main Street          Gibsonville, NC 27249          336-449-4144</p>
Current	<p>City of King          Audit (GAGAS)          1 year          Susan O'Brien, Director of Finance and Personnel          229 S. Main Street          King, NC 27021          336-983-8265</p>

**3. Current and prior government audit clients (continued)**

Current	<p>Village of Clemmons            Audit (Single Audit)            1 year            Ann Stroud, Finance Officer            3715 Clemmons Road            Clemmons, NC 27012            336-766-7511</p>
Current	<p>Town of East Bend            Audit (GAAS)            1 year            Vickie Matthews, Finance Officer            108 W. Main Street            East Bend, NC 27018            336-699-8560</p>
Current	<p>Town of Yadkinville            Audit (GAGAS)            1 year            Hunter Gooden, Finance Director            213 Van Buren Street            Yadkinville, NC 27055            336-679-8732</p>
Current	<p>Town of Boonville            Audit (GAGAS)            1 year            Kim Wells, Finance Officer            110 Carolina Avenue North            Boonville, NC 27011            336-367-7941</p>
Prior	<p>Town of Pilot Mountain            Audit (GAAS, GAGAS, and Single Audit)            12 years</p>

### 3. Current and prior government audit clients (continued)

Prior            Town of Wallburg  
                     Audit (GAAS)  
                     1 year

Prior            Town of Summerfield  
                     Audit (GAAS)  
                     3 years

### 4. Additional services to governmental clients

Village of Tobaccoville – Assistance in setting up accounting records in initial year and general assistance with accounting needs (24 years).

Town of Walkertown – Assistance with accounting needs in earlier years.

Town of Bethania – Assistance in setting up accounting records in initial year and general assistance with accounting needs in earlier years.

Town of Walnut Cove – Assistance with AFIR (7 years).

Town of North Wilkesboro – Assistance with an agreed upon procedures engagement, assistance with the Housing and Urban Development (HUD) reporting, assistance with recording a significant lease transaction, and the planned implementation of *GASB Statement No. 87, Leases*.

### 5. Quality control programs

Gibson & Company, P.A. has successfully participated in the American Institute of Certified Public Accountants sponsored (Private Companies Practice Section) triennial peer reviews in the years 1990, 1993, 1996, 1999, 2002, 2005, 2008, 2011, 2014, 2017, and 2020. An unmodified opinion was received for each review. (See latest peer review report attached.)

#### 6. Professional experience in governmental audits

Name	Governmental Years	Position	Experience/ Duties	% Time on Site
R. Harold Gibson	31	Partner	Partner (31) years	0%
Monty Pendry	26	Partner	Partner (13) years Manager (3) years In charge (8) years Staff Accountant (2) years	0%
Craig Hopkins	27	Manager	Manager (18) years Partner (5) years In charge (2) years Senior Accountant (2) years	35%
G. Carroll Hoyle	2	Manager	Manager (2) years	35%
Amanda Scott	4	Senior	Senior Accountant (3) years Staff Accountant (1) year	5%

#### 7. Educational background within the past three years

The following is a listing of seminars and courses attended within the past three years. Governmental and related courses are in **bold** letters.

##### R. Harold Gibson

02/15/18	Best Federal Tax Update
05/14/18	Audits of 401 (K) Plans: New Developments and Critical Issues
05/16/18	Advanced Concepts in SSARS 21 and Nonattest Services
<b>05/30/18</b>	<b>How to Do a GAAS Audit</b>
06/27/18	2018 Professional Ethics & Conduct
<b>07/16/18</b>	<b>The Essential Course for Preparing Not-For-Profit Financial Statements Under ASU NO. 2016-14</b>
07/25/18	Annual Accounting and Auditing Update
06/03/19	Audits of 401 (K) Plans: New Developments and Critical Issues
06/10/19	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
06/18/19	Best Federal Tax Update
07/02/19	Annual Accounting and Auditing Update
07/08/19	<b>A Complete Guide to the New Yellow Book</b>

7. Educational background within the past three years (continued)

<b>07/18/19</b>	<b><i>Latest Developments in Governmental and Nonprofit Accounting and Auditing</i></b>
08/20/19	2019 Professional Ethics and Conduct
02/24/20	Getting Ready for Busy Season: Key Changes
03/24/20	Compilations, Reviews, and Preparations: Annual Update
05/01/20	Audits of 401(K) Plans: New Developments
06/03/20	2020 Professional Ethics & Conduct
<b>06/11/20</b>	<b><i>Latest Developments in Govt and NFP Accounting</i></b>
<b>06/18/20</b>	<b><i>A Complete Guide to the New Yellow Book</i></b>
07/02/20	Annual Accounting and Auditing Update
06/02/21	Assessing the Risk of Fraud in a Financial Statement Audit

Monty Pendry

<b>01/12/18</b>	<b><i>2017 Governmental Auditing Quality Control Annual Update</i></b>
02/15/18	Best Federal Tax Update
05/14/18	Audits of 401 (K) Plans: New Developments and Critical Issues
05/16/18	Advanced Concepts in SSARS 21 and Nonattest Services
<b>05/30/18</b>	<b><i>How to Do a GAAS Audit</i></b>
<b>06/29/18</b>	<b><i>The Essential Course for Preparing Not-For-Profit Financial Statements Under ASU NO. 2016-14</i></b>
07/25/18	Annual Accounting and Auditing Update
08/23/18	2018 Professional Ethics & Conduct
06/03/19	Audits of 401 (K) Plans: New Developments and Critical Issues
06/05/19	Best Federal Tax Update
06/10/19	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
06/28/19	<b><i>2019 Governmental Auditing Quality Control Annual Update</i></b>
07/02/19	Annual Accounting and Auditing Update
07/08/19	<b><i>A Complete Guide to the New Yellow Book</i></b>
07/18/19	<b><i>Latest Developments in Governmental and Nonprofit Accounting and Auditing</i></b>
08/20/19	2019 Professional Ethics and Conduct
02/24/20	Getting Ready for Busy Season: Key Changes
03/24/20	Compilations, Reviews, and Preparations: Annual Update
05/01/20	Audits of 401(K) Plans: New Developments
06/03/20	2020 Professional Ethics & Conduct
<b>06/11/20</b>	<b><i>Latest Developments in Govt and NFP Accounting</i></b>
<b>06/18/20</b>	<b><i>A Complete Guide to the New Yellow Book</i></b>
07/02/20	Annual Accounting and Auditing Update
06/03/21	Audits of 401(k) Plans: New Developments and Critical Issues

## 7. Educational background within the past three years (continued)

### Craig Hopkins

02/15/18	Best Federal Tax Update
05/14/18	Audits of 401 (K) Plans: New Developments and Critical Issues
05/16/18	Advanced Concepts in SSARS 21 and Nonattest Services
<b>05/30/18</b>	<b><i>How to Do a GAAS Audit</i></b>
06/27/18	2018 Professional Ethics & Conduct
<b>07/16/18</b>	<b><i>The Essential Course for Preparing Not-For-Profit Financial Statements Under ASU NO. 2016-14</i></b>
07/25/18	Annual Accounting and Auditing Update
08/07/18	Accountant's Liability: Positioning Your Firm for Success
06/03/19	Audits of 401 (K) Plans: New Developments and Critical Issues
06/05/19	Best Federal Tax Update
06/10/19	Compilations, Reviews and New Preparations: Engagement Performance and Annual Update
07/02/19	Annual Accounting and Auditing Update
07/08/19	<b>A Complete Guide to the New Yellow Book</b>
07/18/19	<b><i>Latest Developments in Governmental and Nonprofit Accounting and Auditing</i></b>
08/20/19	2019 Professional Ethics and Conduct
02/24/20	Getting Ready for Busy Season: Key Changes
03/20/20	Coronavirus: How to Prepare Your Business
03/24/20	Compilations, Reviews, and Preparations: Annual Update
05/01/20	Audits of 401(K) Plans: New Developments
06/03/20	2020 Professional Ethics & Conduct
<b>06/11/20</b>	<b>Latest Developments in Govt and NFP Accounting</b>
<b>06/18/20</b>	<b>A Complete Guide to the New Yellow Book</b>
07/02/20	Annual Accounting and Auditing Update
06/02/21	Assessing the Risk of Fraud in a Financial Statement Audit

### Amanda Scott

02/15/18	Best Federal Tax Update
03/17/18	NC Accountancy Law: Ethics, Principles & Professional Responsibilities
<b>05/30/18</b>	<b><i>How to Do a GAAS Audit</i></b>
<b>06/29/18</b>	<b><i>The Essential Course for Preparing Not-For-Profit Financial Statements Under ASU NO. 2016-14</i></b>
07/25/18	Audit Skills Training: Level 1 – New Auditors Consecutive 2-Day Course
08/01/18	Audit Skills Training: Level 2 – Staff Accountant – Consecutive 2-Day Course
08/02/18	Audit Skills Training: Level 2 – Staff Accountant – Consecutive 2-Day Course



7. Educational background within the past three years (continued)

08/07/18 Accountant's Liability: Positioning Your Firm for Success  
 06/05/19 Best Federal Tax Update  
 06/10/19 Compilations, Reviews and New Preparations: Engagement Performance and Annual Update  
 07/02/19 Annual Accounting and Auditing Update  
 07/08/19 **A Complete Guide to the New Yellow Book**  
 07/18/19 ***Latest Developments in Governmental and Nonprofit Accounting and Auditing***  
 08/20/19 2019 Professional Ethics and Conduct  
**08/30/19** **How to do a GAAS Audit**  
 02/24/20 Getting Ready for Busy Season: Key Changes  
 03/20/20 Coronavirus: How to Prepare Your Business  
 03/24/20 Compilations, Reviews, and Preparations: Annual Update  
 05/15/20 Life after Adoption: Applying Topic 606 To Revenue Recognition  
 06/03/20 2020 Professional Ethics & Conduct  
**06/11/20** **Latest Developments in Govt and NFP Accounting**  
**06/18/20** **A Complete Guide to the New Yellow Book**  
 07/02/20 Annual Accounting and Auditing Update  
 06/02/21 Assessing the Risk of Fraud in a Financial Statement Audit

Carroll Hoyle

06/11/20 **Latest Developments in Govt and NFP Accounting**  
 06/18/20 **A Complete Guide to the New Yellow Book**  
 07/02/20 Annual Accounting and Auditing Update  
 12/03/20 2020 Professional Ethics & Conduct  
 12/15/20 The Accountant as the Expert Witness  
 12/16/20 Most Critical Challenges in Govt Accounting  
 12/21/20 Required Minimum Distributions  
 12/22/20 Taking Advantage of Installment Sales  
 06/02/21 Assessing the Risk of Fraud in a Financial Statement Audit  
**Mr. Hoyle worked for the firm in 2019 and joined the firm on June 1, 2020**

#### **8. Professional experience**

The staff of Gibson & Company, P.A. has experience with various governmental and business-type funds to include capital project funds, agency funds, water & sewer funds, and stormwater funds. Gibson & Company, P.A. has also performed various 'Single Audits' including but not limited to USDA, Powell Bill, Department of Homeland Security, FEMA, and Human & Health Services. Please also refer to Number 6 "Professional Experience in Governmental Audits" above.

#### **9. Specialized skills and training**

Gibson & Company, P.A. is a member of both, the "Governmental Audit Quality Center" and the "Private Companies Practice Section," of the American Institute of Certified Public Accountants. All individuals are members of the North Carolina Association of Certified Public Accountants and the American Institute of Certified Public Accountants. Harold Gibson has in the past served as speaker and instructor at several seminars.

