

Minutes of the Meeting of  
The Liberty Town Council  
Held on January 22, 2024 5:30 pm

Present

Mayor : The Honorable Filmore York

Council: Don Herndon, Tyson Nixon, Larry Coble Greg Carpenter,  
and Terry Caviness

Town Manager: Scott Kidd

Town Clerk: Jessica Brown

Town Attorney: Bill Flowe

Staff: Finance Director; Kathy Bond, Assistant Town Manager;  
Janie Phelps, Fire Chief; Matt Talbott and Public Works  
Director; Joseph Walsh

To Order

The Mayor welcomed everyone and noted all Council Members were present.

Pledge of Allegiance/Invocation

Mayor Filmore York led the Pledge of Allegiance and then the Mayor asked everyone to join in a Moment of Silence.

Adoption of Agenda

Council Member Don Herndon made a motion to adopt the agenda with the addition of 11.2 Emergency Repair under New Business. Council Member Terry Caviness seconded the motion which passed unanimously: Council Member Larry Coble voted yes, Council Member Don Herndon voted yes, Council Member Tyson Nixon voted yes, Council Member Terry Caviness voted yes, and Council Member Greg Carpenter voted yes. The agenda was approved with the addition under New Business.

Code Enforcement Report

No one is here to give the report but there is nothing new. There is now no gameroom at 208 E. Swannanoa.

Public Hearing - Road Closure Request

This is an advertised Public Hearing for the purpose of considering the Street Closure of the portion of the street right of way that was never constructed for the owner of Lots 1, 2, 3, 4, 5, and 6 as shown of a plat entitled "Lynwood Subdivision," recorded in Plat Book 36, Page 20, in the Register of Deeds.

Mayor York called the Hearing to order at 5:40 PM and the Town Attorney read the Public Comment rules. Tom Meacham came forward to speak for owner Robert Fell. He has been in real estate for forty years and we need to make some adjustments to zoning.

This property is already bordered by apartments and has Johnson's Mobile Home Park on the south side of it. Nothing has happened on that street and the paper street needs to be done away with. Mayor York closed the Hearing at 5:43 PM.

Council Member Terry Caviness made a motion to approve the street closure. Council Member Tyson Nixon seconded the motion which passed unanimously with Council Members: Larry Coble, Don Herndon, Tyson Nixon, Terry Caviness, and Greg Carpenter voting yes.

#### Public Hearing Blower Engineering Rezoning Request

This is a legislative Public Hearing for a request by applicant Tom Byrnes with Blower Engineering on behalf of the property owner SPB Holdings, LLC, for a map amendment from B2 with SUP to Industrial on parcel 8726546418 approximately 8.9 acres, located at 10228 Old Liberty Road.

Janie Phelps came forward to give the staff report. The applicant is here and this business has been in operation for the last ten years. The buffer requirement is Type D twenty five feet. The SUP Industrial is consistent with the LDP (Land Development Plan) existent and new. She referenced the Table Of Uses which includes a bakery, vet, bank, and banquet facility.

Mayor York Called the Hearing to order at 5:45 PM. Michael Crigler came forward and said they plan to build a church in that area on the six acres West of Drapers.

The applicant Tom Byrnes came forward to speak. He has been here ten years. His company manufactures transfer systems for grains (rice, corn, barley). This is a forty four year old family business that has been in operation for three generations. His family moved here from Canada. The Canadian facility had been there for thirty five years and needed more space. They have 45-50 electric motors outside because they need more space. They try to hire local people. Council Member Coble said he lives across the street and they are great neighbors. The SUP is tied to a site plan and if anything changed he would have to come back. The Mayor closed the Public Hearing at 5:55 PM.

Council Member Nixon asked if this would affect what the church is planning and the Town Manager said it would not. Council Member Herndon asked if someone new came in would they have to get a new SUP (Special Use Permit) and Ms. Phelps said yes they would.

