



TOWN OF CORNELIUS

Cornelius Town Hall

BOARD OF COMMISSIONERS

February 18, 2019

Agenda

PRE-MEETING - 5:45 PM

- **ASC Update**
- **Ada Jenkins Update**
- **Safe Alliance/Victims Advocate Update**
- **Lake Norman Community Sailing Update**

TOWN BOARD - 7:00 PM

- 1. CALL TO ORDER**
- 2. DETERMINATION OF QUORUM**
- 3. APPROVAL OF AGENDA**
- 4. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE**
- 5. MAYOR/COMMISSIONERS/MANAGER REPORTS**
- 6. CITIZEN CONCERNS/COMMENTS**
- 7. PUBLIC HEARING**
 - A. REZ 10-18 Retreat @ West Catawba**
- 8. CONSIDERATION OF APPROVAL**
 - A. FY2019 Operating Budget Amendment**
 - B. Resolution Declaring Surplus Property**
- 9. CONSENT AGENDA**
 - A. Approve Minutes - Regular Meeting**
 - B. Approve Minutes - Closed Session**
 - C. FY 2019 Audit Contract**
- 10. COMMISSIONER CONCERNS**
- 11. ADJOURNMENT**

Please note that to speak during **CITIZENS CONCERNS/COMMENTS** or **PUBLIC COMMENT**, please use the signup sheet provided before the Board meeting and list your name, address and topic. Each speaker will be allowed 3 minutes to speak. A "hard stop" will occur after 3 minutes for each speaker. Any information displayed must be submitted to the Town Clerk within 48 hours prior meeting.

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Andrew Grant, Town Manager

Action Requested:

Executive Director Robert Bush will give an ASC update and their proposed budget request for FY20.

Manager's Recommendation:

Hear update.

ATTACHMENTS:

Name:	Description:	Type:
No Attachments Available		

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Andrew Grant, Town Manager

Action Requested:

Melissa Atherton with the Ada Jenkins Center will give an update on the center and their proposed funding request for FY20.

Manager's Recommendation:

Hear update.

ATTACHMENTS:

Name:	Description:	Type:
No Attachments Available		

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Andrew Grant, Town Manager


Action Requested:

Safe Alliance, Deputy Chief Operating Officer Cori Goldstein will give an update on the Victims Advocacy program and their proposed funding request for FY20.

Manager's Recommendation:

Hear update.

ATTACHMENTS:

Name:	Description:	Type:
 Safe Alliance - 2019_report.pdf	Victims Advocate 2019 Report	Backup Material



January 30, 2019

Andrew Grant
Town Manager
Town of Cornelius
PO Box 399
Cornelius, NC 28031

Dear Mr. Grant:

Please find enclosed the bi-annual (July 2018 – December 2018) report on the Lake Norman Victim Advocate at Safe Alliance. Funding from the Town of Cornelius, the Town of Davidson, the Town of Huntersville, and Mecklenburg County for a Victim Advocate position has made a difference in creating a continuum of care in relation to the Lake Norman public safety initiatives. We feel that our work and close community collaborations have created a major impact for survivors of domestic and sexual violence in the area and are grateful for your ongoing support.

Our Victim Advocate has continued to be able to easily assess all police departments, especially when needing to respond for crisis intervention. Our Victim Advocate makes an effort to spend time each week with our different community partners. Specifically our Victim Advocate spends time at the local police departments; offering insight, support, and immediate access for questions or concerns. In recognizing that concerns may arise outside of these hours, our Victim Advocate is also available to travel to the police departments when requested and monitors a dedicated cell phone number for local officers. This allows the client the opportunity to have access to immediate crisis intervention and safety planning when reporting to law enforcement. Overall, this strong partnership allows our services to truly complement the vital work law enforcement does with victims in the community and serves as a model to other departments attempting to form a similar partnership. We are also getting the opportunity to highlight this partnership as we work towards developing collaboration through the Mecklenburg County Sexual Assault Response Team (SART) meetings. Your Detectives, in partnership with Safe Alliance, Charlotte Mecklenburg Police Department, Davidson Police Department, Huntersville Police Department, Mint Hill Police Department, local hospital systems, the District Attorney's Office, and the crime lab have committed to enhancing the community's efforts to reduce crime and advocate for victims of sexual assault. SARTs have a long history of showing how a trauma informed, collaborative approach creates positive social change; both for the victim and the overall community. We are excited with the work currently being done by the community towards this initiative.

Our Victim Advocate also continues to maintain office hours at the Ada Jenkins Center as we recognize the importance of limiting as many possible obstacles to receiving services as possible.

Along with your partnership we have continued to implement the Lake Norman Hotel Project, allowing Lake Norman residents in danger due to domestic violence the opportunity to have a safe place to stay within the Lake Norman community for up to five days. This timespan has proven successful for Lake Norman residents as it has given them time to make more permanent plans for moving forward. Many clients have made arrangements to live elsewhere with the help of family or friends while others have transitioned to more permanent safety within our shelter in Charlotte.



Recognizing the pivotal role of the services within the Lake Norman community, we look forward to our continued partnership. Should you have any questions please feel free to contact me at 704-367-2757 or cori.goldstein@safealliance.org.