#### **10. Client References**

Please refer to Number 3 "Current and Prior Government Audit Clients" above.

#### **11. Gibson & Company, P.A.'s policy and procedures regarding independence**

Gibson & Company, P.A. ensures that professional independence standards are met by keeping all professional personnel knowledgeable of rules and regulations of the American Institute of Certified Public Accountants, the North Carolina Association of Certified Public Accountants, and the North Carolina State Board of Accountancy. We keep our personnel informed through technical manuals, seminars, in house meetings and up to date client lists. Written representation is obtained from each individual annually to confirm their familiarity of and compliance with the firm's independence policies and procedures. Gibson & Company, P.A. adheres to independence as promulgated in Government Auditing Standard, Amendment 3. Our firm policy is to follow Practitioners Publishing Clearinghouse's *Guide to Audits of Local Governments*. (Gibson & Company, P.A. does not have a Statement of Policy and Procedures other than the above referenced documents.)

**12. Liability insurance coverage**

- We feel we have adequate coverage.
- Limits of liability under current policies:
  - \$1,000,000 each claim
  - \$2,000,000 aggregate
- Gibson & Company, P.A. has never experienced any claims or litigation.

**13. Regulatory action**

Gibson & Company, P.A. has never experienced any regulatory action by any oversight body.

**14. NC Local Government Commission and UNC School of Government**

Gibson & Company, P.A. enjoys a good relationship with the North Carolina Local Government Commission and the University of North Carolina School of Government at Chapel Hill. We have consulted with members such as Sharon Edmundson, Becky Dzingeleski, Jim Burke, and Greg Allison on various matters over the years.

We appreciate the opportunity to submit this first section of the proposal. We sincerely hope that our experience and the qualifications of our personnel will allow us to be considered for the second section.

Sincerely,

Gibson & Company, P.A.



R. Harold Gibson  
Managing Partner/Principal

# 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 24, 2020

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

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, 2020. 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.

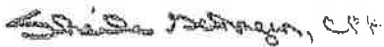
## Required Selections and Considerations

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, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Gibson & Company, P.A. has received a peer review rating of *pass*.



Sheila Gahagan, CPA

**The Town of Sharpsburg**

**Proposal – Audit Services  
Second Section**

**June 16, 2021**



June 16, 2021

Ms. Margaret Wiecek, Finance Officer  
The Town of Sharpsburg  
PO Box 1759  
Sharpsburg, NC 27858

Dear Ms. Wiecek:

Following is the second section of our proposal to serve as the independent auditor for the Town of Sharpsburg. Accordingly, we will respond to each of the specific requested items in your request for proposal.

**1. Audit program**

We plan to use standardized governmental audit programs designed by Practitioners Publishing Company (PPC) specifically for governmental units. We plan to customize these audit programs to fit the particular circumstances related to the audit of the Town of Sharpsburg, NC.

**2. Statistical sampling**

We expect that we will use statistical sampling in certain selected areas to include test of controls and test of compliance with laws and regulations and selection of accounts receivable and capital assets for testing.

**3. Automated processes**

Each CPA/Accountant assigned to the engagement uses various software programs including but not limited to Excel, Word, Fixed Asset CS (depreciation), CS Accounting (trial balance), Foxit (pdf), and Email for ease of communication and efficiency.

**4. Computer audit specialists**

Gibson and Company, P.A. does not have specific individuals who are designated solely as computer audit specialists. However, each accountant assigned to the engagement is very computer literate and capable of recognizing, understanding, and evaluating the internal accounting control aspects in the utilization of computers associated with accounting processes.

## 5. Audit team

The audit team is expected to consist of:

<u>Name</u>	<u>Position</u>	<u>% of Audit</u>
R. Harold Gibson	Partner	10%
Monty Pendry	Partner	5%
Carroll Hoyle	Manager	35%
Craig Hopkins	Manager	35%
Amanda Scott	Senior	15%

## 6. Management letter

Typically, the management letter will include all significant deficiencies and material weaknesses and also suggestions and/or comments regarding operating or administrative efficiencies. A draft of the management letter will be submitted with the draft of the financial statements for review before finalizing.

## 7. Assistance expected from the Town's staff

No additional assistance is expected. The assistance detailed in the request for proposal should be adequate to ensure the engagement is efficient and cost effective.

## 8. Tentative schedule

<u>Procedure</u>	<u>Time</u>	<u>When</u>
Pre-Planning meeting	4 hours	Early August
On-site interim work	1 - 2 days	Early August
Year-end on-site work	2 - 3 days	Mid August
Final in-office work	2 - 3 days	Early September
Post-Closing Trial Balance	1 day	Late September
Exit conference	1 - 2 hours	September 30 (or before)
Final report submitted to Local Government Commission		Early October



9. Cost for the 6/30/21 audit and estimates for the 6/30/22 and 6/30/23 audits

The audit will encompass a financial and compliance examination of the Town of Sharpburg's basic financial statements, supplementary information, and compliance reports in accordance with the laws and/or regulations of the State of North Carolina which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, State, and local funding sources in accordance with generally accepted auditing standards; *Government Auditing Standards*, July 2011 revisions and 2018 revisions; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the State Single Audit Implementation Act; and all other applicable laws and regulations.

A. Personnel costs

	Snr - AS	Mgr - GCH	Mgr - CVH	Prtnr - MRP	Prtnr - RHG	Totals
On-Site Interim	2	12	12	0	0	26
Year-End On-Site	0	30	30	0	0	60
In-Office	18	32	32	12	20	114
Total Hours	20	74	74	12	20	200
Hourly Billing Rate	\$ 140	\$ 180	\$ 180	\$ 200	\$ 250	
Standard amount	\$ 2,800	\$ 13,320	\$ 13,320	\$ 2,400	\$ 5,000	\$ 36,840
Adjustment-up (down)						(14,340)
Net amount						\$ 22,500 *
Realization %						61%

The fees for the following years are estimated with a 3% cost of living increase as follows:

2021-2022	\$23,175*
2022-2023	\$23,870*

\*Includes \$4,000 fee for Single Audit. If Single Audit is not required, then \$4,000 will be subtracted from fee.

B. Travel cost  
None

C. Cost of supplies and materials  
None

D. Other costs  
None

E. Method of determining increase  
Cost of living adjustments only

## **10. Other information**

We will work closely with you and other management personnel in designing how we deliver our services. The exact approach and timing of our activities will be established jointly in the manner most beneficial to you. We will work with you to achieve the maximum effectiveness in conducting our services and in developing ongoing accounting, internal control, budget and other advisory services to meet your specific needs. By working together closely and with thorough planning, we are convinced that the engagement will be a smooth and productive experience.

The size of our firm is advantageous in that we have more than adequate capabilities to meet the needs of the Town of Sharpsburg for professional services while still being small enough to provide personalized services. Typically, one of our partner/principals and/or manager is actively involved in the engagement almost every day.

Gibson & Company, P.A. has practiced as Certified Public Accountants in Winston-Salem, North Carolina and in other parts of the state of North Carolina continuously since 1990. The firm specializes in providing services that are personable and highly responsive to the client's specific needs. Please contact any of our clients for a reference.

We believe that professional accounting and auditing services should be viewed as a factor contributing to better business and administrative practices and, when properly conducted, should evaluate financial practices and identify potential problem areas, if any exist. We feel that our approach to client service will be especially beneficial to the Town of Sharpsburg since it will ensure that we conduct an efficient, cost-effective engagement, that places a minimum burden on management.

We believe that while our engagement must necessarily maintain a certain degree of independence, we feel we are likewise obligated to work within a framework and spirit of cooperation with you and your representatives.

Further, it is our policy to discuss immediately with you and resolve any potential adjustments or problems if and when they arise. We feel that this early detection and resolution process is a basic principle of good and fair relations with our clients. Our policy of having a partner/principal and/or manager involved in the day-to-day engagement activities greatly enhances this process.

Specifically, to ensure an effective and timely product, our engagement methodology would involve several key phases, more fully described in the following paragraphs.

- **Planning**

As soon as we are notified of our appointment as your independent auditors, we will meet with you to discuss deadlines, potential problem areas, and preliminary procedures to improve the efficiency of the field work time.

#### **10. Other information (continued)**

- Field work

We will work in your office or by email to gather the necessary data and to identify required adjusting entries, if any. We anticipate a combination of work in your office and in our Winston Salem, North Carolina office that most efficiently handles the audit with the least disruption to your office as possible while at the same time addressing all needed audit issues.

- Reports

We will provide a preliminary draft of your financial statements and letters for your review before issuing the final report. We will issue a management letter summarizing our recommendations for improving internal accounting controls and operating efficiency. Also, we will issue a governance letter regarding significant audit findings and other matters.

- Continuing involvement

Throughout the year, we will be available to answer questions or resolve any problems that may arise. In addition, we will make ourselves available, at your discretion, to attend board and other meetings periodically throughout the year. The more we understand your needs, the more responsive we can be.

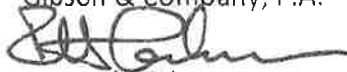
#### **11. Summary of Audit Costs Sheet**

See attached.

The Town of Sharpsburg will be a very important and valued client to Gibson & Company, P.A.. We appreciate the opportunity to present this proposal and would be pleased to discuss it further at your convenience if you so desire. We understand that you will be making a decision in the near future regarding your auditing needs. We look forward to hearing from you regarding the possibility of Gibson & Company, P.A. providing these services to the Town of Sharpsburg.

Sincerely,

Gibson & Company, P.A.



R. Harold Gibson

Managing Partner/Principal

**SUMMARY OF AUDIT COSTS SHEET**

1. Base Audit		
Includes Personnel costs, travel, and on-site work	\$	<u>15,000</u>
2. Extra Audit Services		
\$ _____ Per hour	\$	_____
3. Other (explain)		
<u>Report Writing</u>	\$	<u>3,500</u>
4. Other (explain)		
<u>Single Audit (if needed)</u>	\$	<u>4,000</u>
<b><u>TOTAL</u></b>	\$	<u>22,500</u>

FIRM: Gibson & Company, P.A.	Primary Contact: R. Harold Gibson
Address: 1411 Old Mill Circle	Telephone: (336)760-8910
Winston-Salem, NC 27103	Fax: (336)760-8913
	E-mail: harold@gibcocpa.com
	Date: June 16, 2021

PROPOSAL CERTIFICATION

Proposers  
Signature  Date 6-16-21

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

BY (Printed):

R. Harold Gibson

TITLE:

Managing Partner/Principal

COMPANY:

Gibson & Company, P.A.

ADDRESS: 1411 Old Mill Circle, Winston-Salem, NC 27103

TELEPHONE:

(336)760-8910

EMAIL:

harold@gibcocpa.com

**NUNN, BRASHEAR & UZZELL, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
1106 PARKWAY DRIVE  
P.O. BOX 10127  
GOLDSBORO, NORTH CAROLINA 27532-0127

PAUL L. NUNN, CPA, CFP  
HAROLD D. BRASHEAR, CPA  
DIANNE L. UZZELL, CPA

ALBERT S. WHITFIELD, CPA  
DANNA J. LAYNE, CPA, CFE  
MARJORIE C. FICKLING, CPA  
J.R. SABATELLI, CPA

TEL: (919) 778-1000  
FAX: (919) 751-1782  
E-Mail: NBCo@NBCo.com

June 16, 2021

Town of Sharpsburg, North Carolina  
PO Box 1759  
Sharpsburg, North Carolina 27878

In response to your request for an estimate for audit services for the Town of Sharpsburg, North Carolina for the fiscal years ending June 30, 2021, 2022, and 2023, we submit the following proposal and summary of the extensive experience and education of our personnel.

