



Town of Archer Lodge

AGENDA

Regular Council Meeting & Public Hearing on: Proposed Annual Budget for FY 2021

Monday, June 1, 2020 @ 6:30 PM
Jeffrey D. Barnes Council Chambers

Page

1. WELCOME/CALL TO ORDER:

- 1.a. Invocation
- 1.b. Pledge of Allegiance

2. APPROVAL OF AGENDA:

3. OPEN FORUM/PUBLIC COMMENTS:

(Maximum of 30 minutes allowed, 3 minutes per person)

4. CONSENT AGENDA:

- 3 - 18 4.a. Approval of Minutes:
06 Jan 2020 Regular Council Meeting Minutes
[Regular Council - 06 Jan 2020 - DRAFT](#)

5. PUBLIC HEARING:

(Maximum of 30 minutes allowed, 3 minutes per person)

- 19 - 22 5.a. Proposed Annual Budget for FY 2020~2021
[PROPOSED ANNUAL BUDGET ORDINANCE FY 2020-2021](#)

6. DISCUSSION AND POSSIBLE ACTION ITEMS:

- 23 - 37 6.a. Discussion and Consideration of Engaging May & Place, PA to Audit Financial Records and Approving the Audit Contract for Fiscal Year June 30, 2020
[Peer Review Letter 2018](#)
[May & Place, PA - Audit Engagement Letter FY 2020](#)
[May & Place, PA - Audit Contract FY 2020](#)

- 6.b. Presentation of Planning Board Recommendations:
- Text Amendments - Code of Ordinance, Archer Lodge, NC, Chapter 30 - Zoning and Subdivisions, Article VI, Subdivisions
- 6.c. Discussion and Consideration of Setting a Public Hearing at the June 15, 2020 Work Session for the Text Amendments - Code of Ordinances, Archer Lodge, NC, Chapter 30, Zoning and Subdivisions, Article VI, Subdivisions
- 6.d. Discussion and Consideration of Setting a Special Meeting to follow the Work Session on Monday, June 15, 2020 and begin at 7:15 p.m. or shortly thereafter for the Purposes of:
- Adopting the Annual Budget Ordinance for Fiscal Year ending June 30, 2021
 - Approving the Subdivision Consistency Statement
 - Adopting Ordinance# AL2020-06-1 Amending Chapter 30, Article VI - Subdivisions
 - Adopting BA 2020 04

7. TOWN ATTORNEY'S REPORT:

8. TOWN ADMINISTRATOR'S REPORT:

- 8.a. Proposed Annual Budget Ordinance for FY 2020-2021
- 8.b. NCDOT Updates
- 8.c. Sewer Feasibility Study Update

9. FINANCIAL/TOWN CLERK'S REPORT:

38 - 40

- 9.a. April 30, 2020 Interim Financials & Year-to-Date Comparison (FY19 compared to FY20)
[APRIL 2020 - ALL FUNDS](#)
[APRIL 2020 - YTD COMP](#)

10. PLANNING/ZONING REPORT:

- 10.a. Planning Activity
- 10.b. Projects
- 10.c. Code Enforcement

11. MAYOR'S REPORT:

12. COUNCIL MEMBERS' REMARKS: (town related, non-agenda items)

13. ADJOURNMENT:



Regular Council - Minutes Monday, January 6, 2020

COUNCIL PRESENT:

Mayor Mulhollem
Mayor Pro Tem Castleberry
Council Member Bruton
Council Member Jackson
Council Member Purvis
Council Member Wilson

STAFF PRESENT:

Mike Gordon, Town Administrator
Chip Hewett, Town Attorney
Julie Maybee, Town Planner
Kim P. Batten, Finance Officer/Town Clerk

COUNCIL ABSENT:

GUEST PRESENT:

Dale R. Place, CPA - May & Place PA.

1. WELCOME/CALL TO ORDER:

a) Invocation

Mayor Mulhollem called the meeting to order at 6:30 p.m. in the Jeffrey D. Barnes Council Chambers located at 14094 Buffalo Road, Archer Lodge, NC and declared a quorum present. Council Member Jackson offered the invocation.

b) Pledge of Allegiance

Mayor Mulhollem led in the Pledge of Allegiance to the US Flag.

2. APPROVAL OF AGENDA:

a) No additions or changes noted.

Moved by: Council Member Wilson
Seconded by: Council Member Jackson

Approved Agenda.

CARRIED UNANIMOUSLY

3. OPEN FORUM/PUBLIC COMMENTS:

(Maximum of 30 minutes allowed, 3 minutes per person)

a) No Public Comments.

4. RECOGNITION/PRESENTATION:

a) Audit Presentation for Fiscal Year Ending June 30, 2019 ~ Mr. Dale Place of May & Place, PA

Mr. Place presented highlights of the Audit for Fiscal Year ending June 30, 2019. He provided a clean opinion and referenced a few pages within the Audit Report especially page 21 which appears as follows:

Exhibit 4

Town of Archer Lodge, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds					Total Governmental Funds
	General Fund	Capital Reserve Fund	Park Reserve Fund	Public Safety Reserve Fund	Capital Project Fund	
REVENUES						
Ad valorem taxes	\$ 674 603	\$ -	\$ -	\$ -	\$ -	\$ 674 603
Unrestricted intergovernmental	411 905	-	-	-	-	411 905
Restricted intergovernmental	154 054	-	-	-	-	154 054
Permits and fees	7 880	-	-	-	-	7 880
Investment earnings	24 602	9 430	4 355	515	-	38 902
Miscellaneous	25	-	-	-	-	25
Total revenues	1 273 069	9 430	4 355	515	-	1 287 369
EXPENDITURES						
Current:						
General government	380 211	-	-	-	-	380 211
Public Safety	271 616	-	-	-	-	271 616
Transportation	17 112	-	-	-	-	17 112
Economic and physical development	93 945	-	-	-	-	93 945
Culture and recreation	102 832	-	-	-	-	102 832
Debt service:						
Principal	33 333	-	-	-	-	33 333
Interest and other charges	10 230	-	-	-	-	10 230
Capital outlay	600 000	-	-	-	415 446	1 015 446
Total expenditures	1 509 279	-	-	-	415 446	1 924 725
Excess (deficiency) of revenues over expenditures	(236 210)	9 430	4 355	515	(415 446)	(637 356)
OTHER FINANCING SOURCES (USES)						
Transfer from other funds	202 049	25 000	188 911	300 000	13 464	729 424
Transfer to other funds	(527 375)	-	(202 049)	-	-	(729 424)
Installment purchase obligations issued	400 000	-	-	-	405 000	805 000
Total other financing sources(uses)	74 674	25 000	(13 138)	300 000	418 464	805 000
Net change in fund balance	(161 536)	34 430	(8 783)	300 515	3 018	167 644
Fund balances, beginning	1 229 244	442 352	277 717	-	-	1 949 313
Fund balances, ending	\$ 1 067 708	\$ 476 782	\$ 268 934	\$ 300 515	\$ 3 018	\$ 2 116 957

The notes to the financial statements are an integral part of this statement.

He noted that the governmental funds (General, Capital Reserve, Park Reserve, Public Safety Reserve and Capital Project/Town Hall Expansion Funds) reported an increase of \$167,644 in their combined balances and the Town's total net position with regards to assets and liabilities increased by \$370,452. He was complimentary of staff's assistance during the audit process. Should anybody have any questions, please let Ms. Batten know so that she can contact him. No discussion followed.

5. DISCUSSION AND POSSIBLE ACTION ITEMS:

a) Discussion and Consideration of Adopting a Budget Amendment (BA 2020 02)

Mayor Mulhollem ask Ms. Batten to open with details regarding BA 2020 02. She advised that sales tax reimbursement revenues from NCDOR for the Town Hall Expansion Project were received. No discussion followed.