Respectfully,

Cori Goldstein, MSW, LCSW
Deputy Chief Operating Officer

Cc: Kevin Black, Chief of Police

Safe Alliance STRC LKN Statistical Report

07/01/2018 - 12/31/2018

Crisis or Support Calls (hotline)

	Huntersville	Cornelius	Davidson	Charlotte	Other: including Lincoln/ Iredell	Total
Total	7	5	1	5	2	20

Race of individual served

	Huntersville	Cornelius	Davidson	Charlotte	Other: including Lincoln/ Iredell	Total
White	11	22	6	6	9	54
Black	1	1	0	2	0	4
Asian	0	0	1	0	0	1
American Indian	0	0	0	1	0	1
Hispanic	4	5	0	2	0	11
Unknown Race	4	0	0	2	1	7
Total	20	28	7	13	10	78

Sex of individual served

	Huntersville	Cornelius	Davidson	Charlotte	Other: including Lincoln/ Iredell	Total
Male	1	3	0	2	0	6
Female	19	25	7	11	10	72
Total	20	28	7	13	10	78

Age of individual served

	Huntersville	Cornelius	Davidson	Charlotte	Other: including Lincoln/ Iredell	Total
0-12	0	1	0	0	1	2
13-17	1	1	0	2	0	4
18-25	4	4	3	3	3	17
26-40	11	8	2	3	3	27
41-60	3	11	1	4	2	21
61+	1	3	1	1	1	7
Total	20	28	7	13	10	78

Service Provided (number of services)

	Huntersville	Cornelius	Davidson	Charlotte	Other: including Lincoln/ Iredell	Total
Information	16	26	5	9	9	65
Advocacy	18	27	6	11	10	72
Referral	16	34	8	8	6	72

Crisis Intervention	20	37	8	14	13	92
Safety Planning	10	22	4	8	5	49
Referral for 50B	0	0	0	0	0	0
50B Filed	0	0	0	0	0	0
ELA	1	7	2	2	2	14
Court Accompaniment	0	0	0	0	0	0
Hospital	0	0	0	0	0	0
Other	50	99	19	35	28	231
Total	131	252	52	87	73	595
Support Group Participants						
	Huntersville	Cornelius	Davidson	Charlotte	Other: including Lincoln/ Iredell	Total
Total	0	7	1	6	6	20
Type of Crime						
	Huntersville	Cornelius	Davidson	Charlotte	Other: including Lincoln/ Iredell	Total
Domestic Violence	9	15	3	7	4	38
Rape	2	3	2	0	0	7
Date Rape	0	0	0	0	0	0
Adult Survivor	1	0	0	1	0	2
Marital Rape	0	2	0	0	0	2
Child Sex Abuse	2	1	0	0	1	4
Child Physical Abuse	0	0	0	1	0	1
Robbery	0	0	0	0	0	0
Homicide	0	0	0	0	0	0
Physical Assault	0	0	0	0	0	0
Other	6	7	2	4	5	24
Total	20	28	7	13	10	78
Offender Relationship						
	Huntersville	Cornelius	Davidson	Charlotte	Other: including Lincoln/ Iredell	Total
Relative	4	1	0	2	0	7
Acquaintance	3	3	3	0	4	13
Boy/Girlfriend	3	5	0	2	1	11
Stranger	1	0	0	0	0	1
Spouse	7	12	4	4	3	30
Unknown Relationship	1	3	0	3	2	9
Other Relationship	1	4	0	2	0	7
Total	20	28	7	13	10	78

**Clients listing Charlotte as their address tend to reside in the Northlake and University Areas

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Andrew Grant, Town Manager

Action Requested:

Sean O'Donnell, Executive Director of Lake Norman Community Sailing (LNCS) will give an update on LNCS and the organizations proposed funding request for FY20.

Manager's Recommendation:

Hear update.

ATTACHMENTS:

Name:	Description:	Type:
No Attachments Available		

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Aaron Tucker, Assistant Planning Director

Action Requested:

Demeter Properties in association with Landworks Design Group are requesting a conditional rezoning for the combined 9.52 acre property located at 17201 West Catawba Avenue in order to develop 60 townhomes.

The applicant hosted their required community meeting at Town Hall on Tuesday, January 8th.

In accordance with the Town's conditional zoning procedure, this is public hearing #1. This public hearing is to hear initial public feedback and for the Town Board to hear and provide any initial thoughts on the initial proposal.

The plan being provided for public hearing #1 is a 100% residential proposal with 60 total units. This plan is different from what was shown at the community meeting in that it contains no commercial or mixed use. The plan change was precipitated due to the NCDOT showing a bulb U-turn on the southern end of the property. NCDOT has expressed concerns regarding any driveways for commercial use due to the super street left overs and the limited site distance on the northern end of the property. The trip generation for the residential proposal is significantly lower and is deemed to be more acceptable by NCDOT for this location. Staff is currently evaluating the 100% residential proposal and will utilize any public comments as well Commissioner comments as we evaluate the proposal moving forward.