Nunn, Brashear & Uzzell, P.A.:

We facilitate the varied resources of seven highly qualified certified public accountants (CPA) on staff to provide you with an excellent as well as efficient engagement. The following highlights the education and comprehensive nonprofit/governmental experience of the four professionals that would be involved in the engagement. Nunn, Brashear & Uzzell, P.A. has established a quality control document with our policies governing all elements of quality control, which is available upon request. Our quality controls are reviewed every three years for compliance with the highest standards. In our most recent review, we received an unqualified report, with no letter of comments. Enclosed is a copy of our report. In addition, we do not have any consent orders with the N.C. CPA Licensing Board.

We, also, participate in the American Institute of CPAs Government Audit Quality Center (GAQC) and adhere to their standards which exceed peer review standards.

We are independent of the Town of Sharpsburg as defined by government auditing standards. Enclosed is a copy of our firm's statement of policy and procedures.

The firm and all key professional staff are properly licensed to practice in the State of North Carolina.

We carry professional liability insurance through the American Institute of CPAs and administered by Branch, Banking, & Trust.

We meet all qualifications to perform the audit under government auditing standards. The audit shall be performed in compliance with generally accepted government auditing standards. We agree to make all of our work papers available to Federal and State government agencies if so requested by them.

We will schedule the engagement based in part on the availability of your key personnel, the deadline agreed upon with the Town of Sharpsburg, and working conditions. We will plan the engagement with the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations.

We appreciate your consideration of our firm and the opportunity to submit this proposal, and we look forward to providing your auditing and tax needs as requested. If you have any questions concerning our firm or proposal, please feel free to contact us.

Very truly yours,

*Nunn, Brashear & Uzzell, P.A.*

Nunn, Brashear, & Uzzell, P.A.

Statement of Policy and Procedures excerpts:

## **LEADERSHIP RESPONSIBILITIES FOR QUALITY**

It is the firm's policy to promote a culture of quality that is pervasive throughout the firm's operations through the development of its system of quality control. Firm management, under the direction of the managing partner, assumes responsibility for the firm's system of quality control and designs the system to (a) emphasize the importance of performing work that complies with professional standards and regulatory and legal requirements and (b) issue reports that are appropriate in the circumstances. In maintaining a culture of quality, the firm emphasizes the importance of ethics and integrity in every decision that personnel make, particularly at the engagement level. The firm ensures compliance with this policy by implementing the following procedures:

1. The firm dedicates sufficient and suitable resources to its quality control system and quality initiative and assigns the operational responsibility for the firm's quality control system to individuals with the experience, ability, and authority to identify, develop, and implement the necessary QC policies and procedures. The firm appropriately communicates clear, consistent, and frequent actions and messages that emphasize the firm's quality control policies and procedures. Such actions and messages include -
  - Providing a copy of the firm's system of quality control document to all new professional employees and reviewing the document and its importance with them.
  - Reviewing the firm's quality control policies and procedures, especially in areas where questions or problems have arisen, with personnel during firm training sessions.
2. The managing partner evaluates client relationships and engagements to ensure that commercial considerations are not placed ahead of the firm's commitment to quality control. Additionally, the firm's compensation and advancement policy and procedures (covered in the human resources QC document) do not place commercial considerations ahead of the quality of work performed.
3. The managing partner and other partners in the firm demonstrate the importance of quality by their actions. Such actions include –
  - Making decisions with a focus on the public interest and emphasizing that personnel do the same.
  - Demonstrating the importance of creating and maintaining a good public reputation.
  - Ensuring partners and staff have sufficient time and resources to solve engagement challenges.
  - Following the spirit, as well as the letter, of professional, regulatory, and legal standards.
  - Displaying enthusiasm and sincerity in communicating its commitment to a quality initiative.
  - Demonstrating consistency.
4. The firm establishes a formal code of conduct that reflects the firm's core value of quality and guides personnel to make appropriate decisions throughout their workday. The code of conduct is regularly communicated and reiterated to all employees and is posted on our intranet.
5. The firm establishes and maintains a positive work environment by combining the firm's quality objectives with the personnel's needs to be valued and appreciated.
6. The firm hires, compensates, and promotes individuals who possess and exhibit high levels of integrity, as covered in the human resources QC policies and procedures.



7. The firm provides ethics training for all professional personnel every year, as covered in the relevant ethical requirements QC policy and procedures.
8. The firm rewards personnel who demonstrate a commitment to quality through its performance evaluation, compensation, and advancement system, as covered in the human resources QC policies and procedures.
9. The firm does not allow unethical behavior to occur unchallenged and addresses instances of noncompliance with the firm's quality control system through swift disciplinary action or, in extreme cases, termination of the offending employee.
10. At least annually, the firm's leadership responsibilities policy and procedures are reviewed to determine if they are appropriate and operating effectively. See the MONITORING section of this document for further information.

## ***Prior Auditing Experience***

A list of our firm's current and prior audit experience is as follows:

### Governmental Specific:

County of Wayne, N.C., (current audit)  
Allison Speight, finance officer, 919-731-1437

Wayne County Tourism Authority, (current audit)  
Allison Speight, finance officer, 919-731-1437

Goldsboro/Wayne Transportation Authority, (current audit)  
Don Willis, director, 919-736-1374, ext. 208

Sanitary Districts (2) (current audit)

### Nonprofit Audits with Governmental Standards (current audits):

Medical Center, Electric Utility Cooperation, Volunteer Fire Departments

### Other Audit Types (current and noncurrent audits):

The United Way of Wayne County, The Family Y, Boy Scouts of America Council, Industrial Committees, Boys & Girl Clubs, Economic Development Committee, Community College Foundation, Group Home, Chamber of Commerce, Pension Plans, Manufacturing Industries

The following is a list of additional services we have provided nonprofit/governmental clients:

- Assisted in preparation of financial statements
- Accounting software assistance
- Consultation and accounting assistance during the transition to a new computer system.
- Assist in applications for tax exempt status
- Payroll preparation and payroll tax compliance
- Preparation of Tax Exempt Organizations Form 990
- Board and employee training classes

We have also provided many of our clients with a wide variety of services including preparation of exempt organization returns (including returns for tax on unrelated business income), management consulting, assisting with accounting, bookkeeping and computer systems, fraud audits, implementation of internal controls, budgeting, and consultation concerning the preservation of tax-exempt status.

## **Staff Qualifications**

### **Partner-in-charge (assigned to oversee Town of Sharpsburg engagement)**

#### **Paul L. Nunn, CPA**

**Education:** East Carolina University in May of 1974 with a Bachelor of Science in Business Administration

**Achievements:** Has served as an officer or board member for numerous organizations including, Wayne County Boys and Girls Club and The Salvation Army.

**Audit Experience:** County of Wayne, Goldsboro/Wayne Transportation Authority, Sanitary Districts, Electric Membership Cooperation, Boys & Girls Clubs, Volunteer Fire Departments, Manufacturing Industries, Mortgage Industry

#### **Continuing Education:**

2020: 79 hours of continuing education, including 33 yellow book hours. Topics include auditing tips, sampling and Single Audit, COVID-19 funding and impact, Government Audit Quality System (GAQC) updates, accountings risk and professional ethics.

2019: 83 hours of continuing education, including 26 yellow book hours. Topics include audit materiality, audit programs, audit independence, Government Audit Quality System (GAQC) annual and quarterly updates, understanding accounting changes and professional ethics.

2018: 71 hours of continuing education, including 20 yellow book hours. Topics include audit planning, audit sampling, NCACPA Local Government Conference, Government Audit Quality System (GAQC) annual and quarterly updates, and professional ethics.

### **Audit Manager (lead auditor assigned to Town of Sharpsburg engagement)**

#### **Danna Layne, CPA, CFE**

**Education:** Mt Olive College in May of 2003 with a Bachelor of Science in Business Administration, major in accounting.

**Achievements:** Has served on community investment committee for the United Way of Wayne County, board member of Goldsboro Exchange Club and Goldsboro Worship Center.

**Audit Experience:** County of Wayne, Goldsboro/Wayne Transportation Authority, Sanitary Districts in Wayne County, Town of Princeville N.C., Electric Membership Cooperation, Boys & Girls Clubs, Boy Scouts of America, County of Wayne, Manufacturing Industries, Medical Clinic, Chamber of Commerce, Volunteer Fire Departments

### **Continuing Education:**

2020: 65.5 hours of continuing education, including 49.5 hours of yellow book. Topics include COVID 19 funding and impact, NCACPA Local Government Conference, teaching a municipal finance class at a community college, fraud and professional ethics.

2019: 66.5 hours of continuing education, including 41 hours of yellow book. Topics include single audit testing, NCACPA Local Government Conference, fraud detection, leadership conference, and professional ethics.

2018: 63 hours of continuing education, including 38 yellow book hours. Topics include single audit case study, compliance audits, NCACPA Local Government Conference, fraud updates, leadership conference, and professional ethics.

### **Senior Accountant (assigned staff to Town of Sharpsburg engagement)**

#### **J.R. Sabatelli, CPA**

**Education:** West Virginia University with a Master of Professional Accountancy in December, 2002, and a Bachelor of Administration - Accounting from West Virginia University in December of 2001.

**Audit Experience:** Libraries, municipalities, utility authorities, school boards of education

#### **Continuing Education:**

2020: 65.5 hours of continuing education, including 19.5 yellow book hours. Topics include accounting and auditing functionality, yellow book updates, auditing of specific programs and professional ethics.

2019, 2018: 40 hours continuing education, government and tax, met to maintain CPA license; however, main concentration of CPE was in his position as a finance director for municipalities.

### **Partner (assigned technical reviewer to Town of Sharpsburg engagement)**

#### **Dianne Uzzell, CPA**

**Education:** Meredith College in 1993 with a Bachelor of Science in Business Administration with a concentration in Accounting, Major in Computer Science and Math

**Achievements:** Chairperson of the Chapter Advisory Group, Coastal Plains Chapter and Young CPA Cabinet of the NC Association of CPA's (NCACPA), Finance Committee of New Hope Friends Church, Loaned Executive for United Way of Wayne County, Certified QuickBooks Pro-Advisor, has served as board members of the NCACPA, AICPA and Goldsboro Sail and Power Squadron.

**Audit Experience:** County of Wayne (technical reviewer 6 years, assigned staff 15 years), Goldsboro/Wayne Transportation Authority (technical reviewer 6 years), Electric Membership Cooperation, Health Industry, Group Homes, Nonprofits, Pension Plans, Construction and Manufacturing

**Continuing Education:**

2020: 53.5 hours of continuing education, including 11.5 yellow book hours. Topics include peer review, accountant's liability, quarterly updates, analytical procedures, and professional ethics.

2019: 94.3 hours of continuing education, including 19 yellow book hours. Topics include accounting changes, annual and quarterly updates for governments and not-for-profits, auditing specific programs, peer review, and professional ethics.

2018: 58 hours of continuing education, including 9 yellow book hours. Topics include government accounting quarterly updates, monthly accounting alerts, implementing standards, peer review, and professional ethics.