Council Member Larry Coble made a motion to approve the rezoning from B2 with SUP to Industrial and found that it is consistent with the Town of Liberty Land Development Plan and considers the amendment to be in the Public's best interest. Council Member Terry Caviness seconded the motion which passed unanimously with Council Members: Larry Coble, Terry Caviness, Don Herndon, Tyson Nixon, and Greg Carpenter voting yes.

#### Public Hearing - Text Amendments to Town Ordinance

Janie Phelps came forward to give the staff report. She said this is just some minor updates. She changed the church to a place of worship. Water and sewer connections were updated. There will be no parking on the street at Swannanoa from 9 PM - 4AM for safety concerns.

Mayor York opened the Public Hearing at 6 PM. There was no one signed up to speak and the Hearing was closed.

Council Member Don Herndon made a motion to approve the text amendments to the Town Ordinance and that they are consistent with the LDP and are reasonable and within the public interest by updating. Council Member Tyson Nixon seconded the motion which passed unanimously with Council Members: Larry Coble, Terry Caviness, Don Herndon, Greg Carpenter and Tyson Nixon voting yes.

### Finance Report

Finance Director Kathy Bond came forward to give her reports on the months of November and December. There were several adjustments due to four to five clerical errors. The Town Manager mentioned the reimbursement for our CDBG grant coming. They cannot get ASADRA until we sign construction contracts. Ms Bond said the late fees go to water and sewer. Auditors spent a day and a half here and seemed pleased with our implementations.

Council Member Larry Coble made a motion to approve the Finance Reports for November and December. Council Member Terry Caviness seconded the motion which passed unanimously with Council Members: Larry Coble, Terry Caviness, Don Herndon, Greg Carpenter, and Tyson Nixon voting yes.

### Approval of Minutes

Council Member Terry Caviness made a motion to approve the minutes from the Work Session November 20, 2023, Council Meeting November 27, 2023, Council Meeting December 4, 2023 and Special Meeting Public Hearing Closeout CDBG December 22, 2023. Council Member Larry Coble seconded the motion which passed unanimously : Council Member Don Herndon voted yes, Council Member Tyson Nixon voted yes, Council Member Greg Carpenter voted yes, Council Member Terry Cavienss voted yes and Council Member Larry Coble voted yes. The minutes were approved.

### Consent Agenda

The Consent Agenda includes: Adoption of FY 2024-2025 Budget Calendar, Audit Contract - Thompson, Price, Scott, Adams, & Co PA, Reappointment Dennis Hargis to Planning Board/BOA, Appointment Jason Glass Planning Board/BOA and Budget Amendment # 18 (Water Department). Council Member Tyson Nixon made a motion to approve the Consent Agenda. Council Member Don Herndon seconded the motion which passed unanimously with Council Members: Larry Coble, Terry Caviness, Don Herndon, Greg Carpenter and Tyson Nixon voting yes.

### New Business

#### **Council Liaison for ABC Board**

Council needs to nominate and approve a new Council liaison for the ABC Board to replace the vacancy left by JR Beard.

The consensus of the Council is for Tyson Nixon to be the liaison for the ABC Board and Don Herndon to take his place on the Parks and Recreation Advisory Board.

#### **Emergency Repair of Sewer at Intersection of W Bowman and N Smith Street**

A vote is needed to approve an emergency repair not to exceed \$20,000 at W Bowman Ave and N Smith St that will be completed by guidelines set forth by ARPA rules to get full reimbursement. The consensus of the Council is to approve.

### Administrative Reports

#### **Manager's Report**

Town Manager Scott Kidd said Linda Brown with RCC will be here in February to give an update.

### Council Comments

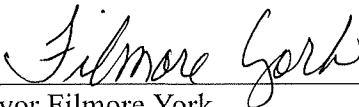
Council Member Tyson Nixon said he thought there would be alarms from the new meters if someone had a major leak. The Public Works Director said the wells have an alarm but not the meters.

### Mayor Comments

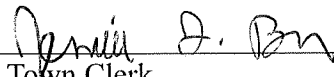
Mayor York reminded the Council to stay on subject during Public Hearings.