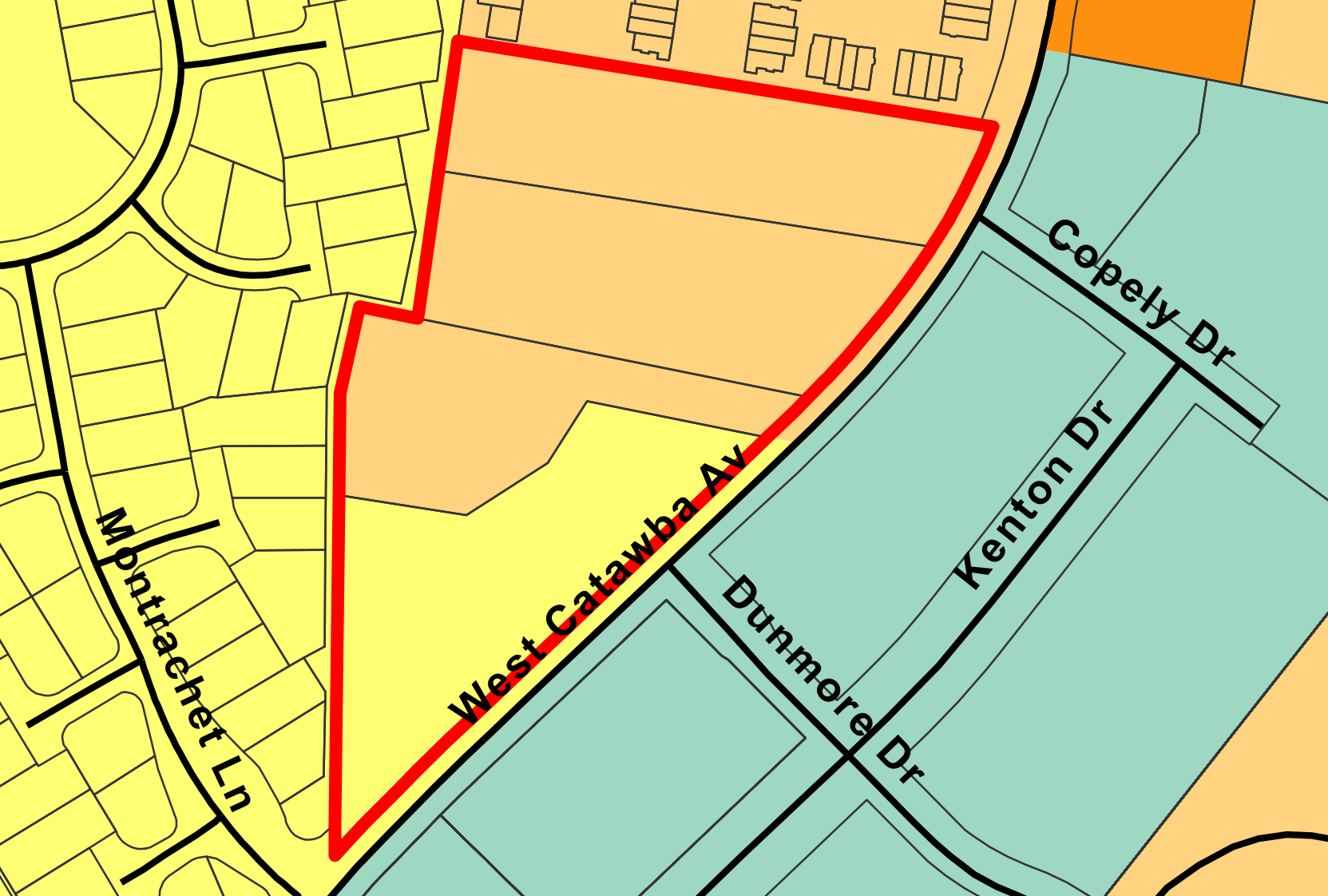
Following public hearing #1, Town Staff will work with the applicant to refine the plan for potential presentation at a second public hearing for final consideration.

Manager's Recommendation:

Conduct Public Hearing #1 for the Retreat at West Catawba.

ATTACHMENTS:

Name:	Description:	Type:
 The_Retreat_Zoning.pdf	Zoning	Cover Memo
 The_Retreat_LU.pdf	Land Use	Cover Memo
 The_Retreat_Vicinity.pdf	Vicinity Map	Cover Memo
 The_Retreat_Property.pdf	Property Map	Cover Memo
 LandscapeRendering.pdf	Site Plan	Cover Memo
 TB_2-18-19.pptx	Staff Presentation	Presentation