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

July 7, 2020

To the Partners of Nunn, Brashear & Uzzell, P.A.  
and the Peer Review Committee of the North Carolina  
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Nunn, Brashear & Uzzell, P.A. (the firm) in effect for the year ended February 29, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](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

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

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nunn, Brashear & Uzzell, P.A. in effect for the year ended February 29, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Nunn, Brashear & Uzzell, P.A. has received a peer review rating of *pass*.

*Bernard Robinson & Company, L.L.P.*

BERNARD ROBINSON & COMPANY, L.L.P.

## Summary of Audit Costs

### Town of Sharpsburg, North Carolina

Firm Name: Nunn, Brashear & Uzzell, P.A.  
1106 Parkway Drive  
Goldsboro, N.C. 27534

Contact Information: Danna Layne, CPA, CFE, 919-778-1000, ext. 228, [dlayne@nbco.com](mailto:dlayne@nbco.com) and Paul Nunn, CPA, 919-778-1000, ext. 239, [pnunn@nbco.com](mailto:pnunn@nbco.com)

3 year proposal	June 30, 2021	June 30, 2022	June 30, 2023
Audit	\$ 13,175	\$ 13,750	\$ 14,000
Preparation Financial Statements	2,325	2,500	2,500
Total Proposed Cost	\$ 15,500	\$ 16,250	\$ 16,500

The proposal includes the audit of the financial statements of the Town of Sharpsburg, including all travel and related expenses, Annual Financial Information Report, Federal Data Collections Form and other required reporting. Any unusual or unexpected additional costs would be discussed before further work is completed.

#### Other Requested Information:

- Audit Program – Thomson Reuters’ PPC for audit program and guidance for audits of local government. N.C. Local Government Commission (LGC) documents for audits and compliance in order to ensure meeting LGC’s standards of presentation.
- Statistical Sampling – Sampling varies based on the area being tested. For specific audit areas, we follow guidelines from our auditing guides provided by Thomson Reuters. For compliance testing, we follow guidance from the Local Government Commission of the State Treasurer’s Office. Depending on the situation, we use a variety of techniques including random number generators, simple random sampling, systematic sampling, or a combination of all types.
- Computer audit specialist would be used only on an as needed basis.
- Management Letter – several letters are required by auditing standards.
  - Communication of Material Weaknesses and Significant Deficiencies – this letter is used to indicate if any internal control issues were found that created a material weakness or significant deficiencies. We also use the letter to make other recommendations for management to consider should we find any during the course of the audit.
  - Communication with Those Charged with Governance at the Conclusion of the Audit – this letter is a requirement of our professional standards that report to the board members if we had any significant audit findings like changes in accounting policies, accounting estimates, any difficulties performing the audit, corrected and uncorrected misstatements, any disagreements with management, management representations, and any other significant findings.

- Additional Town of Sharpsburg's Staff Assistance – The initial year requires significant documentation of internal controls, policies and procedures. Staff would need to be available for interviews. On field work days, staff would need to be accessible should questions arise.
- Tentative Schedule – The tentative schedule for completing the audit would be dependent on receipt of the adjusted trial balance. We expect a minimum of two months to complete the audit, mainly due to initial year financial statement preparation and initial audit year procedures. Due to the timing schedule of the RFP, we estimate a time frame for completing the audit to be before October 31, 2021, which is acceptable by the LGC without a contract extension.
- Personnel costs – Our audit fee includes all additional estimated costs such as travel and costs of supplies. If an unusual or unexpected event occurs that causes additional time to be spent on a particular matter, we would discuss it with the Town of Sharpsburg management and board members in advance before completing items not agreed upon in the initial engagement. Our costs for any additional engagements not included in the audit agreement are negotiated for a single price or billed by the hour. Initial year preparation hours are not included in our estimated hours. These costs are absorbed over multiple years should our relationship continue. Our estimated hours for the audit engagement, including financial statement preparation, are as follows:

○ Paul Nunn, CPA	Audit Partner, in charge	2 hours
○ Danna Layne, CPA, CFE	Audit Manager	20 hours
○ J.R. Sabatelli, CPA	Senior Accountant	20 hours
○ Dianne Uzzell, CPA	Partner, technical reviewer	4 hours
○ Administrative Staff	Staff and other indirect CPAs	2 hours





# MEMORANDUM

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**TO:** Robert Williams, Mayor  
Town Council Members

**FROM:** Stevie Cox, Town Administrator

**VIA:** Michael Thomas, Police Chief  
Brian Sullivan, Public Works Director

**CC:** Brian Pridgen, Town Attorney

**DATE:** July 30, 2021

**REF:** Surplus Property Sale of Town Property

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**Summary:**

Per § 160A-266. Methods of sale and deposition of Surplus Property, the Town Council must vote to approve the surplus property list and method that those items shall be sold.

**Background:**

§ 160A-266. Methods of sale and deposition of Surplus Property of the North Carolina General Statutes, the Town Council must vote to approve the sale of surplus property. Over the past year, Town Staff has been assembling a list of vehicles and equipment that is either no longer in use or has outlived their usefulness. Pursuant to the North Carolina General Statute, the Town Clerk must prepare an Ordinance for the Surplus Sale of Property.

At this time, the Police Department is seeking to surplus sale a 2013 Dodge Charger. The Public Works Department will be surplus the following items:

- 2002 Ford F-150
- 2001 Ford F-250
- 1997 Ford F-250
- 2003 Ford F-350
- 2001 Ford F-250
- 1996 Chevrolet Top Kick

- 2006 Kawasaki Mule
- Debris Box
- 2014 Hustler Mower

Attached is a detailed Surplus Vehicle List that provides detailed information on each item. Staff is recommending that each of these items be listed for Public Sale via a silent sealed bid process. Each item would be sold to the highest bidder. Each successful bidder would have to place a 10 percent deposit down for the item upon notification and must complete the final payment within fifteen business days to complete the sale and the transfer of ownership.

In March 2021, the Town Council approved the Surplus Property Ordinance for Town Property. Town Council gave the approval for the Surplus Property Sale to be conducted by a silence sealed bid process. At the request of Mayor Williams and Commissioner David Pride, at least two Council members will be present when the bids are received and read aloud. Commissioner Linda Virgil made this motion. Commissioner Don Patel seconded the motion. The Town Council approved the motion.

On March 4, 2021, Mayor Williams requested that Town Staff used a third-party vendor to conduct the Surplus Property Sale of Town Property. In a review of the General Statutes and the Town Code of Ordinance, Town Council would have to approve changing the Surplus Sale of Town Property. This would be achieved by an Ordinance that states the format for the surplus sale.

Staff has reached out to two third party vendors who specialize in the surplus sale of public property. Enterprise Rent-A-Car would only be able to sell vehicles. They would tow away each of these vehicles, clean them up and place them on the market for sell. Enterprise Rent-A-Car service is a turnkey process. Their fee to sell each vehicle is \$395.

GovDeals is a third-party vendor, which solely specializes in auctioning off public property. Town Staff would be responsible for taking all necessary pictures and loading this information on the website. The Town would have the right to refuse any bid that did not meet the minimum bid amount. The winning bidder would have ten (10) days to complete the purchase and remove the items. If the winner bidder does not complete the sales transaction, the next highest bidder would be given the opportunity to purchase the item. GovDeals charges a Buyer's Premium of 12.50%. The Town, the Buyer, would pay either the Buyer's Premium or some cost-shared arrangement. It would be my recommendation that the Buyer's Premium be totally paid by the Buyer.

I have included a table that compares both companies.

<b>Company</b>	<b>Contact Person</b>	<b>Contact Info</b>	<b>Surcharge</b>
Enterprise Rent-A-Car	Chrissy Huff	(919) 210-6951	\$395 per Vehicle
GovDeals.com	Chris Lassiter	(828) 527-7705	Buyer's Premium of 12.5%

On April 6, 2021, the Town Council held discussion on having a third-party vendor auction or sell the Town's surplus property. Mayor Williams stated that Mrs. Davis was requesting that this item be tabled. Mayor Williams stated that Commissioner Davis was concerned with the third vendor's cost for selling these items. Commissioner Pride stated that he was in favor of tabling this item as well. Commissioner Pride stated that previously, the Mayor opened the sealed bids for the surplus property items at the Town Council Meeting. Commissioner Pride made a motion to table this item to the May 2021 Town Council Meeting. Commissioner Patel seconded the motion. The motion was approved.

On May 4, 2021, the Town Council held additional discussions on how to carry out the surplus property sale. Commissioner Beverly Davis stated that she was not in favor of going with a third party. She stated that it would be better to use the normal process to dispose of the surplus property. Commissioner David Pride stated that in the past, the Mayor and a Council member would be present when the sealed bids were open. After some additional discussion, Commissioner Davis made a motion to sale the surplus items by the sealed bid method with the Mayor and one Commissioner present during the bid opening. Commissioner Don Patel seconded the motion. The motion was approved.

On May 12, 2021, the Surplus Property Ad was released in the Wilson Times and the Rocky Mount Telegram. The deadline for all of the sealed bids was May 26, 2021 at 12:00 PM. The Town received 18 totaled bids for all of the surplus property. On June 1, 2021, Mayor Robert Williams and the Town Administrator open all of sealed bids at the conclusion of the Special Called Town Council meeting. At the Regular Town Council Meeting, the Town Administrator formally read out the results of the sealed bids for the Surplus Property Sale. The Town Administrator recommended that the Town Council only accept the bids offers for the Mule/Four Wheeler and Hustler Mower, since those bids are more reasonable. The Town Administrator recommended that the Town Council reject the other bids per the bid sheet and rebid those items.

After some additional discussion, Commissioner Davis made a motion to accept all of the highest bids on the surplus property. Commissioner Linda Virgil seconded the motion. The motion was approved to move forward with notifying the highest bidders and receive payment for those items.

On June 2, 2021, Commissioner David Pride and Commissioner Beverly Davis met with the Town Administrator and stated that they did not believe the sealed bids for the surplus property were high enough. It was their view that we needed to set a minimum price for each item based on what they would sell for as scraped metal. They stated that the Town Administrator should create a bid sheet for each item with a minimum price for each item. The Town Administrator informed them that this would need to go back before Town Council before being able to move forward with this new decision. Commissioner Davis stated that she and Commissioner Pride would talk with Mayor Williams and I should move forward with revising the bid sheets and be prepared to have this on the August 2021 Town Council Agenda.

The Town Administrator has developed new bid sheet for each surplus property item. Each bid sheet has a minimum bid for each item. Furthermore, it includes a picture and serial item for each item. The bid sheet states that the Town reserves the right to accept and reject all bids.

**Recommendation:**

The Town Administrator recommends that the Town Council withdraw the motion from Commissioner Davis on June 1, 2021 to accept all of the bids for the surplus property. The Town Administrator recommends that the Town Council accept the highest bids for the Mule/Four Wheeler and the Hustler Mower that were received at the June 1, 2021 Town Council Meeting. Finally, the Town Administrator recommends that the Town Council set a date for the sale for the remaining surplus property items. This will include having the Mayor and at least one other Commissioner present when the bids are open and recorded.

**Attachment:**

Seal Bid Sheets for Surplus Property

**Town of Sharpsburg**



**Surplus Property and Equipment Bid Sheet**

**Name:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**Phone No.:** \_\_\_\_\_

The Town of Sharpsburg will be taking bids for the following Surplus Property and Equipment:

Sealed bids will be accepted until August \_\_, 2021 at 12:00 P.M. All bids must be in a securely sealed envelope with the item being bid on clearly stated on the outside of the envelope. Each item shall be in an individual envelope if you are bidding on multiple items. Bid will be opened at the September 1, 2021 Board of Commissioners' meeting.