Adopted Budget Amendment (BA 2020 02) appears as follows:

BA 2020 02

Town of Archer Lodge
Budget Amendment

Fiscal Year Ending June 30, 2020
Budget Amendment #
Date

BA 2020 02
06-Jan-20

General Fund/Capital Reserve Fund/Park Reserve Fund/Public Safety Reserve Fund

Account	Account Number	Budget	Amendment	Amended Budget
Revenues:				
Gen: Misc Revenues	10-3800-0000	50.00	6,650.00	6,700.00
Gen: Transfer from Town Hall Exp Fund 40	10-3900-3940	-	1,919.00	1,919.00
Total Increase (Decrease) in Revenues			8,569.00	
Expenditures:				
Gen/Admin: Equipment Lease	10-4120-4200	3,500.00	500.00	4,000.00
Gen/Pub Bldgs: Supplies-Buildings	10-4190-2000	2,900.00	600.00	3,500.00
Gen/Pub Bldgs: Repairs & Maintenance Buildings	10-4190-3520	6,000.00	2,000.00	8,000.00
Gen/Plan & Zone: Supplies-Planning/Zoning	10-4910-2000	1,000.00	1,800.00	2,800.00
Gen/Plan & Zone: Postage	10-4910-3250	100.00	369.00	469.00
Gen/Plan & Zone: Contracted Services-Software	10-4910-3600	-	2,600.00	2,600.00
Gen/Plan & Zone: Legal Advertising	10-4910-3700	600.00	700.00	1,300.00
Total Increase (Decrease) in Expenditures			\$ 8,569.00	
			\$ -	

Justification for Budget Amendment:

To appropriate or reappropriate unanticipated revenues and expenditures as recorded.

Adopted this 6th day of January 2020

ATTEST: 
Kim P. Batten, Town Clerk




Matthew B. Mulhollem, Mayor


Teresa M. Bruton, Budget Officer

Moved by: Council Member Wilson
Seconded by: Mayor Pro Tem Castleberry
Adopted Budget Amendment (BA 2020 02).

CARRIED UNANIMOUSLY

- b)

Discussion and Consideration of Adopting the PEG Media Partner's Interlocal Agreement (v 12.10.19)

Mayor Mulhollem opened the floor for discussion.

Mr. Gordon explained that the PEG Media Partner's Interlocal Agreement between the Town and other PEG Media Partners has been updated. He gave an overview of the details and added that other Town Attorney's had revised previous versions, and this was the final version being presented. Town Attorney Hewett reviewed the final updated agreement and had no concerns.

Council Member Wilson inquired about the funding from the State to the Town for the PEG Media Channel. Ms. Batten shared the amount was approximately \$53,000 to \$54,000 a year and is slowly decreasing.

Mayor Mulhollem mentioned that the Town benefits by being Partners with the PEG Media Channel due to the services they provide in town through the course of a year. Discussion followed.

The Adopted PEG Media Partner's Interlocal Agreement appears as follows:

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (the "Agreement") is made and entered into by, between, and among the TOWN OF ARCHER LODGE, a North Carolina municipal corporation ("Archer Lodge"); the TOWN OF CLAYTON, a North Carolina municipal corporation ("Clayton"); the TOWN OF GARNER, a North Carolina municipal corporation ("Garner"); the TOWN OF KNIGHTDALE, a North Carolina municipal corporation ("Knightdale"); the TOWN OF ROLESVILLE, a North Carolina municipal corporation ("Rolesville"); the TOWN OF WENDELL, a North Carolina municipal corporation ("Wendell") and the TOWN OF ZEBULON, a North Carolina municipal corporation ("Zebulon"). Each of Archer Lodge, Clayton, Garner, Knightdale, Rolesville, Wendell and Zebulon shall be referred to herein as a "Member" and collectively shall be known as the "Members."

WITNESSETH

WHEREAS, North Carolina General Statutes § 66-350 *et. seq.*, commonly known as the State Cable Franchise law, requires cable service providers with a State-issued franchise to provide for and transmit public, educational, or governmental access channels ("PEG Channels"); and

WHEREAS, East Wake Television, a North Carolina non-profit corporation, and PEG Media Partnership, a North Carolina non-profit corporation (collectively, "PEG Media") are owned and operated by the Members for the purpose of providing community access television programming on four (4) certified PEG Channels; and

WHEREAS, the Members, through PEG Media, are committed to the delivery of the highest possible level of community access television programming to the citizens of the Members; and

WHEREAS, the Members desire to continue their existing relationship for the joint funding and operations of their PEG Channels; and,

WHEREAS, North Carolina General Statutes § 160A-460 *et. seq.*, commonly known as the Interlocal Cooperation Act, permits the Members to enter into an interlocal agreement to execute any power, function, public enterprise, right, privilege or immunity of local government on behalf of one another.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, the sufficiency of which is hereby acknowledged, the Members agree as follows:

ARTICLE 1. Definitions

For all purposes of this Agreement, unless the context requires otherwise, the following capitalized and underlined terms shall have the following meanings:

"ACT" shall mean Session Law 2006-151 of the State of North Carolina titled "An Act to Promote Consumer Choice in Video Service Providers and to Establish Uniform Taxes for Video Programming Services" as signed into law by Governor Michael F. Easley on or about July 20, 2006 and as subsequently codified at North Carolina General Statutes § 66-350 *et. seq.*, as amended.

"EFFECTIVE DATE" shall mean the latest date of execution by any one of the Members as evidenced from the signature pages of this Agreement.

"EXPIRATION DATE" shall mean 11:59 p.m. Eastern Time on that date marking the end of the Term.

"PEG CHANNELS" shall mean any public, educational, or governmental access channel provided to any or all Members by Spectrum Cable, AT&T, Google, its successors in interest, or other Cable system (as defined by the Act) providing Cable service (as defined by the Act) within the jurisdictions of the Members.

"PEG FUNDS" means the funds received from distributions made pursuant to N.C.G.S. 105-164.44(a) and supplemental P E G channel support funds distributed pursuant to N.C.G.S. § 105-164.44(b).

"PERMANENTLY INSTALLED EQUIPMENT" shall mean equipment and cabling fastened to real property where removal would damage the real property.

"STATE" shall mean the State of North Carolina along with any agency of the State of North Carolina charged with administering the provisions of the Act.

"TERM" shall mean collectively the Initial Term plus any Subsequent Term created pursuant to this Agreement.

ARTICLE 2. Joint Operations Agreement

Agreement. The Members hereby agree and covenant that they shall jointly fund and operate PEG Media pursuant to the terms of this Agreement.

Term. The initial term of this Agreement shall be for a period of three (3) years commencing on the Effective Date. Unless otherwise terminated as provided for in Article 7, this Agreement shall automatically renew for an additional three (3) year term upon the same terms and conditions provided for herein (the "Subsequent Term").

2.1. Governance. The Board of Directors ("Board") of PEG Media shall consist of the six (6) Town Managers of Clayton, Garner, Knightdale, Rolesville, Wendell and Zebulon, or their designee, and the Town Administrator of Archer Lodge, or its designee (the "Directors"). The Board shall be responsible for establishing the By-laws and policies and procedures for PEG Media. The Board shall:

2.1.1. Insure compliance with the provisions of Article 3 of Chapter 159 of the North Carolina General Statutes, commonly known as The Local Government Budget and Fiscal Control Act, as it relates to Public Authorities; and

2.1.2. Conform programming to the requirements set forth by Article 3 of this Agreement; and

2.1.3. Adopt a budget and monitor the status of receipts from PEG Funds; and

2.1.4. Expend PEG Funds in accordance with restrictions imposed by North Carolina Law; and

2.1.5. Contract with other towns, organizations or companies, for the operation of the PEG Channels; and

2.1.6. Employ appropriate staff, including a Studio Director, who shall manage the daily operations of the PEG Channels, sign documents on behalf of PEG Media, purchase supplies and equipment provided for in the budget, set the programming schedules, hire staff, utilize professional consultants and serve as chief liaison between PEG Media, the Members, the appropriate State agencies charged with administering the provisions of the Act and the cable providers.