### Adjourn

There being no further business to discuss, Council Member Tyson Nixon made a motion to adjourn. Council Member Terry Caviness seconded the motion which passed unanimously with a vote: Council Member Don Herndon voted yes, Council Member Tyson Nixon voted yes, Council Member Greg Carpenter voted yes, Council Member Terry Caviness voted yes, and Council Member Larry Coble voted yes. The meeting was adjourned.

  
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Mayor Filmore York

ATTEST: \_\_\_\_\_

  
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Town Clerk

**RESOLUTION 2023-15**  
**Town of Liberty Resolution of Intent to Close an Unopened Street**  
**Declare a Public Hearing for January 22, 2024 5:30PM**

**WHEREAS**, North Carolina General Statutes 160A-299 Procedure for permanently closing streets and alleys, established that streets may be closed, and;


**WHEREAS**, An adjoining property owner has filed the appropriate request to close a street, and;

**WHEREAS**, the owner of Lots 1, 2, 3, 4, 5 and 6 as shown of a plat entitled "Lynwood Subdivision", recorded in Plat Book 36, Page 20, in the Office of the Register of Deeds wished to close that portion of the street right of way that was never constructed, and;

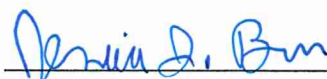
**WHEREAS**, the street has not been accepted or maintained by the Town, and;

**WHEREAS**, the street is identified as the portion that begins at the northeastern corner of Lot 4;

**NOW, THEREFORE, BE IT RESOLVED** that the Town Council directs Town Staff to proceed with all required public notices to hold a public hearing at the regular Council Meeting on January 22, 2024 for the purpose of considering the street closure.

  
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Filmore York, Mayor

ATTEST:

  
\_\_\_\_\_  
Jessica Brown, Town Clerk





Attachment C

**AN ORDINANCE AMENDING THE ZONING MAP OF THE TOWN OF LIBERTY**

Tom Byrnes on behalf of SPB Holdings, LLC

**WHEREAS**, the Town of Liberty Town Council has considered the request to rezone approximately 8.9 acres, being all of parcel 8726546418, located at 10228 Old Liberty Rd, Liberty, NC 27298, from B2 with a SUP to Industrial to develop the site as needed in accordance with the Town of Liberty Ordinances to account for future growth of the business, and finds that the amendment is consistent with the Land Development Plan as described in the Consistency Statement Resolution; and

**WHEREAS**, the Council finds that the rezoning request set forth in the Application and incorporated herein by reference, if approved as pursuant to the provisions of the zoning ordinance, would be suitable for the property proposed for the rezoning; and

**WHEREAS**, the Council finds the rezoning request to meet the standards of the zoning ordinance and the Land Development Plan; and

**BE IT ORDAINED**, by the Town Council of the Town of Liberty as follows:

1. The application to rezone all of the property described as Parcel No. 8726546418 and being approximately 8.9 acres as depicted in Attachment "A", located at 10228 Old Liberty Rd, from B2 SUP to Industrial, is approved and the zoning map is amended accordingly.
2. This ordinance shall become effective upon its adoption.

Adopted this 22<sup>nd</sup> day of January, 2024

Filmore York, Mayor  
Town of Liberty

ATTEST:

Jessica Brown, Clerk to the Council  
Town of Liberty







Attachment D

**RESOLUTION OF THE TOWN OF LIBERTY TOWN COUNCIL  
APPROVING A CONSISTENCY STATEMENT AND STATEMENT OF  
REASONABLENESS FOR THE APPROVAL OF**


Tom Byrnes on behalf of SPB Holdings, LLC

**WHEREAS**, the Town of Liberty Town Council has received the application to rezone Parcel 8726546418 (the "Amendment") and finds that the same is consistent with the Town of Liberty Land Development Plan; and

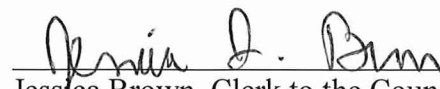
**WHEREAS, in addition**, the Town of Liberty Town Council considers the Amendment to be reasonable and in the public interest because the rezoning to R-1 Residential is consistent with the Land Development Plan by supporting industrial character and allowing flexibility to expand.