I understand that all bids are subject to Board approval and may be rejected if the bid is below the anticipated value of the item. I further understand that all vehicles and items are sold as is with no warranty implied. All winning bidders will be notified by September 6, 2021 via telephone. All payments must be made in full by cash or certified check on September 7, 2021 at 4 P.M.

**Ford F-250 - 2001**



Vin Number:357976  
Use: Work Truck  
Department: Streets & Sanitation  
Lifespan: 10 years  
Years in Service: 19 year  
Mileage: 139,441  
Conditioning Rating: 3  
Estimate Replacement Cost: \$30,000  
**Maintenance Cost: Surplus**

**Minimum Bid: \$950.00**

**Bid Offer:** \_\_\_\_\_

**Town of Sharpsburg**



**Surplus Property and Equipment Bid Sheet**

**Name:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**Phone No.:** \_\_\_\_\_

The Town of Sharpsburg will be taking bids for the following Surplus Property and Equipment:

Sealed bids will be accepted until August \_\_\_\_, 2021 at 12:00 P.M. All bids must be in a securely sealed envelope with the item being bid on clearly stated on the outside of the envelope. Each item shall be in an individual envelope if you are bidding on multiple items. Bid will be opened at the September 1, 2021 Board of Commissioners' meeting.

I understand that all bids are subject to Board approval and may be rejected if the bid is below the anticipated value of the item. I further understand that all vehicles and items are sold as is with no warranty implied. All winning bidders will be notified by September 6, 2021 via telephone. All payments must be made in full by cash or certified check on September 7, 2021 at 4 P.M.

**Ford F-350 - 2003**



Vin Number: 63342  
Use: Little Dump Truck  
Department: Streets & Sanitation  
Lifespan: 15 years  
Years in Service: 17 years  
Mileage: 71,855  
Conditioning Rating: 2  
Estimate Replacement Cost: \$30,000  
**Maintenance Cost: Surplus**

**Minimum Bid: \$1,300.00**

**Bid Offer:** \_\_\_\_\_



**Town of Sharpsburg**



**Surplus Property and Equipment Bid Sheet**

**Name:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**Phone No.:** \_\_\_\_\_

The Town of Sharpsburg will be taking bids for the following Surplus Property and Equipment:

Sealed bids will be accepted until August \_\_, 2021 at 12:00 P.M. All bids must be in a securely sealed envelope with the item being bid on clearly stated on the outside of the envelope. Each item shall be in an individual envelope if you are bidding on multiple items. Bid will be opened at the September 1, 2021 Board of Commissioners' meeting.

I understand that all bids are subject to Board approval and may be rejected if the bid is below the anticipated value of the item. I further understand that all vehicles and items are sold as is with no warranty implied. All winning bidders will be notified by September 6, 2021 via telephone. All payments must be made in full by cash or certified check on September 7, 2021 at 4 P.M.

**Ford F250 - 1997**



VIN Number: 51950  
Use: Spray Truck  
Department: Streets  
Lifespan: 10 years  
Years in Service: 25 years  
Mileage: 107,480  
Conditioning Rating: 2  
Estimate Replacement Cost: \$25,000  
**Maintenance Cost: Surplus**

**Minimum Bid: \$1,000.00**

**Bid Offer:** \_\_\_\_\_

**Town of Sharpsburg**



**Surplus Property and Equipment Bid Sheet**

**Name:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**Phone No.:** \_\_\_\_\_

The Town of Sharpsburg will be taking bids for the following Surplus Property and Equipment:

Sealed bids will be accepted until August \_\_\_, 2021 at 12:00 P.M. All bids must be in a securely sealed envelope with the item being bid on clearly stated on the outside of the envelope. Each item shall be in an individual envelope if you are bidding on multiple items. Bid will be opened at the September 1, 2021 Board of Commissioners' meeting.

I understand that all bids are subject to Board approval and may be rejected if the bid is below the anticipated value of the item. I further understand that all vehicles and items are sold as is with no warranty implied. All winning bidders will be notified by September 6, 2021 via telephone. All payments must be made in full by cash or certified check on September 7, 2021 at 4 P.M.

**Ford F-250 - 2001**



VIN Number: 82765  
Use: Work Truck  
Department: Streets & Sanitation  
Lifespan: 10 years  
Years in Service: 19 Years  
Mileage: 139,359  
Conditioning Rating: 3  
Estimate Replacement Cost: \$30,000  
**Maintenance Cost: Surplus**

**Minimum Bid: \$950.00**

**Bid Offer:** \_\_\_\_\_



**Town of Sharpsburg**



**Surplus Property and Equipment Bid Sheet**

**Name:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**Phone No.:** \_\_\_\_\_

The Town of Sharpsburg will be taking bids for the following Surplus Property and Equipment:

Sealed bids will be accepted until August \_\_, 2021 at 12:00 P.M. All bids must be in a securely sealed envelope with the item being bid on clearly stated on the outside of the envelope. Each item shall be in an individual envelope if you are bidding on multiple items. Bid will be opened at the September 1, 2021 Board of Commissioners' meeting.

I understand that all bids are subject to Board approval and may be rejected if the bid is below the anticipated value of the item. I further understand that all vehicles and items are sold as is with no warranty implied. All winning bidders will be notified by September 6, 2021 via telephone. All payments must be made in full by cash or certified check on September 7, 2021 at 4 P.M.

**Ford F-150 - 2002**



VIN Number: 25628  
Use: Meter Reader  
Department: Electric / Water  
Lifespan: 10 Years  
Years in Service: 19 Years  
Mileage: 100,086  
Conditioning Rating: 3  
Estimate Replacement Cost: \$22,000  
**Maintenance Cost: Surplus**

**Minimum Bid: \$650.00**

**Bid Offer:** \_\_\_\_\_

**Town of Sharpsburg**



**Surplus Property and Equipment Bid Sheet**

**Name:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**Phone No.:** \_\_\_\_\_

The Town of Sharpsburg will be taking bids for the following Surplus Property and Equipment:

Sealed bids will be accepted until August \_\_\_, 2021 at 12:00 P.M. All bids must be in a securely sealed envelope with the item being bid on clearly stated on the outside of the envelope. Each item shall be in an individual envelope if you are bidding on multiple items. Bid will be opened at the September 1, 2021 Board of Commissioners' meeting.

I understand that all bids are subject to Board approval and may be rejected if the bid is below the anticipated value of the item. I further understand that all vehicles and items are sold as is with no warranty implied. All winning bidders will be notified by September 6, 2021 via telephone. All payments must be made in full by cash or certified check on September 7, 2021 at 4 P.M.

**Chevrolet Top Kick - 1996**



Vin Number: 06151  
Use: Dump Truck/ Leaf Vac/ Chipper  
Department: Streets & Sanitation  
Lifespan: 15 years  
Years in Service: 25 year  
Mileage: 477,998  
Conditioning Rating: 1  
Estimate Replacement Cost: \$89,000  
**Maintenance Cost: Surplus**

**Minimum Bid: \$3,000.00**

**Bid Offer:** \_\_\_\_\_

**Town of Sharpsburg**



**Surplus Property and Equipment Bid Sheet**

**Name:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**Phone No.:** \_\_\_\_\_

The Town of Sharpsburg will be taking bids for the following Surplus Property and Equipment:

Sealed bids will be accepted until August \_\_, 2021 at 12:00 P.M. All bids must be in a securely sealed envelope with the item being bid on clearly stated on the outside of the envelope. Each item shall be in an individual envelope if you are bidding on multiple items. Bid will be opened at the September 1, 2021 Board of Commissioners' meeting.

I understand that all bids are subject to Board approval and may be rejected if the bid is below the anticipated value of the item. I further understand that all vehicles and items are sold as is with no warranty implied. All winning bidders will be notified by September 6, 2021 via telephone. All payments must be made in full by cash or certified check on September 7, 2021 at 4 P.M.

	<p><b>Dodge Charger – 2013</b></p> <p>VIN Number: 2C3CDXAT5DH725604</p> <p>Use: Patrol Vehicle Department: Police Lifespan: 5 Years Years in Service: 7 Years Mileage: 113,617 Miles Conditioning Rating: 1 Estimate Replacement Cost: \$24,000 Maintenance Cost for 12 months: \$4,144.00</p>
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**Minimum Bid: \$750.00**

**Bid Offer:** \_\_\_\_\_



# MEMORANDUM

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**TO:** Robert Williams, Mayor  
Town Council Members

**FROM:** Stevie Cox, Town Administrator

**VIA:** Brian Sullivan, Public Works Director

**CC:** Brian Pridgen, Town Attorney

**DATE:** July 30, 2021

**REF:** Approval and Award of Drainage Study

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## **Summary:**

In June 2020, the Town Council approved and an allocated funds for a Drainage Study of the Town. This was included in the adopted Capital Improvement Plan.

## **Background:**

In February 2020, the Town Council received a presentation from SEPI Engineering to conduct a drainage study. At the end of the presentation, the Town Council tabled the matter and requested that Town Staff seek additional information to expand the drainage study. In March 2020, the Town Council had a Budget Retreat to plan for the budget for Fiscal Year 2020 – 2021. During the Budget Retreat, the Town Council made recommendations to be included in the Capital Improvement Plan and the preliminary list that Town Staff had assembled. Town Council requested that Town Staff seek bids for the drainage study. In June 2020, the Town Council adopted the Budget and the Capital Improvement Plan and included funding for the drainage study.

In February 2021, the Town Council approved the Drainage Study Request for Qualifications (RFQ). The proposed RFQ was published on February 5, 2021. The RFQ submission date was March 5, 2021 at 2 PM. The Town has received only three RFQ submissions.

<b>Company Name</b>	<b>Contact Person</b>	<b>Address</b>	<b>Phone Number</b>
SEPI	Ben Crawford, PE	One Glenwood Avenue, Suite 600 Raleigh, NC 27603	(919) 573-9930
Engineering Services, PA	Todd Steele, PE	1202 Benson Road, #200 Garner, NC 27529	(919) 662-7272
The East Group	Todd Tripp, PE	324 Evans Street Greenville, NC 27858	(252) 758-3746

On June 1, 2021, the Town Council reviewed the three (3) bids that were submitted for the drainage study. After some discussion, Commissioner Beverly Davis made a motion to award the Drainage Study Project to The East Group. Commissioner David Pride seconded the motion. The motion was approved. Staff was instructed to move forward meeting with the East Group and request them to submit a contract for the Drainage Study. On July 27, 2021, The East Group submitted a contract for this project with a complete scope of work. (See attached.)

**Recommendation:**

The Town Administrator recommends that the Town Council approve The East Group's contract and scope of work for the Drainage Study.