Paid employees of PEG Media, if any, shall be considered employees of PEG Media and shall not be considered employees of the individual Members and shall not be eligible for town benefits, including but not limited to, the Local Government Employees Retirement System.

Meetings of PEG Media.

2.2.1. Quarterly Meetings. The Directors shall meet at least quarterly to adopt a budget and to discuss and adopt rules or policies governing the management, operations, programming, maintenance, or funding of PEG Media.

2.2.2. Other Meetings. For any of the purposes expressed by this Agreement and in recognition of the mutual benefits accruing to the Members from the active coordination and cooperation of the Members, in supplement to the quarterly meetings, the Directors agree to meet from time to time (in person or online), as is reasonable and necessary, to coordinate, discuss, decide, adopt, or amend By-laws, rules or policies governing the management, operations, programming, or maintenance of PEG Media.

2.2.3. Voting. The Members hereby designate the Directors as the proper representatives at meetings described by this Section 2.4. The adoption or amendment of the By-laws or any budget, rule, or policy of PEG Media shall require a 4/7 vote of the Directors. Online voting is authorized with a fixed time period of at least 48 hours to respond.

2.2.4. Ad Hoc Committees. The Board may appoint temporary Ad Hoc Committees, made up of at least three (3) Directors, to study issues and make recommendations to the full Board.

ARTICLE 3. Programming

All programming provided on PEG Channels shall be non-commercial in nature as required by the FCC and N.C. G.S. § 66-357(f).

Video programming shall be provided on the PEG Channels to meet requirements of North Carolina State statutes.

It is anticipated by the Members that the Members may wish to acquire additional PEG Channels during the Term or broadcast additional Cable services. The Members intend that any future-acquired PEG Channels be governed pursuant to this Agreement.

ARTICLE 4. PEG Media Funding

4.1. Source of Funds. For the purpose of ensuring that adequate financial resources are available to accomplish the goals of the Members, hereto, each of the Members hereby commits individually and severally to making all best efforts reasonably necessary to financially support PEG Media. Without limiting the foregoing, the Members explicitly commit as follows:

4.1.1. Certified PEG Channels. Each of the Members individually shall certify to the State on or before the due date established by the North Carolina Department Revenue each year of the Term the number of qualifying PEG Channels operated by the Member, currently two each.

4.1.2. Grants. At the request of the Studio Director, the Members shall apply, either individually or collectively, as determined by the Studio Director, for any grant monies available to PEG Channels.

4.1.3. PEG Channel Supplemental Support. Funds distributed quarterly to the Members from the North Carolina Department of Revenue for Supplemental PEG Channel Support pursuant to N.C. G.S. §§ 105-164.44I and 105-164.44J shall be transferred immediately to and expended only for the operation and support of the PEG Channels.

4.2. Loss of Funding. If N.C.G.S. § 105-164.44I is repealed or changed such that PEG Media loses all or a significant portion of its State funding (fifty-one percent or more), each Member shall have the right to immediately withdraw from this Agreement. Members withdrawing based on loss of funding shall have the right to keep assets assigned to them for their use (audio and video recording equipment installed in Board room) and shall retain their interest in the equipment, furnishings and other assets of PEG Media.

ARTICLE 5. Title to Property

Title to any Permanently Installed equipment or fixtures acquired during the Term shall be with the fee owner Member of the real property to which the installed equipment or fixtures are affixed.

Title to any real property constructed on previously owned property shall remain with the Member holding title to such property.

ARTICLE 6. Assets

6.1 Sale of Assets. The Studio Director may sell surplus assets of PEG Media as necessary in the reasonable discretion of the Studio Director. Funds received from the sale of surplus-assets shall be used for the operation of PEG Media.

6.2 Termination Right. Should any Member exercise its Termination Right (as defined in Article 7 herein), and the remaining Members agree to continue the operation of PEG Media through a new agreement, all real property, personal property, equipment, and inventories shall remain with PEG Media; the terminating Member shall lose their right to any furniture, equipment or other assets, including proceeds in the event of a future dissolution.

6.3 Planning For Dissolution. The distribution of PEG Media's assets before dissolution shall be made in accordance with the Policy for the Distribution of the Corporation's Assets Before Dissolution, as approved by the Board and as amended from time to time (the "Planning For Dissolution Policy"), which is attached hereto as Exhibit A and incorporated herein by this reference. Notwithstanding anything herein to the contrary, in the event a Member withdraws from this Agreement pursuant to Section 7.2 herein, such Member shall be deemed to be a member of PEG Media on the last day of operation, solely for the purpose of distributing assets in accordance with the Policy on the Distribution of the Corporation's Assets Before Dissolution.

6.4 Dissolution. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by a court of competent jurisdiction in the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE 7. Termination or Withdrawal

7.1 Termination. This Agreement shall not otherwise be terminated prior to the end of its Term except as follows:

7.1.1 Unanimous Vote. This Agreement may be terminated at any time upon the unanimous vote of all the Directors at a duly called meeting. In which event, PEG Media shall be dissolved and the assets shall be distributed in accordance with the policy for the Distribution of the Corporation's Assets Upon Dissolution, as approved by the Board.

7.1.2 90 Days' Notice. This Agreement may be terminated by any Member through written notice to the other Members made no less than ninety (90) days prior to the proposed termination date (the "Termination Right"). Should any Member exercise its Termination Right this Agreement shall terminate upon the Expiration Date. If the remaining Members agree to continue the operation of PEG Media through a new agreement, then the terminating Member shall lose their right to any furniture, equipment or other assets, including proceeds in the event of a future dissolution.

7.2. Withdrawal.

Loss of Funding. In accordance with Section 4.2, each Member shall have the right to immediately withdraw from this Agreement if PEG Media loses all or substantially all its State funding. Members withdrawing from this Agreement based on loss of funding shall have the right to keep assets assigned to them for their use (audio and video recording equipment installed in Board room) and shall retain their interest in the equipment, furnishings and other assets of PEG Media.

Super Majority Vote. This Agreement may be modified by allowing a Member to voluntarily withdraw from this Agreement on an affirmative vote of at least five (5) Directors. In the event a Member withdraws in accordance with this Section, such Member shall have the right to keep assets assigned to them for their use. The Board may allow the Member to retain their interest in the equipment, furnishings and other assets of PEG Media.

ARTICLE 8. Miscellaneous Provisions

Notices. Any notice, demand, consent, agreement, request or other communication required to be given, served, sent or obtained hereunder (a "Notice") must be in writing, and must be either (i) mailed by first-class mail, registered or certified, return-receipt requested, postage prepaid, (ii) hand delivered personally or by nationally recognized courier service, fees prepaid or (iii) transmitted by telecopy, addressed as follows:

If to Archer Lodge:

Town of Archer Lodge c/o Town Administrator
Archer Lodge Town Hall
Archer Lodge Town Hall
14094 Buffalo Road
Archer Lodge, NC 27527

If to Clayton:

Town of Clayton c/o Town Manager
Clayton Town Hall
P.O. Box 879
Clayton, NC 27528

If to Garner:

Town of Garner c/o Town Manager
Garner Town Hall
900 Seventh Ave,
Garner, NC 27529

If to Knightdale:

Town of Knightdale c/o Town Manager
950 Steeple Square Court
Knightdale, NC 27545

If to Rolesville:

Town of Rolesville c/o Town Manager
Rolesville Town Hall
PO Box 250
Rolesville, NC 27571

If to Wendell:

Town of Wendell c/o Town Manager
15 E Fourth St
Wendell, NC 27591

If to Zebulon:

Town of Zebulon c/o Town Manager
Zebulon Town Hall
1003 N. Arendell Avenue
Zebulon, NC 27597

Each party may designate by notice a new address to which any notice thereafter may be given, served, or sent. Each notice that is delivered in the manner described above will be deemed given and received for all purposes at the earlier of such time as it is delivered to the addressee (with the return-receipt, courier delivery receipt or telecopy answer-back confirmation being deemed conclusive evidence of such delivery) or such time as delivery is refused by the addressee upon presentation.