**NOW, THEREFORE, BE IT RESOLVED**, by the Town of Liberty Town Council that, for the reasons set forth above, the Amendment and presented documentation are found to be consistent with the Town of Liberty Land Development Plan and are determined to be reasonable and in the public interest.

Adopted, this the 22<sup>nd</sup> day of January, 2024

  
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Filmore York, Mayor  
Town of Liberty

ATTEST:

  
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Jessica Brown, Clerk to the Council  
Town of Liberty





ATTACHMENT C

**RESOLUTION OF THE TOWN OF LIBERTY TOWN COUNCIL**

**APPROVING A CONSISTENCY STATEMENT AND STATEMENT OF REASONABLENESS  
FOR THE APPROVAL OF**

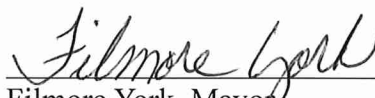
Town of Liberty Ordinance Amendments

**WHEREAS**, the Town of Liberty Town Council has received the application to amend several sections of the Town of Liberty Ordinances (the "Amendment") and finds that the same is consistent with the Town of Liberty Land Development Plan; and

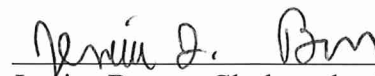
**WHEREAS, in addition**, the Town of Liberty Town Council considers the Amendment to be reasonable and in the public interest because the bulk of the Ordinance has not been updated or modernized since 2004 and is consistent with the Land Development Plan by modernizing the text in order to properly regulate development.

**NOW, THEREFORE, BE IT RESOLVED**, by the Town of Liberty Town Council that, for the reasons set forth above, the Amendment and presented documentation are found to be consistent with the Town of Liberty Land Development Plan and are determined to be reasonable and in the public interest.

Adopted, this the 22<sup>nd</sup> day of January, 2024

  
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Filmore York, Mayor  
Town of Liberty

ATTEST:

  
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Jessica Brown, Clerk to the Council  
Town of Liberty





ATTACHMENT B

**AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE TOWN OF LIBERTY**

**WHEREAS**, the Town of Liberty Town Council has considered the request to amend the Town of Liberty Ordinances to modernize and update the Ordinance text, and finds that the amendment is consistent with the Land Development Plan as described in the Consistency Statement Resolution; and

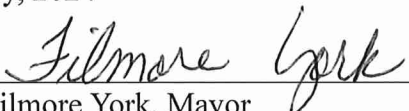
**WHEREAS**, the Council finds that the amendments set forth in the Application and incorporated herein by reference, if approved as pursuant to the provisions of NCGS 160D and the Land Development Plan, would be suitable for the text to be amended; and

**WHEREAS**, the Council finds the amendment request to meet the standards of the Land Development Plan; and

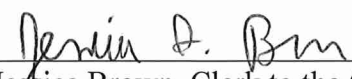
**BE IT ORDAINED**, by the Town Council of the Town of Liberty as follows:

1. The application to amend all of the proposed text amendments described in the application and as depicted in Attachment "A" is approved and the Town Ordinances are amended accordingly.
2. This ordinance shall become effective upon its adoption.

Adopted this 22<sup>nd</sup> day of January, 2024

  
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Filmore York, Mayor  
Town of Liberty

ATTEST:

  
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Jessica Brown, Clerk to the Council  
Town of Liberty



The	Governing Board
of	Primary Government Unit Town of Liberty
and	Discretely Presented Component Unit (DPCU) (if applicable) NA

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

and	Auditor Name Thompson, Price, Scott, Adams & Co. PA
	Auditor Address 4024 Oleander Drive, Suite 103, Wilmington, NC 28403

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/23	Date Audit Will Be Submitted to LGC 10/31/23
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*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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





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

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

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

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

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

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

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

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

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



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



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

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

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

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

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



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

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

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

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

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

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

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

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

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





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

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

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

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



## FEES FOR AUDIT SERVICES

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

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

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

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
Kathy Bond	Finance/ Liberty	finance@townoflibertync.org