**Attachment:**

The East Group RFQ Contract





July 27, 2021

Mr. Stevie Cox  
Town Administrator  
Town of Sharpsburg  
110 Railroad Street  
Sharpsburg, NC 27878

**Corporate Office**

324 Evans St  
Greenville  
NC 27858  
www.eastgroup.com

**Tel** 252.758.3746  
**Fax** 252.830.3954

**Re: Proposal for Professional Services  
Storm Drainage Study 2021**

Dear Mr. Cox:

The East Group, P.A. appreciates the opportunity to provide this proposal for professional services. Our proposed work scope is based upon your RFQ, our meetings in which we reviewed the existing problems with you. We have developed the following scope of work for your review and approval. Please let us know if you have concerns or additional information regarding the intended scope which follows:

**Project Understanding**

Citizens of the Town of Sharpsburg have noted that in multi-day rainfall events, particular streets tend to flood. Staff has noted some homes that have on occasion flooded. Some of the issues may be due to beaver dams identified on US Highway 301 and on Heffner Road but there are also other apparent shortcomings in the system. The attached Reference Map highlights some of the outfalls that may be responsible for the flooding. The outfall shown in red serves the Creekside, Kentucky Court, and Hilltop areas that are known to be problematic. The outfall shown in pink serves the Weaver Mobile Home Park and adjacent areas such as SE Railroad Street in Wilson County. This area is known for standing water on roadways and failing corrugated metal piping. The outfall shown in green serves commercial areas on 301 in Edgecombe County.

**Scope of Work**

Due to budget concerns, the scope of work is limited to the main drainage systems that contribute to flooding.

The East Group will focus on determining the causes of existing flooding, identifying possible solutions, and providing cost estimates for budgeting of the recommended construction work. Detailed condition assessments for particular

areas identified in the study can follow this evaluation of the main drainage pathways. Delaying detailed condition assessments until the conclusion of this study will save effort as undersized facilities or those in obvious distress can be eliminated from the assessment scope as they will need to be upgraded. The work completed in this study can be part of a record of existing drainage infrastructure that can be used to create a capital improvements plan. The work includes the following items:

1. **Ground Survey** - Provide survey of the 3 main drainage pathways shown on the attached Reference Map. The purpose of the survey is data to drive the hydraulic evaluation of the existing drainage outfalls. The survey work will include:
  - a. Inverts of the main drainage culverts.
  - b. Channel cross-sections and inverts at widely spaced intervals as needed to estimate current capacity.
  - c. Roadway elevations in select areas of interest.
  - d. Finished floor elevations of structures known to flood.
2. **Field Work**- Conduct site visits to review the condition of culverts, inlets and structures visible from the ground surface to generate a listing of major drainage structures and their condition. The work also includes confirmation of drainage areas and flow directions and identification of homes and structures that may be prone to flooding that may be surveyed for use in the hydraulic evaluation.
3. **Develop Engineering Report**
  - a. Hydraulic Analysis- Estimate the potential for flooding in the 2-year, 10-year, and 100-year storms. Identify bottlenecks to adequate flow and proposed improvements to achieve a minimum of 10-year storm without flooding.
  - b. Recommend appropriate solutions.
  - c. Provide detailed information including sizes and estimated costs and potential approvals and permits required.
  - d. Suggest a priority for the list of improvements for discussion with Town Council.
  - e. Present preliminary findings to staff and Town Council.
4. **Public Engagement** – The scope of the work includes tasks outlined in the attached Public Engagement Strategy.
5. **Final Report Presentation to Council** - Discuss potential next steps with the Town including timing, potential funding opportunities where available, and the need for more detailed investigation or study if warranted.

We intend to provide services as envisioned in your RFQ. Until the study is complete and funding is secured, detailed design or construction is not yet possible. At the conclusion of the study, potential construction projects may move forward if directed by the Town and adequately funded for design, permitting, bidding and construction.

### **Assumptions & Clarifications**

- Detailed structure by structure evaluation of each storm drainage system component is beyond the scope of this study. An evaluation of the components of the system in the trouble areas noted is included for items visible from the ground surface. A detailed and comprehensive point-by-point evaluation can be conducted as a follow-up study.
- Survey detail is at the preliminary study level. Follow up survey at a detail adequate for design would be a separate undertaking under separate contract once a prioritized list of required improvements is determined.
- Detailed design and construction documents for stormwater projects is not included and can only be undertaken once an adequate scope of work is developed using the study results.
- Changes to the project scope after approval of this contract may require additional fee.
- For this purpose of this proposal, all features are assumed to be located in public right-of-ways or easement areas accessible to TEG personnel.
- Easement acquisition or surveys other than the concept study surveys described above are not included in the proposal and the scope for such work can only be determined as part of design.
- All services to be provided will be performed in accordance with generally accepted design industry standard of care. There are no warranties implied in this proposal.

### **Schedule**

The East Group can begin field work within two weeks of receipt of the signed Work Acceptance and Authorization. Our intention is to work diligently to accomplish the study in a timely manner. The proposed schedule is shown below and is subject to change depending on the proposed beginning date and the timing of public engagement or meetings.



**Schedule:**

	July	Aug	Sept	Oct	Nov	Dec
Contract						
Public Engagement- Citizen Survey						
Existing Conditions Analysis						
Ground Survey						
Field Work						
Public Engagement - Public Input Session						
Supplemental Survey / Field Work						
Develop Draft Engineering Report						
Draft Report Presentation to Council				5-Oct		
Develop Final Report						
Final Report Presentation / Adoption to Council						7-Dec

**Deliverables**

- Detailed map of the three drainageways shown including survey information, sizing and capacities.
- Engineering Report including citizen input, citizen survey results, ground survey, hydraulic analysis, condition of the features based upon field inspections, recommended improvements, cost estimates, and discussions of funding opportunities.
- Priority list of improvements.

**Fee**

The East Group proposes the following fee for the work:

Engineering Report and Mapping Preparation -	\$ 9,000
Public Engagement Program -	\$ 6,000
Ground Survey -	\$ 15,000
<b>Total Fee</b>	<b>\$ 30,000</b>

Any additions to the scope of work will require additional fee and time to complete. The East Group will notify you of any cost and schedule impacts concerning changes to the scope of work and will obtain written approval from you before proceeding with any changes. Our billing terms are net-30 days.

If you agree with the terms of this proposal, please indicate acceptance by signing the attached Proposal Acceptance and Work Authorization Agreement and returning a copy to us. Also, please review the attached Terms and Conditions document. This proposal is valid until August 30, 2021.

We appreciate the opportunity to present this proposal and look forward to working with you on this project.




Sincerely,  
The East Group

*Todd A. Tripp*

Todd A. Tripp, PE  
Project Manager  
[Todd.Tripp@eastgroup.com](mailto:Todd.Tripp@eastgroup.com)

Attachments:            Proposal Acceptance and Terms & Conditions  
                                  Outfall Reference Map  
                                  Public Engagement Strategy



SUB-SYSTEMS	LENGTH	RECEIVING WATERS
	9,568 LF	LITTLE COKEY SWAMP
	2,098 LF	COKEY SWAMP
	15,125 LF	CORN CREEK

DATE	NO. OF SHEETS	SHEET NO.

**THE EAST GROUP, P.A.**  
 A Registered Professional Engineering Firm  
 1000 North Main Street, Suite 1000, Charlotte, NC 28202  
 Phone: 704.376.1000 Fax: 704.376.1001  
 www.theeastgroup.com

**TOWN OF SHARPSBURG**  
 North, Wilson, and Edgecombe County  
 Georgia, GA

**REFERENCE MAP**  
**STORM DRAINAGE OUTFALLS**

AS NOTED  
 DATE: 10/20/21  
 DRAWN BY: J.S.T.  
 CHECKED BY: J.S.T.  
 SCALE: AS SHOWN  
 PROJECT NO: 20210XXX

**Town of Sharpsburg (TOS) Stormwater Study  
Public Engagement Strategy**

07/12/21

Public Input Session: Data Gathering

This will be an in-person open-house style event held at Town Hall or another nearby facility selected by TOS staff. We suggest a 2–3-hour event (late afternoon / early evening) with 3-4 stations set up for citizens to provide input to TEG and TOS staff. Manned stations will include existing conditions maps of the Town for attendees to note locations and type of reoccurring stormwater drainage issues. Attendees will also be asked to complete a written survey. The results of this session will be summarized and included in the final report.

TEG Responsibilities:

- Prepare and print existing conditions maps for each station.
- Prepare and print survey for attendees to complete during session.
- Prepare a sign in sheet.
- Attend event and provide staff for each station (assumes 3-4 TEG staff).
- Summarize results of input for inclusion in report.

TOS Responsibilities:

- Select / reserve location of meeting.
- Advertise event to public.

Citizen Survey

A citizen survey will be prepared for both printed distribution and online access. The survey will gather data from citizens to identify locations and type of reoccurring stormwater drainage issues. The results of this survey will be included in the final report.

TEG Responsibilities:

- Develop printed copy of survey and provide to TOS as a PDF for printing and distribution.
- Develop online survey (via SurveyMonkey, etc.) and provide link to TOS to share with citizens.

TOS Responsibilities:

- Print and distribute survey (via utility bill mailing, etc.).
- Provide location(s) for collection of survey.
- Share link of online web-based survey with citizens (via TOS website, email, etc.).

### Public Input of Draft Plan and Final Plan

Following the initial Public Input Session and Citizen Survey, we anticipate presenting the Draft and Final Report to the Town Council. We encourage the TOS to utilize these presentations to invite the public to attend these meetings and provide opportunity for review/comment of the plans.

In advance of these meetings, a PDF version of the plan will be provided to the Town to link on the TOS website. The TOS should provide a phone number and email to collect comments on the Draft and Final Report from Citizens.

#### TEG Responsibilities:

- Provide PDF of Report to TOS.
- Present Draft Report at Town Council Meeting.
- Present Final Report at Town Council Meeting.

#### TOS Responsibilities:

- Make Draft and Final Report available for public review/comment (i.e. copies at Town Hall, link on website, email, etc.)
- Provide a phone number and email to collect comments on the Draft and Final Report from Citizens.
- Provide summarized comments to TEG.



•Engineering • Architecture • Surveying • Technology

**Proposal Acceptance and Work Authorization Agreement**

THIS AGREEMENT is entered into as of July , 2021 (date), between The East Group, P.A. (East Group) of 324 Evans Street, Greenville, North Carolina 27858, and Town of Sharpsburg, NC ("Client"). The parties agree as follows:

**Services.** East Group agrees to provide Client with and Client authorizes East Group to provide the services described in the attached Proposal, (TEG Project Number) N/A, titled Storm Drainage Study-2021 Town of Sharpsburg, NC and dated July 27, 2021 (the "Proposal") for the project described in the Proposal (the "Project"). The services are provided for the sole benefit of the Client. There are no third party beneficiaries to this Agreement.

**Payment.** Client agrees to pay for all services provided by East Group and for all expenses incurred by East Group in accordance with the Proposal. Payment shall be due upon receipt of East Group's invoice. Client agrees to pay East Group a late fee of 1 1/2% per month on the outstanding balance on any invoice not paid within 30 days of the invoice date.

**Terms and Conditions.** This Agreement shall be subject to all of the following "Terms and Conditions", which terms and conditions are expressly made a part of this Agreement and made a part of any work product issued by or service performed by East Group pursuant to this Agreement.

WITNESS the following signatures:

The East Group, P.A.

Client: Town of Sharpsburg, NC

By: Todd Tripp  
Signature

Date: 7/27/21

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

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

Todd Tripp  
Printed Name

\_\_\_\_\_  
Printed Name

Project Manager  
Title

\_\_\_\_\_  
Title

**Terms and Conditions**

**Site Operation/Permits.** Client will arrange for East Group's right-of-entry to the Project site for the purpose of performing the agreed services. Client represents that it possesses or will secure the necessary temporary and permanent permits and licenses required for its activities at the site, including but not limited to, effluent, air or stream pollution permits and licenses, easements for permanent structures or permanent changes in existing facilities, unless specifically stated otherwise in the Proposal. The Client shall furnish structural, mechanical, chemical, air and water pollution tests, tests for hazardous materials, and other laboratory and environmental tests, inspections and reports required by law or the Proposal. The East Group shall be entitled to rely upon the accuracy and completeness of all tests, reports, drawings, or other information provided by the Client to East Group.