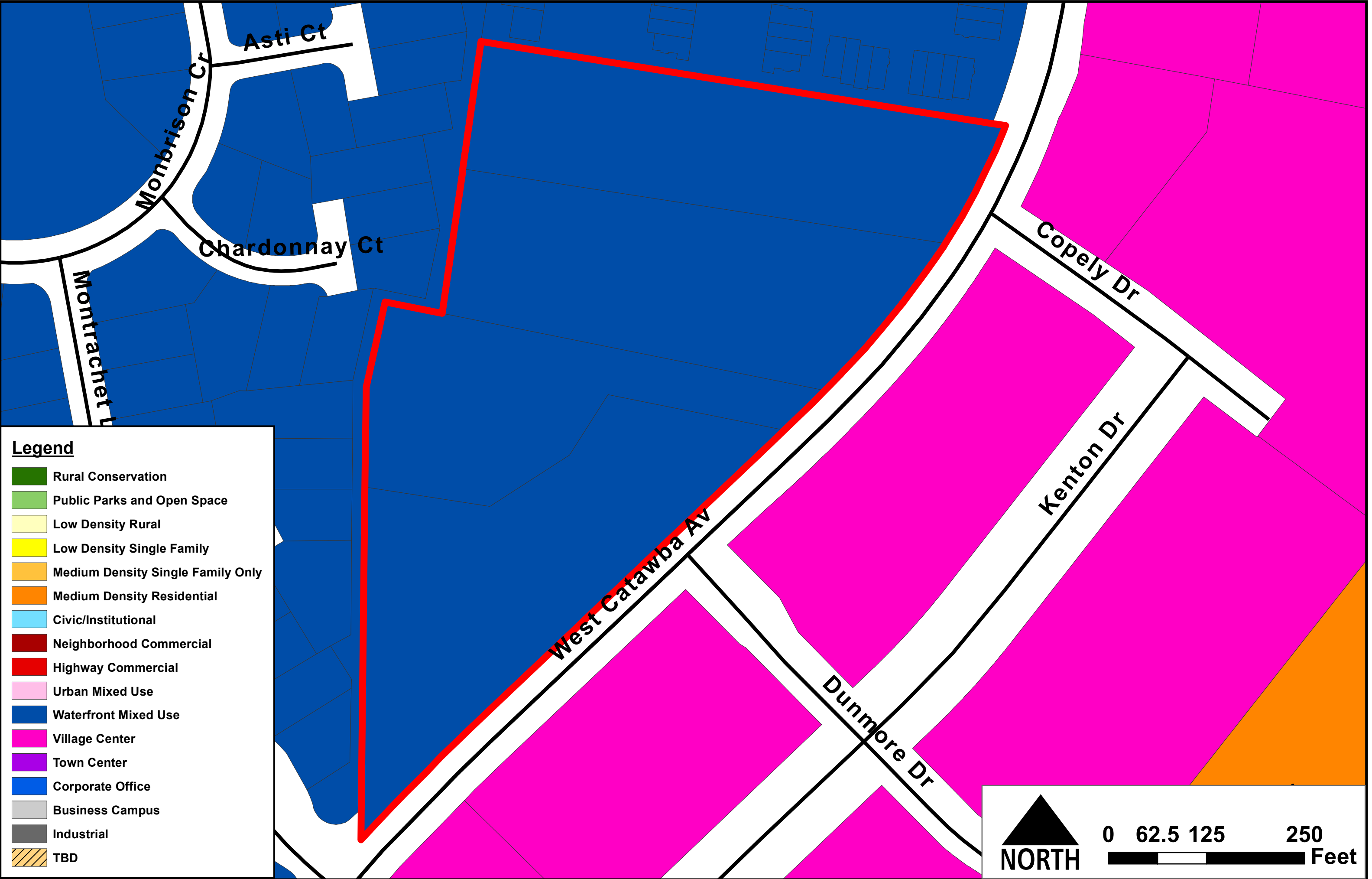
Montrechet Ln

West Catawba Av

Dunmore Dr

Kenton Dr

Copely Dr





Asti Ct

Monbrison Cr

Chardonnay Ct

Montrachet Ln

Chablis Ct

Graves Ct

Cabernet Ct

Copely Dr

Elevation Church

Kenton Dr

West Catawba Av

Kenton Place

Duhamore Dr



0 62.5 125 250 Feet



Monratchet Ln

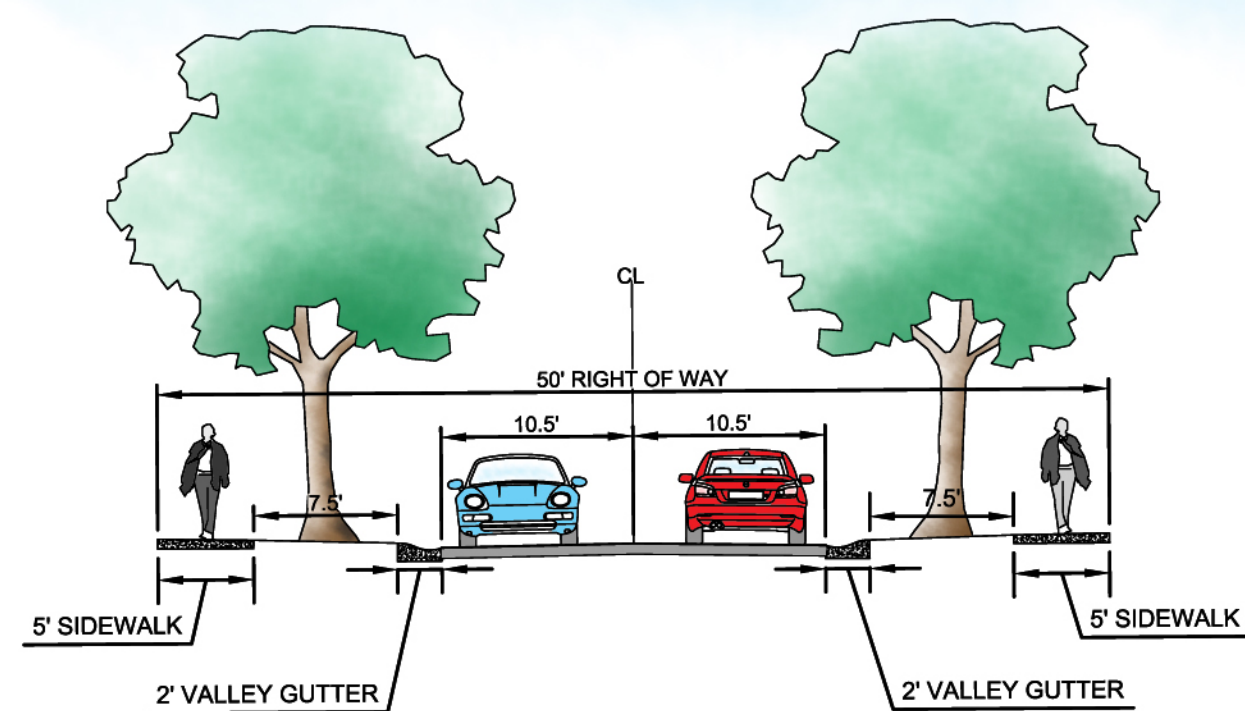
West Catawba Av

Dunmore Dr

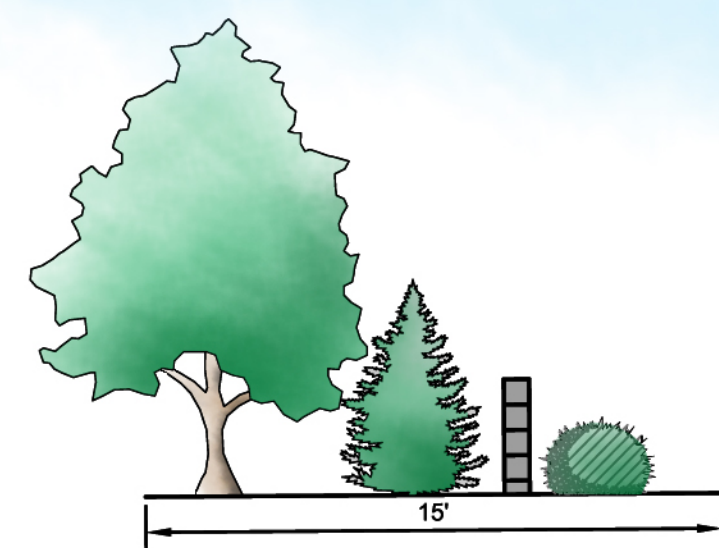
Kenton Dr