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

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

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

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

## PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Liberty
Audit Fee	\$ 30000.00
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$ 3,000.00 if applicable
Writing Financial Statements	\$
All Other Non-Attest Services	\$

## DPCU FEES (if applicable)

Discretely Presented Component Unit	NA
Audit Fee	\$
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$



## SIGNATURE PAGE

## AUDIT FIRM

Audit Firm*	
Thompson, Price, Scott, Adams & Co. PA	
Authorized Firm Representative (typed or printed)*	Signature*
Gregory S Adams, CPA	
Date*	Email Address*
	gadams@tpsacpas.com

## GOVERNMENTAL UNIT

Governmental Unit*	
Town of Liberty	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Filmore York, Mayor	<i>Filmore York</i>
Date	Email Address
1/22/2024	mayor@townoflibertync.org

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

## GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Kathy Bond, Finance Director	
Date of Pre-Audit Certificate*	Email Address*
	finance@townoflibertync.org



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

**DISCRETELY PRESENTED COMPONENT UNIT**

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

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

**DPCU – PRE-AUDIT CERTIFICATE**

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

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

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

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

PRINT







Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 103  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 239-8294

January 1, 2023

Town of Liberty  
239 S. Fayetteville Street  
P.O. Box 1006  
Liberty, NC 27298

To Management and Those Charged with Governance

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

#### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Town of Liberty as of and for the year ended June 30, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Liberty's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Liberty's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

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

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Liberty's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole [in a separate written report accompanying our auditor's report on the financial statements OR in a report combined with our auditor's report on the financial statements:

- 1) Combining individual fund financial statements, budgetary schedules, and other schedules.



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

#### 1) Statistical Section

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

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

#### Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Town of Liberty and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

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

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

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Improper revenue recognition
- Management override of controls



We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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

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

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

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

#### **Other Services**

We will also assist in preparing the financial statements and related notes of Town of Liberty in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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



## Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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





## Engagement Administration, Fees, and Other

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

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

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

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

Gregory Adams, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately July 1, 2023.

Our fee for these services is stated in the LGC approved contract. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

## Reporting

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

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

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



Very truly yours,

Thompson, Price, Scott, Adams, & Co., P.A.

RESPONSE:

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

Management signature: \_\_\_\_\_

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

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

Governance signature: Filmore Holt

Title: MAYOR

Date: 1-22-2024



Meeting Date January 22, 2024

**Town of Liberty Budget Amendment (FY 2023-2024 #18) Council Approval Needed**

**BE IT ORDAINED**, by the Liberty Town Council that the Town of Liberty Budget Ordinance for fiscal year 2023-2024, which was adopted on June 21, 2023, be amended as follows:

This amendment is to move funds from Enterprise Fund Appr to the Water Dept for the following line items. (Due to the rise of cost and more water main breaks the following line items are spent out. Most repairs were made within NCDOT ROW which requires 15 feet each direction and whole lane.)

**Section 1:** The following revenue and expenditures in the Water Sewer Fund Appr and Water Dept line items shall be increased by the amounts indicated:

30 Fund				
Water Sewer Fund	Line Item	Budget	Change	Amended Budget
Water Sewer Fund Appr	30-3990-000	179,226	40,000	219,226
<b>Total Expenditures</b>		179,226	40,000	219,226

30 Fund				
Water Sewer Fund	Line Item	Budget	Change	Amended Budget
W Overtime	30-8100-025	8,000	5,000	13,000
W MR Water Lines	30-8100-190	53,180	15,000	68,180
W Stone & Patching	30-8100-350	6,500	20,000	26,500
<b>Total Revenues</b>		67,680	40,000	107,680

Prepared By: Kathy Bond, Finance Director

Reviewed By: Scott Kidd, Town Manager

Town Manager Initials: SK

Filmore York  
Filmore York, Mayor

Date: 1-22-24

ATTEST:

Jennifer D. Bond  
Town Clerk

Date: 1/22/2024