**Instruments of Service.** East Group will furnish deliverables, products, and supporting documents to the Client. All documents generated by East Group under this Agreement shall remain the sole property of East Group. Any unauthorized use or distribution of East Group's work shall be at Client's and recipient's sole risk and without liability to East Group. East Group shall retain a confidential file copy of its work product and related documents. Neither the Client, nor any other person or entity, may use any documents or information prepared by East Group for the Project in connection with any other project. To the fullest extent permitted by law, the Client shall indemnify and hold harmless East Group from and against any and all claims, suits, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from any use of any documents or information provided by East Group for this Project for any purpose, other than the use of the documents or information in connection with the execution of this Project.

**Construction Safety/Means and Methods.** East Group agrees to adhere to Client's safety policies, as communicated to the East Group in writing by the client, while at the project site if those policies are equivalent to or more stringent than East Group's own safety policy. East Group reserves the right to cease work in the event it encounters an unsafe or hazardous condition until such time as the condition is corrected. East Group shall not have control over or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with construction of the Project, since these are solely the Construction Contractor's responsibility. East Group shall not be responsible for the Contractor's schedule or failure to carry out construction in accordance with the terms of the Contractor's contract with the Client.

**Assignment.** Neither Client nor East Group shall assign this Agreement without the written consent of the other.

**Standard of Care.** East Group will perform its services using that degree of care and skill ordinarily exercised under similar conditions by reputable members of East Group's profession practicing in the same or similar locality at the time of service. East Group makes no other warranties, either express or implied. Any oral or written representations to the contrary are hereby disavowed. No agent or employee of East Group has authority to provide any additional warranties of any sort beyond those provided in this Agreement.

**Indemnity.** East Group will indemnify and hold harmless the Client, up to the limit of the East Group's insurance coverage, against liability for claims, causes of action, demands or suits by third parties for bodily injury or damages to property arising out of the services performed by East Group under this Agreement to the extent such injuries or damages are caused solely by the negligent acts or omissions of the East Group, its officers or employees. East Group's obligations under this paragraph shall not extend to injuries caused by the negligent or intentional acts or omissions of the Client or any third party.

**Limitation of Liability.** East Group shall not be responsible for, and makes no representations regarding, the accuracy, completeness, or suitability of any work performed by any architect, engineer or other design consultant whose services are retained under separate contract with the Client or Owner.

**Suspension/Termination of Agreement.** If the Client fails to make payment when due East Group for services, East Group may, upon 7 days written notice to the Client, suspend performance of services under this Agreement, including issuance of any deliverables specified in the Proposal, until such time as the Client has paid all sums due and owing under this Agreement, or at its sole option, East Group may terminate this Agreement. In the event of a suspension of services or termination for failure to make payment, East Group shall have no liability to the Client or to any third party for any delay or damage caused by the suspension or termination of services. In the event East Group invokes its rights to terminate this Agreement, the Client shall be obligated to immediately pay East Group for all services performed up to the date of termination (which shall be seven days after the date of written notice of termination from East Group to Client), and all out-of-pocket expenses incurred by East Group in connection with its services. This provision in no way limits or reduces any other rights which East Group may have as a result of Client's failure to render payment in accordance with the terms of this Agreement.

**Conflict Resolution.** The Client and East Group agree to work together to resolve any disputes arising out of or related to the Project or this Agreement, in a timely, professional and non-adversarial manner. If an issue arises which Project personnel of the Client and East Group are unable to resolve, the parties agree that the issue shall be submitted to the designated higher level managers within the organizations of the Client and East Group for good faith discussion and negotiation. In the event that the designated higher level managers are unable to negotiate a resolution of such an issue, the matter shall be submitted for mediation. If still not resolved, the parties agree that the dispute shall be submitted for final decision by binding arbitration. Both mediation and arbitration shall be under the rules of American Arbitration Association's then-current Construction Industry Mediation and Arbitration Rules. The arbitration panel shall be made-up of three arbitrators. Each party shall choose one and the third to be agreed upon by both parties. Mediation and arbitration shall be conducted in Greenville, North Carolina.

**Governing Law.** This Agreement shall be governed in all respects by the laws of the State of North Carolina.

**Entire Agreement.** This Agreement represents the entire and integrated agreement between the Client and East Group and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Client and East Group. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.





# MEMORANDUM

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**TO:** Robert Williams, Mayor  
Town Council Members

**FROM:** Stevie Cox, Town Administrator

**VIA:** Brian Sullivan, Public Works Director

**CC:**

**DATE:** July 30, 2021

**REF:** Approval and Award for the Purchase of a New Lawn Mower

---

**Summary:**

In the adopted Budget for Fiscal Year 2021 – 2022, Town Council has allocated funding for the purchase of a new mower.

**Background:**

In June 2021, the Town Council approved the Fiscal Year 2021 – 2022 Budget. In the Fiscal Year Budget, the Town Council had allocated funding for the purchase of a new mower to replace the surplus mower. Staff has sought and received three bids for the equipment.

<b>Contractor</b>	<b>Address</b>	<b>Bid Amount</b>
Performance Small Engine Center, Inc.	4456 Sunset Ave. Rocky Mount, NC 27804	\$10,135.91
Strickland Equipment Co. Inc	309 S Barnes Street Nashville, NC 27856	\$9,599.72
Premier Equipment	1751 S Wesleyan Blvd. Rocky Mount, NC 27823	\$9,287.25

All submitted bids are close in price with each other.



**Recommendation:**

After evaluating the equipment and quotes, it is the recommendation of the Town Administrator and the Public Works Director that Town Council approve and award the bid to Performance Small Engine Center due to the quality of the equipment quoted.

**Attachment:**

Bids

**Performance Small Engine Center, Inc.**  
**Outdoor Power Equipment**

4456 Sunset Ave ▪ Rocky Mount, NC 27804  
Phone: 252 443-1740 ▪ Fax: 252-443-1172 ▪ pseci@suddenlinkmail.com

***Parts - Sales - Service***

Town of Sharpsburg  
PO Box 1759  
Sharpsburg, NC 27878  
Phone: 252 908-3612

**Sales Quote**

QTY	Item#	Description	Unit Price	Discount	Line Total
1	940072	Hustler X-One 60	12,095.00	-2,600.00	9,495.00

Subtotal \$ 9,495.00  
Sales Tax \$ 640.91  
Shipping \$ -  
Program Fee \$ -  
**Total \$ 10,135.91**

# Strickland Equipment Co. Inc

309 S. Barnes Street  
Nashville, NC 27856

Phone: (252) 459-2713 Fax: (252) 459-4011

## Service Work Order

**227907**

Thank you for your business! We hope to see you back soon.  
WWW.STRICKLANDEQUIP.COM

Bill To				Ship To			
Town Of Sharpsburg Po Box 1759 Railroad St SHARPSBURG, NC 27878							
Customer	Contact	Customer Tax Number	Phone	Cell Phone	Transaction	PO Number	
1905	Brian Sullivan Sup		(252) 446-9441		Estimate	Brian Sullivan	
Counter Person	Sales Person	Date Printed	Reference	Email Address		Department	
Luke	Luke	07/28/21	227907			Default	

Model	Line	Description	Ordered	B/O'd	Shipped	List	Net	Amount
74035	TOQW	4000 26.5 Koh EFI 60TF Com	1		1	\$12,159.00	\$8,992.71	\$8,992.71

Invoice Total \$8,992.71

Sales Tax \$607.01

**Grand Total \$9,599.72**

Thank you for your business! We hope to see you back soon. Items must be returned in the original package unopened. Receipt required for credit. Re-stocking fee of 15% may apply. No return on electrical parts. No refunds on special order parts or freight charges.

Notes:



Customer acknowledges receipt thereof:



# Premier Equipment

Rocky Mount  
1751 S. Wesleyan Blvd.  
Rocky Mount, NC 27823

Enfield  
147 Whitaker St.  
Enfield, NC 27823

# Quotation

DATE 7/29/2021  
Quotation # 101  
Customer ID

Quotation valid until: 8/28/2021

Quotation For:

Prepared by: Chris

### Comments or Special Instructions:

SALESPERSON	P.O. NUMBER	SHIP DATE	SHIP VIA	F.O.B. POINT	TERMS
Chris					

QUANTITY	DESCRIPTION	UNIT PRICE	TAXABLE?	AMOUNT
1	2021 Exmark Lazer 60" Full Floating 7 Z E Series Zero guage deck, 3 Turn Mower blade			\$8,700.00
	25HP Kawasaki Weight 1,100lbs, 5 Engine, Suspension year 1250 hour Seat Warranty			

SUBTOTAL	\$8,700.00
TAX RATE	6.75%
SALES TAX	\$ 587.25
OTHER	\$ -
TOTAL	\$ 9,287.25

If you have any questions concerning this quotation, contact me at 252-883-8484 or [cbennett@preequiprm.com](mailto:cbennett@preequiprm.com).

**THANK YOU FOR YOUR BUSINESS!**



**Town of Sharpsburg**  
**110 West Railroad Street**  
**Sharpsburg, North Carolina 27878**  
**Ph 252.446.9441**  
**Fax 252.977.7488**  
**[www.sharpsburgnc.com](http://www.sharpsburgnc.com)**

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**TO:** The Honorable Mayor Robert Williams and the Town of Sharpsburg Board of Commissioners

**FROM:** Marge Wiecek – Finance Officer

**DATE:** August 3, 2021

**SUBJECT:** Financial Report

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We are pleased to provide the attached analysis and financial summary report for August 2021 for the following funds:

- 10 General Fund**
- 20 Powell Bill**
- 30 Electric Fund**
- 31 Water and Sewer Fund**

The information provided is un-audited and therefore subject to change.

- The Utility and Liquor Sales and Use Tax was submitted and paid for period ending 6/30/2021 and the total due was \$11,652.78. Gross Receipts or Sales was billed at \$168,541.67 for the month of April.
- A copy of the Statement of Revenues and Expenses are attached for your review, that goes along with the attached analysis.

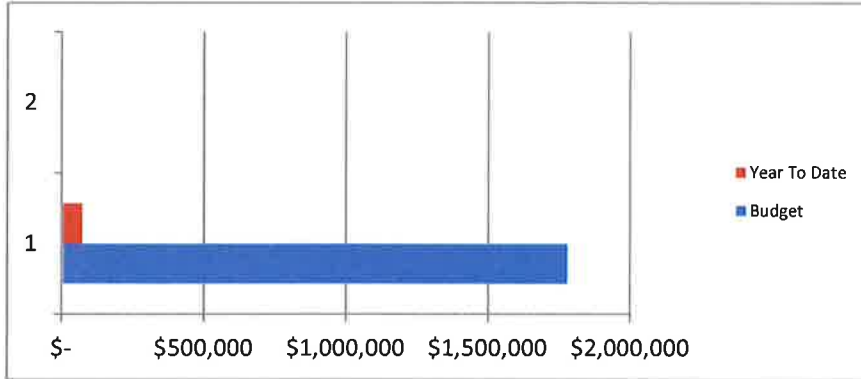
If you should have any questions regarding this report, please feel free to contact me.