Copely Dr

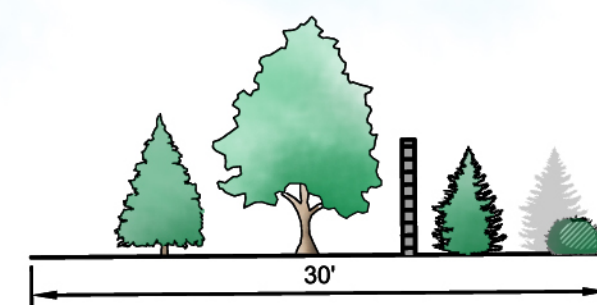
P:\2018 Jobs\18004 - West Catawba Retreat - Demeter\CAD\Sketch Planning\18004 RZ BASE_NCDOT_ALL RES3.dwg



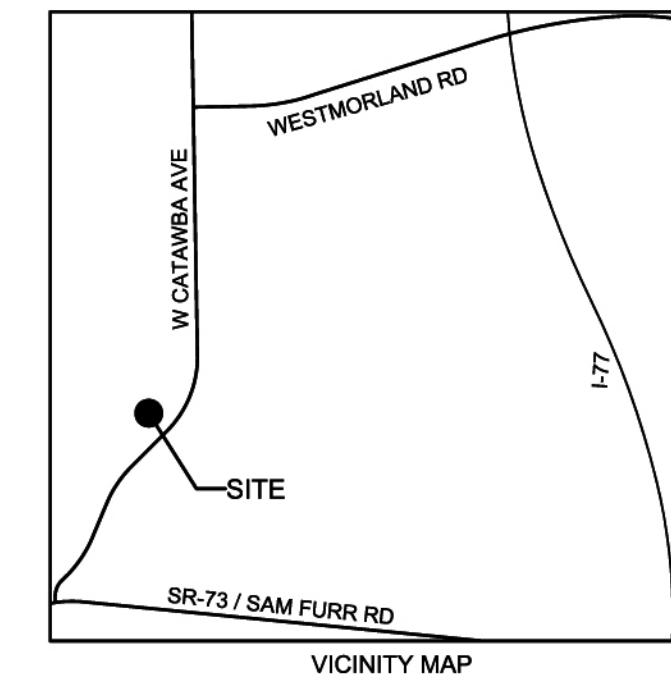
1
L-100
PROPOSED ROAD SECTION (PUBLIC)
SCALE: 1" = 10'



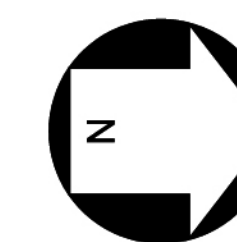
2
L-100
B-1 BUFFER
SCALE: 1" = 5'



3
L-100
A-2 BUFFER
SCALE: 1" = 10'



This Plan Is A
Preliminary Design.
NOT Released For
Construction.