Amendments. No modification or amendment of this Agreement, including the Dissolution Policy attached hereto as Exhibit A, will be valid or binding upon any Member(s) unless in writing and signed by the Member(s) against whom such modification or amendment is asserted.

Entire Agreement. This Agreement constitutes the entire agreement between the Members with respect to an interlocal agreement for the joint funding and operations of PEG Media. All previous undertakings or agreements between the Members with respect to these matters are merged herein and superseded hereby. No representation, promise, or inducement not included herein shall be binding on any Member hereto.

Transferability. No additional Members shall be allowed to participate during the Term. This Agreement shall not be transferred or assigned, either voluntarily or involuntarily. Any purported transfer or assignment of a Member's rights under this Agreement shall be null and void, and shall not transfer any rights, interest or title to the purported transferee.

Interpretation. If there arises any issue regarding the intent of the Members to this Agreement or the interpretation of any provision of this Agreement or any ambiguity arising from this Agreement, no presumption or burden of proof shall arise favoring or disfavoring any Member, and this Agreement shall not be strictly construed against any Member. When the context in which a word is used in this Agreement indicates that such is the intent, a word in the singular number shall include the plural and vice-versa, and a word in the masculine gender shall include the feminine and neuter and vice-versa. Any use in this Agreement of any form of the verb "to include" means the word stated but not limited to. The paragraph headings or titles used in this Agreement are for convenience only, and shall not define, limit, extend or interpret the scope of this Agreement or any particular section, paragraph or provision of this agreement. Any reference in this Agreement to any statute, code, rule or law (collectively or individually, a "Law") shall include any amendments to the Law referred to, any comparable successor Law that replaces the Law referred to, as well as any amendments to any such successor Law.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without giving effect to any conflict of law rule or provision thereof that would cause the application of the laws of any other jurisdiction.

Faxed Signatures. Any party to this Agreement transmitting its signature on this Agreement by telecopy shall be deemed to have accepted and adopted such telescoped signature as that party's original signature, and to have accepted that the same is sufficient to bind that party to this Agreement as if that party's original handwritten signature were attached hereto, it being the intention of the Members that a telescoped signature on this Agreement is binding from the time a copy of this Agreement with a party's signature is telescoped to another party hereto, and that any person may rely on the authority thereof for implementing the provisions of this Agreement.

Severability. The Members intend that this Agreement be enforced to the fullest extent permissible under the Law and public policy applied by any jurisdiction in which enforcement is sought. Accordingly, if any provision, sentence, phrase or word of this Agreement, or the application thereof to any person or circumstance, or the enforceability thereof in any jurisdiction, is held invalid, the remainder of this Agreement, or the application of such provision, sentence, phrase or word to persons or circumstances other than those as to which it is held invalid, or the enforceability thereof in other jurisdictions, shall not be affected thereby.

Agreement in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature pages, and this Agreement may be executed by the affixing of the signatures of each of the Members to one of such counterpart signature pages. All of such signature pages shall be read as though one and they shall have the same force and effect as though all of the signers had signed a single signature page.

Other Documents. The Members agree to execute such other documents as may be necessary for the implementation and consummation of this Agreement and the covenants contained herein.

Force Majeure. If either party is delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strike, lockouts, labor troubles, power failure, riots, insurrection, war, fire, earthquake, flood, explosion, governmental sanctioned embargo, acts of God, inclement weather or other reason beyond such party's control of like or unlike nature or cause, then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

Third-party Beneficiaries. Except as may be otherwise expressly provided herein, this Agreement shall not confer any rights or remedies upon any person or entity other than the Members hereto, and their respective successors and permitted assigns.

Injunctive Relief. The Members acknowledge that any breach or violation of this Agreement will cause irreparable harm to the non-breaching Members for which there is no adequate remedy at Law. Accordingly, in addition to any other remedies available at law or equity, any Party hereto that is aggrieved by a breach or threatened breach of any of the provisions of this Agreement shall be entitled to seek from any court of competent jurisdiction an order for specific performance and/or for temporary and/or permanent injunctive relief to enforce the provisions of this Agreement without the necessity of proving actual damages or posting bond or other security.

[the remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the Members have caused this Agreement to be ratified by resolution of their governing boards or councils as evidenced by the minutes of their governing boards or councils, and executed by their duly authorized officers as of the date noted below each signature.

THE TOWN OF ARCHER LODGE,
a North Carolina municipal corporation

By: 

Name: Mike Gordon Date: 01/07/2020

Title: Town Administrator



THE TOWN OF CLAYTON,
a North Carolina municipal corporation

Name: _____ Date: _____

Title: _____

THE TOWN OF GARNER,
a North Carolina municipal corporation

Name: _____ Date: _____

Title: _____

THE TOWN OF KNIGHTDALE,
a North Carolina municipal corporation

Name: _____ Date: _____

Title: _____

THE TOWN OF ROLESVILLE,
a North Carolina municipal corporation

Name: _____ Date: _____
Title: _____

THE TOWN OF WENDELL,
a North Carolina municipal corporation

Name: _____ Date: _____
Title: _____

THE TOWN OF ZEBULON,
a North Carolina municipal corporation

Name: _____ Date: _____
Title: _____

Policy on the Distribution of the Corporation’s Assets Before Dissolution

The Board, on a positive vote of five (5) Members at a regularly called meeting, shall set a future date for dissolution.

Employees of PEG Media shall immediately be notified of the dissolution date and the last date of their employment.

All personal property, equipment and inventories located in the various town halls and used by the Members to record board meetings or to generate content shall remain there and become property of that Member.

The exclusive use of the Studio building shall revert to the Town of Knightdale the day after dissolution.

Certain equipment located in the Studio and used to broadcast a cable TV signal or generate content may be given to one or more of the Members for their use with approval of the Board. An estimate of the value shall be made for such equipment and the value deducted from the proceed split if any.

All other personal property, equipment and inventories of PEG Media shall be sold online, at auction or any method approved by the Board and consistent with state law. After all payroll, leave, taxes, bills, accounts payable and obligations are paid in full the proceeds shall be split equally among the Members, as it exist on the last day of operation, of PEG Media. These proceeds may only be used by the Members as allowed by state law.

The current Members are currently the towns of Archer Lodge, Clayton, Garner, Knightdale, Rolesville, Wendell and Zebulon.

All other assets shall be distributed according to IRS provisions (Section 6.4).

Moved by: Council Member Wilson
Seconded by: Council Member Jackson
Adopted the PEG Media Partner's Interlocal Agreement (v12.10.19) as presented.