[mwiecek@sharpsburgnc.com](mailto:mwiecek@sharpsburgnc.com)

**General Fund**

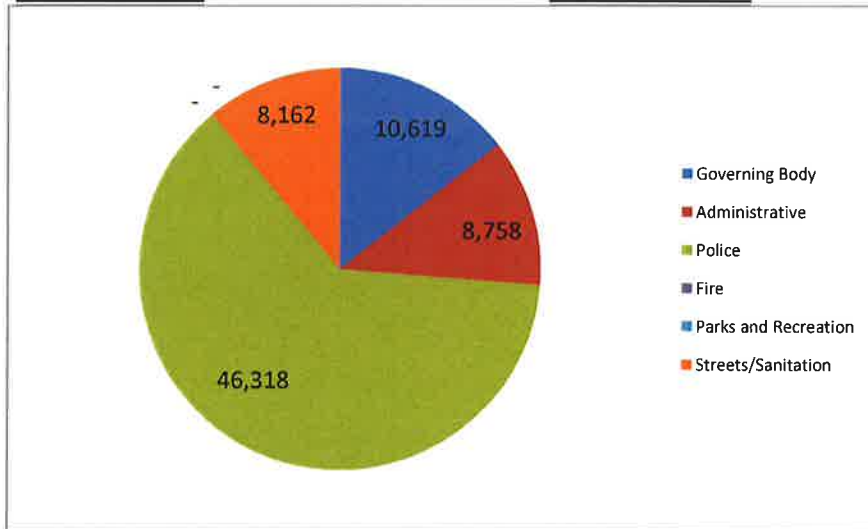
**Revenue**

Budget	\$	1,776,860	
Year To Date	\$	72,135	4%



**Expenditures**

Budget		YTD	
\$	172,755	<i>Governing Body</i>	10,619 6%
	142,455	<i>Administrative</i>	8,758 6%
	1,004,150	<i>Police</i>	46,318 5%
	-	<i>Fire</i>	- 0%
	29,500	<i>Parks and Recreation</i>	- 0%
	428,000	<i>Streets/Sanitation</i>	8,162 2%
	<u>1,776,860</u>		<u>73,856</u> 4%



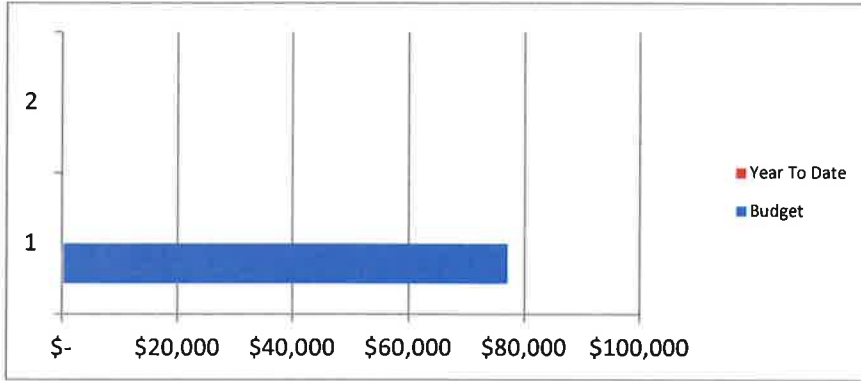
YTD Revenues Over (Under) Expenditures

(1,721.00)

**Powell Bill**

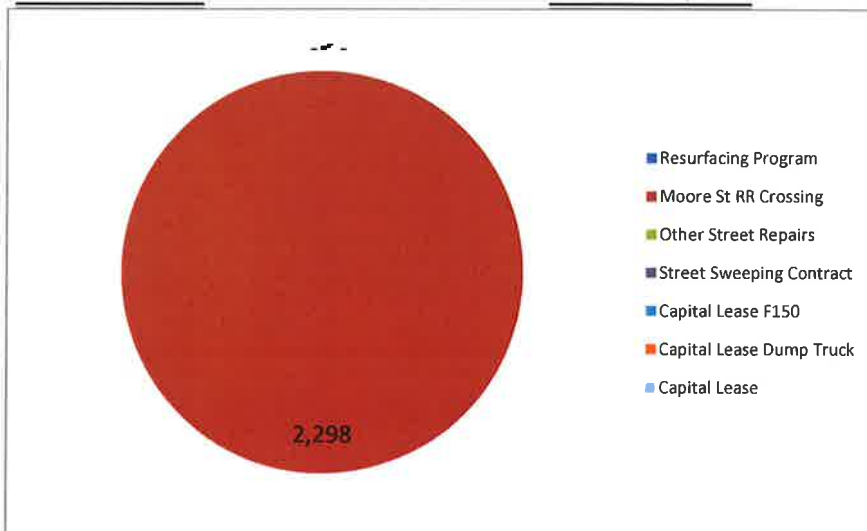
**Revenue**

Budget \$ 77,000  
Year To Date \$ - 0%



**Expenditures**

Budget		YTD	
\$ 56,000	<i>Resurfacing Program</i>		0%
2,300	<i>Moore St RR Crossing</i>	2,298	100%
4,528	<i>Other Street Repairs</i>	-	0%
-	<i>Street Sweeping Contract</i>	-	#DIV/0!
-	<i>Capital Lease F150</i>	-	0%
14,172	<i>Capital Lease Dump Truck</i>	-	0%
-	<i>Capital Lease</i>	-	0%
<u>77,000</u>		<u>2,298</u>	<b>3%</b>



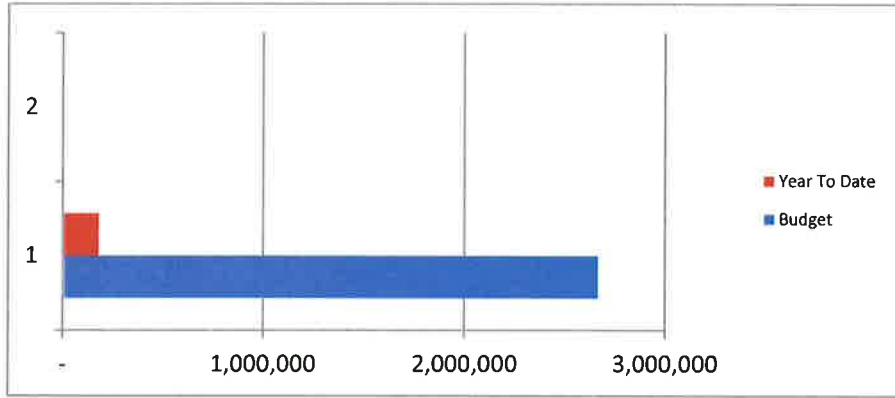
YTD Revenues Over (Under) Expenditures

(2,298.00)

**Electric Fund**

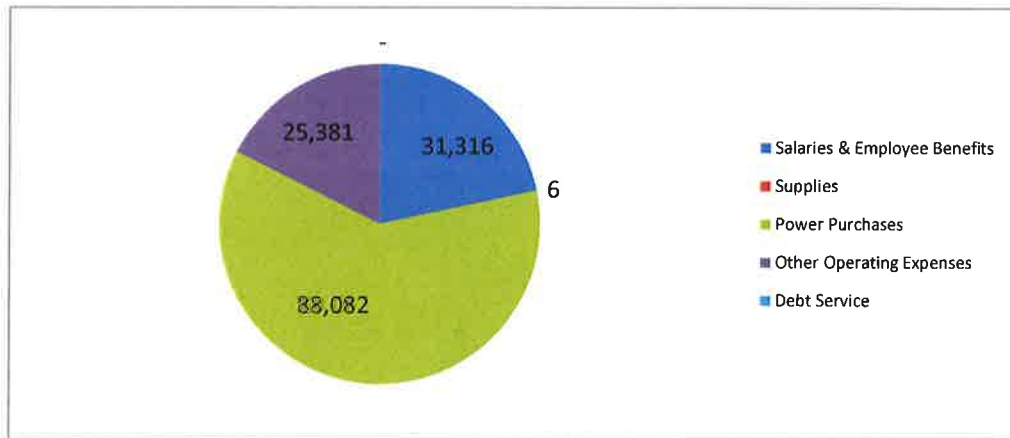
**Revenue**

Budget	2,665,312	
Year To Date	178,854	<b>7%</b>



**Expenditures**

Budget		YTD	
\$ 476,700	Salaries & Employee Benefits	31,316	7%
65,000	Supplies	6	0%
1,186,000	Power Purchases	88,082	7%
937,612	Other Operating Expenses	25,381	3%
-	Debt Service	-	0%
<u>2,665,312</u>		<u>144,785</u>	<b>5%</b>



YTD Revenues Over (Under) Expenditures

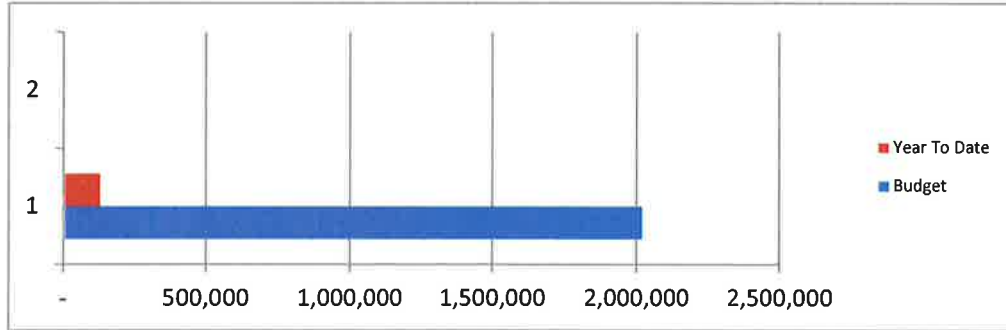
34,068.86



### Water & Sewer Fund

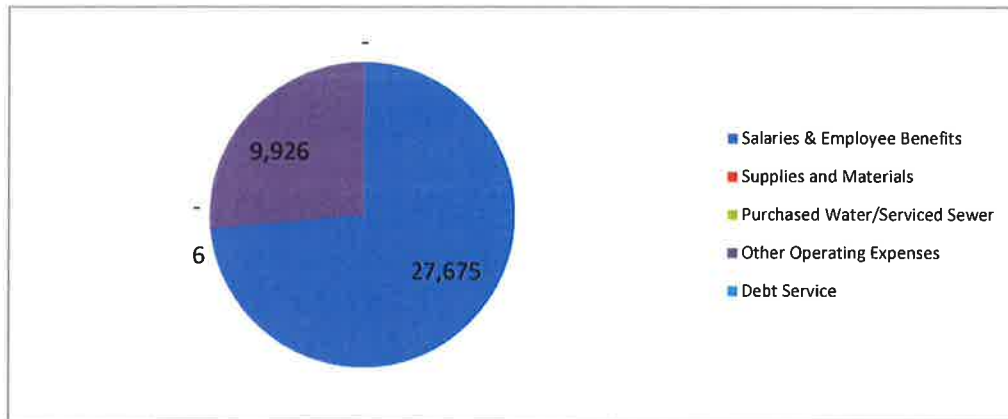
#### Revenue

Budget	2,017,910	
Year To Date	130,571	6%



#### Expenditures

Budget		YTD	
\$ 352,300	Salaries & Employee Benefits	27,675	8%
45,000	Supplies and Materials	6	0%
995,000	Purchased Water/Service Sewer	-	0%
444,600	Other Operating Expenses	9,926	2%
181,010	Debt Service	-	0%
<u>2,017,910</u>		<u>37,607</u>	<b>2%</b>



YTD Revenues Over (Under) Expenditures

92,963.69