REVISIONS:			
No.	Date	By	Description
1	2.7.18	MDH	STAFF COMMENTS AND REVISED NCDOT ROAD IMPROVEMENTS TO WEST CATAWBA AVENUE

THE RETREAT
AT WEST CATAWBA
DEMETER PROPERTIES, LLC
CORNELIUS, NC

SCHEMATIC
CODE
REQUIRED
LANDSCAPE
PLAN

CORPORATE CERTIFICATIONS
NC PE: C-2930 NC LA: C-253
SC ENG: NO. 3599 SC LA: NO. 211

Project Manager: MDL

Drawn By: MDH

Checked By: MDL

Date: 11/19/18

Project Number: 18004

Sheet Number:

RZ-1

Town Board

January 22, 2019

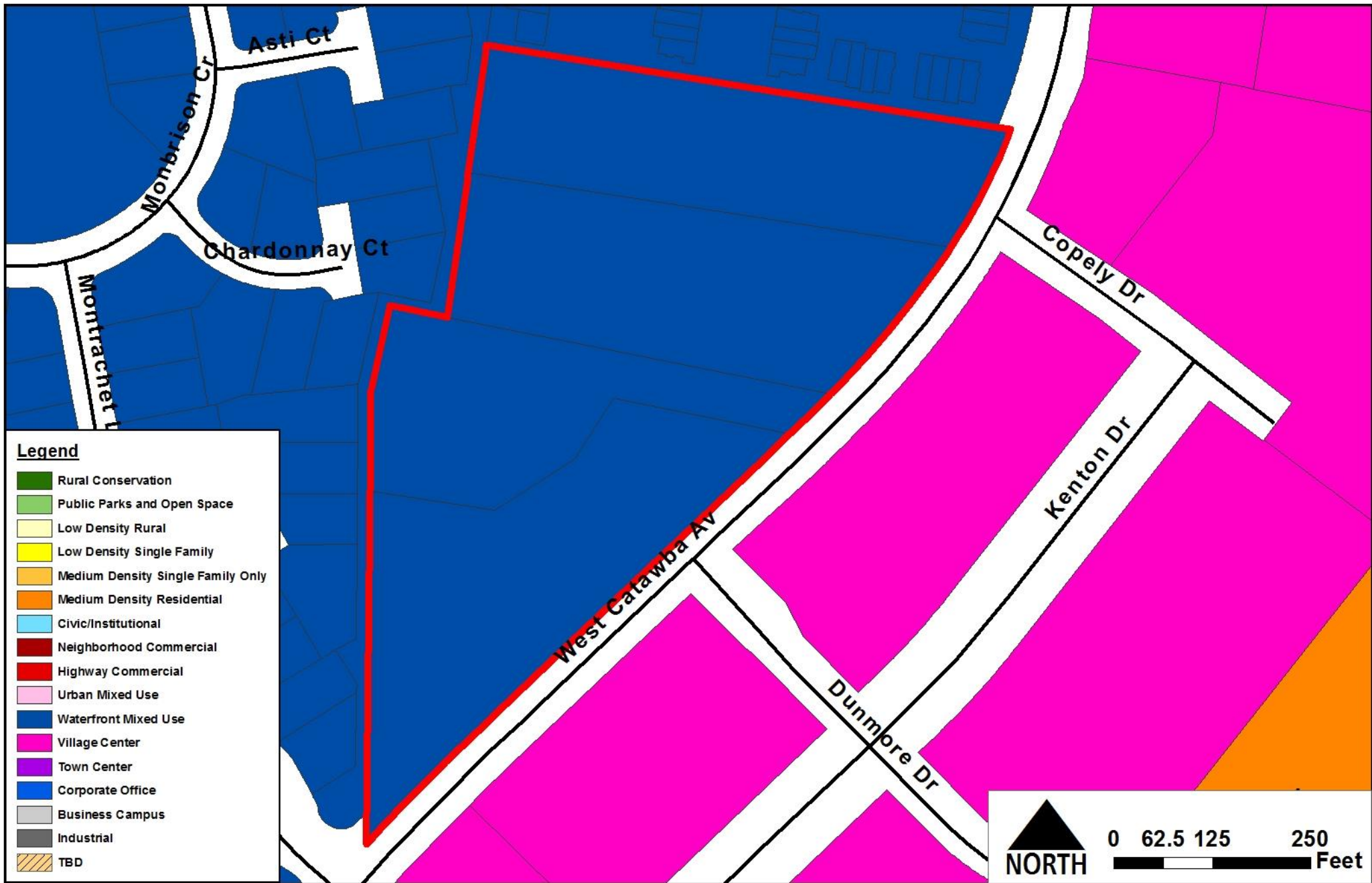
The Retreat

REZ 10-18

REZ 10-18 The Retreat

- Location: 17201 West Catawba Avenue (PID: 001-46-701, 001-45-702, 001-46-703 & 001-46-704)
- Property size: 9.52 acres
- Existing Zoning: General Residential (GR) and Neighborhood Residential (NR)
- Proposed Use: 60 townhomes (6.3/acre)
- Land Use Plan: 6 unit per acre maximum (57 units)
- 2016 applicant was advised to maintain 4 units per acre (38 units) and 40 were proposed.