CARRIED UNANIMOUSLY

c) Discussion and Consideration of Adopting the Proposed Ordinance - Regulating Firearms within the Town of Archer Lodge

Mayor Mulhollem mentioned the following items pertaining to the Proposed Ordinance:

- Town has received complaints of gunfire primarily within subdivisions
- Intention of the Town Council and Staff is to address complaints about firearm matters
- Public Hearing was held at the Work Session, November 18, 2019 on the Proposed Ordinance Regulating Firearms within the Town of Archer Lodge
- Sec. 3-50 - Carrying concealed handguns in town-owned buildings was concerning and should not be included
- Proposed Ordinance is identical to Johnston County's Ordinance
- Archer Lodge depends on the Johnston County Sheriff's Department for Law Enforcement

The Proposed Ordinance – Regulating Firearms within the Town of Archer Lodge appears as follows:

Concept Draft Ordinance #1

AN ORDINANCE REGULATING FIREARMS WITHIN THE TOWN OF ARCHER LODGE

Section 1. Pursuant to authority granted by N.C. Gen. Stat. § 160A-189, the Town of Archer Lodge hereby amends the Code of Ordinances, Town of Archer Lodge, North Carolina, Chapter 3, as follows:

Add to Chapter 3, Sections 3-50 and 3-51 as written below:

Sec. 3-50. - Carrying concealed handgun in town-owned buildings

No person shall carry a concealed handgun on or within any town-owned building. An appropriate notice of such prohibition shall be posted in a conspicuous place in each town-owned building notifying persons of the prohibition against carrying a concealed handgun in town-owned buildings. This section shall not apply to law enforcement or other government personnel acting within the scope of their employment.

State law reference—Authority to post concealed weapons signs, G.S. 14-415.23.

Sec. 3-51. - Discharge of firearms.

(a) **Application** The provisions of this section shall apply to all properties located within the corporate limits of the Town of Archer Lodge.

(b) **Definition.** For purposes of this section, firearm is defined as a handgun, shotgun, rifle or any device which expels a projectile by action of an explosion.

(c) **Violations.** It shall be unlawful for any person to:

- (1) Discharge a firearm in the town carelessly and heedlessly, so as to endanger any person or property.
- (2) Discharge a firearm that results in a projectile crossing the property line of another person without the permission of the owner, or
- (3) Discharge a firearm while under the influence of alcohol or a controlled substance (under the influence: determination by the investigating officer that the person is intoxicated by alcohol or a narcotic to the point where physical and mental faculties are appreciably diminished).

(d) **Discharge on Public Streets, Highways.** It shall be unlawful for any person to discharge any firearm on, from, or across the traveled portion of any public street, or highway.

(e) **Prohibited times of discharge.** The discharge of firearms from two hours after sunset to one hour before sunrise is prohibited. by Article II, Subsection 12-32(6) of the Johnston County Code of Ordinances.

(f) **Miscellaneous Exceptions.** The following exceptions are permissible under this section:

Council Direction Requested:

Question: To allow or not allow legal concealed handguns in Town buildings and/or property?

Changes/modifications to Johnston County's Code of Ordinance on subject matter in Chapter 16, Secs. 16-2 through 16-3 highlighted in yellow.

Concept Draft Ordinance #1

- (1) Law enforcement officers or members of the armed forces acting in the line of duty;
 - (2) The shooting or killing of any dangerous or destructive animal or reptile when necessary to protect life or property;
 - (3) All legal hunting activities pursuant to the North Carolina Department of Agriculture, the North Carolina Wildlife Commission and G.S. Chapter 113, subchapter IV, as it is from time to time amended or pursuant to lawfully issued state or federal hunting or wildlife removal permits;
 - (4) The use of firearms for defense of persons or property as allowed under state law;
 - (5) Nonprofit special events such as turkey shoots conducted with a valid local town permit issued by the town administrator or their designee;
 - (6) Indoor firing/shooting ranges with an applicable zoning permit(s) issued by the town; and
 - (7) A bonafide training facility acting in the course of providing firearms proficiency training and certification to law enforcement agencies, private security agencies, employers of armored-car personnel (e.g. Brinks, Loomis, and similar companies), and similar legitimate businesses that require such certification. A "bonafide training facility" is one that is: (a) properly authorized to provide such training and certification to North Carolina or federal law enforcement agencies, and (b) obtains an applicable zoning permit(s) issued by the town.
- (g) **Penalties.** A violation of this ~~article~~ section by any person is a misdemeanor and shall subject the offender to a fine of \$100.00 and/or imprisonment for up to 30 days. A second or subsequent violation by the same person within one year shall subject such person to a fine of up to \$300.00 but not less than \$100.00 and/or imprisonment for up to 30 days.

State law reference—Authority to regulate, discharge, or prohibit the discharge of firearms, G.S. 160A-189.

Section 2. This ordinance shall become effective upon adoption.

Concept Draft Ordinance #1

DULY ADOPTED, THIS ____ DAY OF _____, 2019.

TOWN OF ARCHER LODGE (SEAL)

Matthew B. Mulhollem
Mayor

ATTEST:

Kim P. Batten
Town Clerk

Discussion followed about removing Sec 3-50.

Moved by: Council Member Jackson
Seconded by: Mayor Pro Tem Castleberry

Tabled the Proposed Ordinance - Regulating Firearms Within the Town of Archer Lodge until a Future Meeting.

CARRIED UNANIMOUSLY

Moved by: Council Member Jackson
Seconded by: Mayor Pro Tem Castleberry

Rescinded the previous motion.

CARRIED UNANIMOUSLY

Moved by: Council Member Jackson
Seconded by: Mayor Pro Tem Castleberry

Tabled Item 5.c. - Discussion and Consideration of Adopting the Proposed Ordinance - Regulating Firearms within the Town of Archer Lodge until the March 2, 2020 Regular Town Council Meeting.

CARRIED UNANIMOUSLY

6. TOWN ATTORNEY'S REPORT:

- a) **Attorney Hewett reminded the newly elected Council Members to take the mandatory Ethics Training. The two-hour training webinar has been purchased and Ms. Batten would forward that information to those in need. No further discussion.**
-

7. TOWN ADMINISTRATOR'S REPORT:

- a) **Mr. Gordon reported the following:**

- March 2, 2020 at 10:00 a.m., a presentation, "Light Commuter Rail," will be held in the Johnston County Courthouse Commissioners' meeting room.
 - Johnston County Open Space Grant:
 - ✓ Application deadline is February 17, 2020
 - ✓ Available every five years
 - ✓ Awarded by high school districts
 - ✓ Archer Lodge Community Center will apply
 - ✓ Submit project ideas for Town's grant application to benefit Town Park
 - Staff has received two engineer proposals for a Sewer Feasibility Study, "a fact-finding mission."
 - An historic homes inspector will inspect the farmhouse on the new park land for the feasibility of saving for future use.
 - The Budget Planning Session has been scheduled for Saturday, February 29, 2020 in the C. L. Gobble Conference Room at Town Hall, located at 14094 Buffalo Road, Archer Lodge, NC.
 - The Town joined the Triangle East Chamber of Commerce as an Enterprise Member.
 - Staff received a proposal today (1/06/20) from Susan Hatchell, Landscape Architect, regarding the Archer Lodge Town Park Project and PARTF Grant. In quick review, the first year will be design and permitting.
-

8. FINANCIAL/TOWN CLERK'S REPORT:

- a) **Interim Financial Reports for Period November 1, 2019 – December 20, 2019**

Ms. Batten shared that the period represented is for November and 65% of December. With almost half of the fiscal year being complete, the revenues

are approximately 59% collected and around 55% of anticipated expenditures have occurred. The expenditures are elevated since both annual transfers of \$25,000 to the Capital Reserve Fund and Public Safety Reserve Fund transpired at the beginning of the fiscal year and 71% of the annual Debt Service payments have been processed. As of December 20, 2019, revenues exceed expenditures by approximately \$44,700.

Regarding transactions in the other funds, Ms. Batten stated that investment earnings are allocated monthly between all funds, but the earnings are declining due to the downward turn in the economy from the beginning of the fiscal year. Revenues exceed expenditures in all three funds: Capital Reserve, Park Reserve and Public Safety Reserve Funds.

Comparing this same period to that of 2018, Ms. Batten noted that both revenues and expenditures are less in the current period than they were in 2018 and the net difference between the two years has increased by approximately \$19,500. No further discussion.