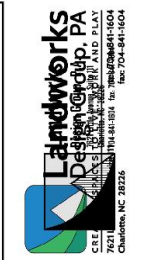
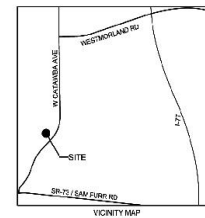




REZ 10-18 The Retreat

- Community Meeting held on January 8, 2019. Community comment again revolved around a desire for no commercial/office and having West Catawba widened.
- Transportation Advisory Board – January 8, 2019. West Catawba Avenue will have enough capacity when construction is complete.
- Town Board Public Hearing #1 – January 22nd and continued until February 18. Staff recommends continuing hearing again until March 4th to allow more time for public consideration of amended plan.
- Planning Board – March 11th(tentative)
- Town Board public hearing #2 and potential final decision – April 1st(tentative)

P:\2018\20180004 - West Catawba Retreat - Consulting\CAD\Sheet Planning\SDOT PG BASE_AncDOT_ALL_RZ-1.dwg

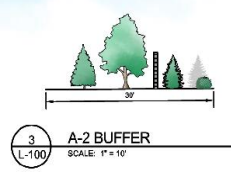
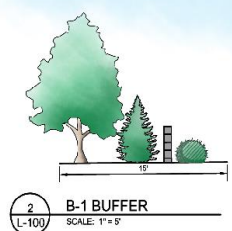
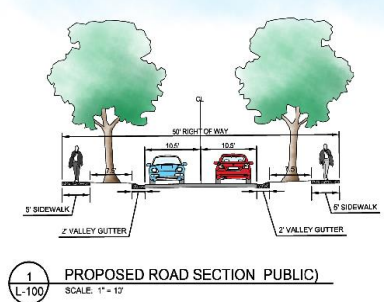


THE RETREAT
AT WEST CATAWBA
DEMETER PROPERTIES, LLC
CORNELIUS, NC

SCHEMATIC
CODE
REQUIRED
LANDSCAPE
PLAN

CORPORATE CERTIFICATIONS
NOTICE TO THE PUBLIC: THIS PLAN IS A PRELIMINARY DESIGN. IT IS NOT TO BE USED FOR CONSTRUCTION. SEE THE PROJECT MANUAL FOR A COMPLETE LIST OF REQUIREMENTS.
Project Manager: MDL
Drawn By: MDH
Checked By: MDL
Date: 11/19/18
Project Number: 18004
Sheet Number:

RZ-1
SHEET # 01 OF 01



This Plan is A Preliminary Design. NOT Released For Construction.

0 50 100 200
SCALE: 1"=50'

REVISIONS:

No.	Date	By	Description
1	2.7.18	MDH	STAFF COMMENTS AND REVISED NC DOT ROAD IMPROVEMENTS TO WEST CATAWBA AVENUE

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Julie Niswonger, Finance Director

Action Requested:

There are four items on tonight's budget amendment, and they include the following:

The first item is to fund \$24,000 for Rectangular Rapid Flash Beacons for three crosswalks on Jetton Road. These RRFBs will be funded through the use of general fund balance.

The second item represents a donation of \$1,500 to the PARC department for the commemorative bench donation program. The commemorative bench has been installed at Torrence Chapel Park.

The third item represents a donation from Chick-Fil-A to support the Cornelius Police Department in the amount of \$300.

Finally, there is a transfer of \$142 from the General Fund to the 911 Fund for expenditures that were previously recognized in the 911 Fund. The Town is not incurring additional expense; this transfer allows for the accounting recognition of the expense in general rather than 911.

Manager's Recommendation:

Approve an Ordinance to amend the FY19 operating budget.

ATTACHMENTS:

Name:	Description:	Type:
 Amend_FY19_#2.pdf	FY 2019 Operating Budget Amendment	Cover Memo

TOWN OF CORNELIUS
AN ORDINANCE AMENDING
THE OPERATING BUDGET FOR
FISCAL YEAR 2018-2019

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF
COMMISSIONERS OF THE TOWN OF CORNELIUS:**

SECTION 1. The following amounts are hereby authorized for all appropriations, expenditures and inter-fund transfers necessary for the administration and operation of the Town of Cornelius for the fiscal year beginning July 1, 2018 and ending June 30, 2019 in accordance with the following schedule of accounts heretofore established for this Town:

SCHEDULE A: GENERAL FUND

	Original Budget	Previous Amendment 7/2/2018	This Amendment 2/18/2019	Change
General Fund Revenues				
Ad Valorem Taxes	\$ 14,120,455	\$ 14,120,455	\$ 14,120,455	\$ -
Local Option Sales Tax	3,692,877	3,692,877	\$ 3,692,877	-
Utility Franchise Tax	1,736,302	1,736,302	\$ 1,736,302	-
Powell Bill Allocation	769,879	769,879	\$ 769,879	-
Other Taxes and Licenses	545,000	545,000	\$ 545,000	-
Unrestricted Intergovernmental	1,184,939	1,184,939	\$ 1,184,939	-
Restricted Intergovernmental	787,761	787,761	\$ 787,761	-
Permits and Fees	781,900	781,900	\$ 781,900	-
Sales and Services	190,000	190,000	\$ 190,000	-
Investment earnings	119,000	119,000	\$ 119,000	-
Donations	20,000	20,000	\$ 21,800	1,800
Micellaneous	18,800	18,800	\$ 18,800	-
Debt Issued	2,219,000	2,219,000	\$ 2,219,000	-
Appropriated Fund Balance	(968,530)	(258,118)	\$ (234,118)	24,000
Total General Fund Revenues	\$25,217,383	\$25,927,795	\$25,953,595	\$25,800
General Fund Expenditures				
Governing Board	\$ 79,698	\$ 79,698	\$ 79,698	\$ -
General Government	1,627,960	\$ 1,627,960	\$ 1,627,960	-
General Services	350,006	\$ 350,006	\$ 349,864	(142)
Police	6,690,183	\$ 6,731,221	\$ 6,731,521	300
Communications	636,002	\$ 636,002	\$ 636,002	-
Fire Operations	1,742,139	\$ 2,050,078	\$ 2,050,078	-
Animal Control	183,262	\$ 183,262	\$ 183,262	-
Public Works	1,303,280	\$ 1,664,715	\$ 1,688,715	24,000
Powell Bill	998,250	\$ 998,250	\$ 998,250	-
Solid Waste/Recycling	2,014,451	\$ 2,014,451	\$ 2,014,451	-
Stormwater	320,000	\$ 320,000	\$ 320,000	-
Planning / Land Development	610,580	\$ 610,580	\$ 610,580	-
Tourism	539,523	\$ 539,523	\$ 539,523	-
Art Center	652,746	\$ 652,746	\$ 652,746	-
Parks, Arts, Recreation, and Culture	3,861,382	\$ 3,861,382	\$ 3,862,882	1,500
Transfer to Capital Project Funds/ 911 Fund	784,240	\$ 784,240	\$ 784,382	142
Debt Service	2,823,681	\$ 2,823,681	\$ 2,823,681	-
Total General Fund Expenditures	\$25,217,383	\$25,927,795	\$25,953,595	\$25,800