9. PLANNING/ZONING REPORT:

a) Development Activity

Ms. Maybee reported the following:

- According to US News and World Report - The Raleigh/Durham Area was on the list as one of the top ten places to live in the US in 2019 due to steady population growth and low cost of living.
- Attended the December 2019 CAMPO Meeting and was informed by a Wake County Planner that Wake County has 1,000 lots pending, creating the need for more employees.
- Responded to Developers and Citizens inquiries.
- Planning Staff is reviewing the build-out in existing local subdivisions.
- Plans to provide links on the Town Website for online surveys, studies, how NCDOT spends their money and their priorities, tolls, metropolitan traffic studies, etc.
- Update of the Draft Bicycle and Pedestrian Plan:
 - ✓ Received comments from Steering Committee and Citizens at November 13, 2019 Meeting.
 - ✓ Received comments from Town Council at November 16, 2019 Meeting.
 - ✓ Received comments from Planning Board at November 20, 2019 Meeting.
 - ✓ Comments were compiled and submitted back to AECOM on December 16, 2019.
 - ✓ Anticipating final draft to the February 3, 2020 Town Council Meeting for consideration.
- Staff is updating the Planning and Zoning Departmental Website Page to be more streamline, user friendly and provide fillable applications and/or forms.
- Permitting and Code Enforcement software has been acquired through Edmunds GovTech and a training session is scheduled for January 7, 2020.
- Planning Board and Board of Adjustment Organizational Meeting is scheduled for January 15, 2020.
- Staff will be conducting orientation training sessions with new incoming Planning Board/Board of Adjustment Member during January 2020.
- Continuing to work on Text Amendments to comply with the NC General Statutes.
- Chapter 160D - workshop for staff is upcoming this month.

b) Projects

Ms. Maybee reported the following:

- Update on NCDOT Project W-5704E (Covered Bridge Road) as of

1/6/2020

- ✓ Project date remains August 2022.
- ✓ 32 of 70 right-of-way acquisitions have been completed.
- ✓ Right of way acquisitions on hold before Christmas 2019 and will resume when directed by Chief Engineer's office.
- Update on NCDOT Project 80094 (Buffalo Road Curb and Gutter with Sidewalks) as of 1/6/2020
 - ✓ Construction remains for 2020 but pending permission from the Chief Engineers office.
 - ✓ Right of way acquisitions have been settled except for White Oak Church.

c) Code Enforcement

Ms. Maybee reported the following:

- Signs Removed from NCDOT ROW: 32
- Complaints: 2
- Complaints Pending Resolution: 4
- Complaints Resolved: 1
- Complaints Referred to NCDOT: 4
- Citation Issued - Attorney Referred: 1

d) NC Capital Area Metropolitan Planning Organization (CAMPO)

Ms. Maybee reported the following:

- Attended the January 02, 2020 CAMPO Meeting.
- Plans to have useful links added on the Town's website to CAMPO and other useful tools.

Mayor Mulhollem thanked Ms. Maybee for working with the Planning Board and for assisting Town Council for future growth in Archer Lodge.

10. VETERAN'S COMMITTEE REPORT:

a) Mr. Mike Mulhollem shared the following:

- The Archer Lodge Veterans Memorial has been completed.
- Waiting for a final invoice from Bland Landscaping Co.
- As per the contract with the Town of Archer Lodge, the ALVM Committee plans to stay together for at least 3 years.
- The ALVM Committee would like to continue holding the Veterans Memorial Ceremonies in the future.

Mayor Mulhollem thanked the ALVM Committee for their hard work and having completed the Veterans Memorial Site. He further recognized that the Town received a plaque that listed the members of the Archer Lodge Veterans Memorial Committee and appears as follows:



Mayor Mulhollem shared that it will be an honor to display the plaque in Town Hall. Also it was mentioned than an article of the Archer Lodge Veterans Memorial Dedication was published in the January 2020 ***Johnston Now Magazine*** and was showcased on the website: <https://picturethisongranite.com/>

11. MAYOR'S REPORT:

- a) Mayor Mulhollem shared the following:**
- Wished everyone "Happy New Year."
 - 2020 is the Census Year and expecting a population in the Town of Archer Lodge to be 5,000+.
 - Glad the Town incorporated so that growth can be managed in a positive manner.

12. COUNCIL MEMBERS' REMARKS:
(non-agenda items)

- a) Council Member Wilson shared that 2020 begins a new decade and he hopes everyone has 20/20 clear vision.**
-
- b) Council Member Jackson reminded everyone that the Mayor's Birthday is on Friday, January 10, 2020.**
-
- c) Mayor Pro Tem Castleberry made the following remarks:**
- Thanked everyone that attended the ALCC's New Year's Day Brunch.

- Expressed how proud he was of the Community and Town Council for their accomplishments.
- Asked that everyone keep the troops and families in their prayers.
- He wished everyone a "Happy New Year."

d) Council Member Bruton made the following remarks:

- Wished everyone a "Happy New Year."
- Stated that time flies as you get older and the years are going by quickly and it's 2020.
- Proud of the AL Veterans Memorial and the Committee for their long work hours and sacrifices made by many.

13. ADJOURNMENT:

a) Having no further business.

Moved by: Council Member Bruton
Seconded by: Mayor Pro Tem Castleberry

Adjourned meeting at 8:14 p.m.

CARRIED UNANIMOUSLY

Matthew B. Mulhollem, Mayor

Kim P. Batten, Town Clerk

Town of Archer Lodge, North Carolina

ANNUAL BUDGET ORDINANCE

Fiscal Year July 1, 2020 to June 30, 2021

BE IT ORDAINED by the Town Council of the Town of Archer Lodge, Johnston County, North Carolina, pursuant to §159-7 thru §159-17, that: (1) the sum of estimated net revenues and appropriated fund balance in each fund shall be equal to expenditures in each fund for Fiscal Year 2020~2021; and (2) departmental expenditures for the fiscal year shall not exceed the estimated departmental totals as depicted below and on the following pages: General Fund 10 = \$1,355,850; Capital Reserve Fund 30 = \$4,200; Park Reserve Fund 31= \$147,400; and Public Safety Reserve Fund 32 = \$27,400; all funds totaling a **Budget Ordinance of \$1,534,850**; and (3) Revenues from the Ad Valorem Property Tax shall be levied in the amount of **\$0.22 per \$100 evaluation** consisting of \$0.09 Archer Lodge Fire District Tax (appropriated in Public Safety for the Archer Lodge Fire Department), \$0.03 Park Reserve Fund 31 Designation and General Fund 10 receiving the balance of \$0.10.

General Fund 10

General Fund 10 Revenues:

	Amount
Ad-Valorem Property Taxes	\$ 846,000
State Sales Tax Distributions	135,510
Unrestricted Intergovernmental Revenues	206,200
Restricted Intergovernmental Revenues	53,000
Permits and Fees	5,140
Fee in Lieu of Recreation	30,000
Investment Earnings	16,000
Transfer in from Park Reserve Fund	<u>64,000</u>
 Total Revenues	 <u>\$ 1,355,850</u>

General Fund 10 Expenditures:

General Government	\$ 452,014
Public Safety	334,000
Transportation/Streets - Public Works	53,000
Planning and Zoning	156,767
Parks and Recreation	45,000
Debt Service	145,069
Interfund Transfers to Cap Res Fund, Park Res Fund & Public Safety Res Fund	<u>170,000</u>
 Total Expenditures	 <u>\$ 1,355,850</u>

Revenues Over (Under) Expenditures

-

Town of Archer Lodge, North Carolina
ANNUAL BUDGET ORDINANCE
Fiscal Year July 1, 2020 to June 30, 2021

Capital Reserve Fund 30

Amount

Capital Reserve Fund 30 Revenues:

Investment Earnings	4,200
Total Revenues	<u>\$ 4,200</u>

Capital Reserve Fund 30 Expenditures:

N/A	
Total Expenditures	<u>\$ -</u>
Revenues Over (Under) Expenditures	<u>\$ 4,200</u>

Interfund Transfers:

Transfer from General Fund 10	\$ -
Transfer to General Fund 10	<u>\$ (4,200)</u>

Total Other Financing Sources (Uses):	<u>\$ (4,200)</u>
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Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u><u>\$ -</u></u>
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PROPOSED

Town of Archer Lodge, North Carolina
ANNUAL BUDGET ORDINANCE
Fiscal Year July 1, 2020 to June 30, 2021

Park Reserve Fund 31

Amount

Park Reserve Fund 31 Revenues:

Investment Earnings	<u>2,400</u>
Total Revenues	<u><u>\$ 2,400</u></u>

Park Reserve Fund 31 Expenditures:

Recreation Development	<u>83,400</u>
Total Expenditures	<u><u>\$ 83,400</u></u>
Revenues Over (Under) Expenditures	<u><u>\$ (81,000)</u></u>

Interfund Transfers:

Transfer from General Fund 10	\$0.03 Tax/Fees-in-Lieu	\$ 145,000
Transfer to General Fund 10	Loan Payment	\$ (64,000)
Total Other Financing Sources (Uses):		<u><u>\$ 81,000</u></u>

Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)

\$ -

PROPOSED

Town of Archer Lodge, North Carolina
ANNUAL BUDGET ORDINANCE
Fiscal Year July 1, 2020 to June 30, 2021

Public Safety Reserve Fund 32

Amount

Public Safety Reserve Fund 32 Revenues:

Investment Earnings	\$ 2,400
Total Revenues	<u>\$ 2,400</u>

Public Safety Reserve Fund 32 Expenditures:

Public Safety Development	(27,400)
Total Expenditures	<u>\$ (27,400)</u>
Revenues Over (Under) Expenditures	<u>\$ (25,000)</u>

Interfund Transfers:

Transfer from General Fund 10	\$ 25,000
Total Other Financing Sources (Uses):	<u>\$ 25,000</u>
Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>

DULY ADOPTED THIS _____ DAY OF JUNE 2020

TOWN OF ARCHER LODGE

Matthew B. Mulhollem, Mayor

ATTEST:

Teresa M. Bruton, Budget Officer

Kim P. Batten, Town Clerk

Denning, Herring, Sessoms & Company, P.A.

**Certified Public Accountants
Clinton, NC 28328**

J. ANTHONY SESSOMS, CPA
BOBBY W. HERRING JR, CPA

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Report on the Firm's System of Quality Control

June 18, 2019

To the Owners of
May & Place, PA
and the Peer Review Committee of the NCACPA

We have reviewed the system of quality control for the accounting and auditing practice of May & Place, PA (the firm) in effect for the year ended December 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. 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.

MEMBERS OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AND NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

DHS

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 May & Place, PA in effect for the year ended December 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. May & Place, PA. has received a peer review rating of pass.

Denning, Herring, Sessoms & Company, P.A.

Denning, Herring, Sessoms & Company, P.A.
Clinton, NC

May & Place, PA

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 900
LOUISBURG, NC 27549
Bus: 919-496-3041
Fax: 919-496-6342

SCOTT H. MAY, CPA
DALE R. PLACE, CPA, CFE

May 21, 2020

To the Honorable Mayor and Town Council Members
14094 Buffalo Road
Archer Lodge, NC 27527

We are pleased to confirm our understanding of the services we are to provide the Town of Archer Lodge for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Archer Lodge as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Archer Lodge's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Archer Lodge's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Local Government Employees' Retirement System's Schedule of the Proportionate Share of the Net Pension Liability and Contributions.

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

- 1) Combining and individual fund statements
- 2) Budgetary schedules and other schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America 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 the accounting records of the Town of Archer Lodge and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town of Archer Lodge's financial statements. Our report will be addressed to the Honorable Mayor and Town Council of the Town of Archer Lodge. We cannot provide assurance that unmodified opinions will be

expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or 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 include a paragraph that states (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 paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town of Archer Lodge 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.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and 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, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards 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 later periods for which we are not engaged as auditors.

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

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal

acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. 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 the Town of Archer Lodge'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 the Town of Archer Lodge in conformity with U.S. generally accepted accounting principles based on information provided by you. These non-audit 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.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including 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 U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

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

Your responsibilities include adjusting the financial statements to correct material misstatements and 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 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, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the

supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or 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.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other non-audit 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.

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 Town Council; 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 May & Place, PA 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. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of May & Place, PA 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. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately July 01, 2020 and to issue our reports no later than October 31, 2020. Dale Place is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$6,000.00 for the audit and \$4,500.00 for the financial statement preparation. Our invoices for these fees will be rendered in accordance with the North Carolina Local Government Commission instructions as detailed in the contract. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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

Very truly yours,

May & Place, PA

May & Place, PA

RESPONSE:

This letter correctly sets forth the understanding of the Town of Archer Lodge.

Management signature: _____

Mike Gordon

Title: **Town Administrator** _____

Date: _____

Governance signature: _____

Matthew B. Mulhollem

Title: **Mayor** _____

Date: _____

The	Governing Board
of	Primary Government Unit (or charter holder)
and	Discretely Presented Component Unit (DPCU) (if applicable)

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

and	Auditor Name
	Auditor Address

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Audit Report Due Date
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Must be within four months of FYE

hereby agree as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.

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

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

FEES FOR AUDIT SERVICES

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

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

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

Name:

Title and Unit / Company:

Email Address:

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

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

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

DPCU FEES (if applicable)

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

SIGNATURE PAGE**AUDIT FIRM**

Audit Firm*	
Authorized Firm Representative (typed or printed)*	Signature*
Date*	Email Address*

GOVERNMENTAL UNIT

Governmental Unit*	
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*
Date	Email Address

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

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

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

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
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.



TOWN OF ARCHER LODGE FINANCIAL SUMMARY REPORT FOR MONTH ENDING APRIL 30, 2020

GENERAL FUND 10

<i>REVENUES</i>	ADOPTED BUDGET	MONTH ACTIVITY	ACTUAL TO DATE	Y-T-D % COLLECTED
AD-VALOREM & MOTOR VEHICLE TAXES	825,500.00	12,254.05	820,018.93	99.34%
SALES TAXES	181,010.00	16,170.25	148,706.90	82.15%
FRANCHISE TAXES	158,000.00	0.00	79,212.44	50.13%
ALCOHOL BEV TAXES/JO CO ABC DIST	46,000.00	0.00	21,148.96	45.98%
PERMITS AND FEES	6,140.00	400.00	4,060.00	66.12%
FEE IN LIEU OF RECREATION	10,000.00	0.00	20,000.00	200.00%
PEG CHANNEL SUPPORT	53,000.00	0.00	27,494.32	51.88%
MISCELLANEOUS REVENUES	6,700.00	576.76	7,964.18	118.87%
INVESTMENT EARNINGS	17,000.00	583.54	12,688.56	74.64%
TRANSFER IN FROM CAP RES FUND	0.00			#DIV/0!
TRANSFER IN FROM PARK RES FUND	66,000.00	0.00	66,000.00	100.00%
TRANSFER IN FROM PUBLIC SAFE RES FUND	0.00	0.00	0.00	#DIV/0!
TRANSFER IN FROM TOWN HALL EXP FUND	1,919.00	0.00	1,919.11	100.01%
FUND BALANCE APPROPRIATION	0.00	0.00	0.00	#DIV/0!
TOTALS	1,371,269.00	29,984.60	1,209,213.40	88.18%
<i>EXPENDITURES</i>	ADOPTED BUDGET	MONTH ACTIVITY	ACTUAL TO DATE	Y-T-D % SPENT
GOVERNING BODY	56,800.00	2,974.21	41,505.69	73.07%
ADMINISTRATION	247,353.00	22,521.15	195,219.78	78.92%
JO CO TAX COLLECTION FEES	25,000.00	416.66	21,340.14	85.36%
LEGAL	13,000.00	1,113.75	10,271.25	79.01%
PROPERTY TAXES	100.00	0.00	104.44	104.44%
PUBLIC BUILDINGS	53,550.00	7,674.79	40,569.38	75.76%
PEG MEDIA PARTNERS	53,000.00	0.00	27,494.32	51.88%
PUBLIC SAFETY	336,500.00	4,842.68	324,235.07	96.36%
TRANSPORTATION-PUBLIC WORKS	78,500.00	1,859.23	31,352.26	39.94%
PLANNING & ZONING	142,129.00	14,466.69	120,507.52	84.79%
CULTURAL & RECREATION	45,000.00	10,000.00	40,150.00	89.22%
DEBT SERVICES	145,337.00	0.00	145,244.26	99.94%
TRANSFER TO CAP RESERVE	25,000.00	0.00	25,000.00	100.00%
TRANSFER TO PARK RESERVE	125,000.00	1,614.62	128,939.98	103.15%
TRANSFER TO PUBLIC SAFETY RESERVE	25,000.00	0.00	25,000.00	100.00%
TOTALS	1,371,269.00	67,483.78	1,176,934.09	85.83%
Y-T-D GENERAL FUND INCREASE (DECREASE)		(37,499.18)	32,279.31	

CAPITAL RESERVE FUND 30

<i>REVENUES</i>	ADOPTED BUDGET	MONTH ACTIVITY	ACTUAL TO DATE	Y-T-D % COLLECTED
INVESTMENT EARNINGS	10,000.00	267.46	6,381.79	63.82%
TRANSFER FROM GEN FUND 10	25,000.00	0.00	25,000.00	100.00%
FUND BALANCE APPROPRIATED	0.00	0.00	0.00	#DIV/0!
TOTALS	35,000.00	267.46	31,381.79	89.66%
<i>EXPENDITURES</i>	ADOPTED BUDGET	MONTH ACTIVITY	ACTUAL TO DATE	Y-T-D % SPENT
TRANSFER TO GEN FUND 10	35,000.00	0.00	0.00	0.00%
TOTALS	35,000.00	0.00	0.00	0.00%
Y-T-D CAP RESERVE FUND INCREASE (DECREASE)		267.46	31,381.79	

PARK RESERVE FUND 31

<i>REVENUES</i>	ADOPTED BUDGET	MONTH ACTIVITY	ACTUAL TO DATE	Y-T-D % COLLECTED
INVESTMENT EARNINGS	5,000.00	176.41	3,295.38	65.91%
TRANSFER FROM GEN FUND 10	125,000.00	1,614.62	128,939.98	103.15%
FUND BALANCE APPROPRIATED	0.00	0.00	0.00	#DIV/0!
TOTALS	130,000.00	1,791.03	132,235.36	101.72%
<i>EXPENDITURES</i>	ADOPTED BUDGET	MONTH ACTIVITY	ACTUAL TO DATE	Y-T-D % SPENT
RECREATION DEVELOPMENT	64,000.00	0.00	0.00	0.00%
TRANSFER TO GEN FUND 10	66,000.00	0.00	66,000.00	100.00%
TOTALS	130,000.00	0.00	66,000.00	50.77%
Y-T-D PARK RESERVE FUND INCREASE (DECREASE)		1,791.03	66,235.36	

PUBLIC SAFETY RESERVE FUND 32

<i>REVENUES</i>	ADOPTED BUDGET	MONTH ACTIVITY	ACTUAL TO DATE	Y-T-D % COLLECTED
INVESTMENT EARNINGS	6,500.00	173.50	4,139.95	63.69%
TRANSFER FROM GEN FUND 10	25,000.00	0.00	25,000.00	100.00%
FUND BALANCE APPROPRIATED	0.00	0.00	0.00	#DIV/0!
TOTALS	31,500.00	173.50	29,139.95	92.51%
<i>EXPENDITURES</i>	ADOPTED BUDGET	MONTH ACTIVITY	ACTUAL TO DATE	Y-T-D % SPENT
PUBLIC SAFETY DEVELOPMENT	31,500.00	0.00	0.00	0.00%
TRANSFER TO GEN FUND 10	0.00	0.00	0.00	#DIV/0!
TOTALS	31,500.00	0.00	0.00	0.00%
Y-T-D PUB SAFE RES FUND INCREASE (DECREASE)		173.50	29,139.95	



Kim P. Batten

FINANCE OFFICER



**TOWN OF ARCHER LODGE
FINANCIAL SUMMARY REPORT
FISCAL YEAR COMPARISON FOR
PERIOD ENDING APRIL 30**

GENERAL FUND				
REVENUES		Apr-20	Apr-19	DIFFERENCE
	AD-VAL & MOTOR VEHICLE TAXES	820,018.93	650,217.79	169,801.14
	SALES TAXES	148,706.90	129,676.26	19,030.64
	FRANCHISE TAXES	79,212.44	79,732.42	(519.98)
	ALCOHOL BEV TAXES/JO CO ABC DIST	21,148.96	17,352.97	3,795.99
	PERMITS AND FEES	4,060.00	5,575.00	(1,515.00)
	FEE IN LIEU OF RECREATION	20,000.00	0.00	20,000.00
	PEG CHANNEL SUPPORT	27,494.32	27,027.04	467.28
	MISCELLANEOUS REVENUES	7,964.18	25.03	7,939.15
	INVESTMENT EARNINGS	12,688.56	20,482.28	(7,793.72)
	PARK LAND GRANTS-NCDNCR		100,000.00	(100,000.00)
	TRANSFER IN FROM CAPITAL RESERVE	0.00	0.00	0.00
	TRANSFER IN FROM PARK RESERVE	66,000.00	202,049.00	(136,049.00)
	TRANSFER IN FROM PUBLIC SAFETY RESERVE	0.00	0.00	0.00
	TRANSFER IN FROM TOWN HALL EXP FUND	1,919.11	0.00	1,919.11
	FUND BALANCE APPROPRIATED	0.00	0.00	0.00
		1,209,213.40	1,232,137.79	(22,924.39)
EXPENDITURES		Apr-20	Apr-19	DIFFERENCE
	GOVERNING BODY	41,505.69	23,380.85	18,124.84
	ADMINISTRATION	195,219.78	179,664.72	15,555.06
	JO CO TAX COLLECTION FEES	21,340.14	16,875.08	4,465.06
	LEGAL	10,271.25	8,332.50	1,938.75
	PROPERTY TAXES	104.44	89.36	15.08
	PUBLIC BUILDINGS	40,569.38	41,337.79	(768.41)
	PEG MEDIA PARTNERS	27,494.32	27,027.04	467.28
	PUBLIC SAFETY	324,235.07	256,942.25	67,292.82
	TRANSPORTATION-PUBLIC WORKS	31,352.26	16,181.33	15,170.93
	PLANNING & ZONING	120,507.52	74,343.60	46,163.92
	CULTURAL & RECREATION	40,150.00	291,364.00	(251,214.00)
	DEBT SERVICES	145,244.26	48,685.73	96,558.53
	TRANSFER TO CAP RESERVE	25,000.00	25,000.00	0.00
	TRANSFER TO PARK RESERVE	128,939.98	185,740.93	(56,800.95)
	TRANSFER TO PUBLIC SAFETY RESERVE	25,000.00	0.00	25,000.00
	TRANSFER TO TOWN HALL EXPANSION		2,587.80	(2,587.80)
		1,176,934.09	1,197,552.98	(20,618.89)
Y-T-D INCREASE (DECREASE)		32,279.31	34,584.81	(2,305.50)

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