SCHEDULE B: ELECTRIC FUND

Electric Fund Revenues

	Original Budget	Previous Amendment 7/2/2018	This Amendment 2/18/2019	Change
Sales and Services	\$ 6,689,526	\$ 6,689,526	\$ 6,689,526	\$ -
Fund Balance	7,278	\$ 121,178	\$ 121,178	-
Miscellaneous	10,000	\$ 10,000	\$ 10,000	-
Total Electric Fund Revenues	\$ 6,706,804	\$ 6,820,704	\$ 6,820,704	\$ -

Electric Fund Expenditures

Electric Department	\$6,706,804	\$6,820,704	\$6,820,704	\$ -
Total Electric Fund Expenditures	\$ 6,706,804	\$ 6,820,704	\$ 6,820,704	\$ -

SCHEDULE C: 911 FUND

911 Fund Revenues:

911 Fee Revenue	\$184,876	\$184,876	\$184,876	\$ -
Fund Interest Earnings	\$1,650	\$1,650	\$1,650	-
911 Appropriated Fund Balance	\$12,494	\$12,494	\$12,494	-
Total 911 Fund Revenues	\$ 199,020	\$ 199,020	\$ 199,020	\$ -

911 Fund Expenditures:

911 Department	\$199,020	\$199,020	\$199,020	\$ -
Total 911 Fund Expenditures	\$ 199,020	\$ 199,020	\$ 199,020	\$ -

SECTION 2. An ad valorem tax rate of \$.255 per \$100 of assessed valuation is hereby established as the official tax rate for the Town of Cornelius for the fiscal year 2018-19. This rate is based on an estimated valuation of \$5,085,620,782 and an estimated 98.5% percent collection rate, which is at least the collection rate expected during the 2017-18 fiscal year.

SECTION 3. In accordance with G.S. §159-9 and G.S. §159-15, the Town Manager shall serve as the budget officer and is hereby authorized to reallocate appropriations among the objects of expenditure under the following conditions:

- a. The Town Manager may transfer amounts between line-item expenditures even among departments as believed to be necessary and prudent.
- b. He may not transfer any amounts between funds, except as approved by the Board of Commissioners in the Budget Ordinance as amended.

Adopted this the 18th day of February, 2019.

Woody T. Washam Jr., Mayor

SEAL

ATTEST:

APPROVED AS TO FORM:

Lori A. Harrell, Town Clerk

Karen Wolter, Town Attorney

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Tyler Beardsley, Assistant Town Manager/Public Works Director


Action Requested:

North Carolina General Statute requires that Town owned property that is no longer used, in need of repair, or dilapidated can be declared surplus. Once declared surplus, these items will be placed on the online auction website GovDeals.com to be sold to the highest bidder.

Manager's Recommendation:

Approve a Resolution declaring various vehicles and vehicle equipment as surplus property.

ATTACHMENTS:

Name:	Description:	Type:
 RES-Surplus_Property_02.18.19.pdf	Surplus Property	Resolution Letter

A RESOLUTION DECLARING SURPLUS PROPERTY

WHEREAS, it has been determined by the Board of Commissioners that certain property owned by the Town of Cornelius is dilapidated and in need of repair or replacement; and

WHEREAS, it has been determined that the cost of repair is beyond the value of the piece of equipment; and

WHEREAS, the Board of Commissioners is desirous of disposing of the property; and

WHEREAS, North Carolina General Statute 160a-270(c) enables municipalities to conduct auctions of real or personal property electronically by authorizing the establishment of an electronic auction services.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Cornelius that the attached as Exhibit A of property shall be declared surplus property and sold via GovDeals online auction service:

NOW, THEREFORE, IT IS FURTHER RESOLVED that the Town Manager is hereby authorized to dispose of said items in accordance with law.

Adopted this 18th day of February, 2019.

SEAL

Woody Washam Jr., Mayor

ATTEST:

APPROVED AS TO FORM:

Lori A. Harrell, Town Clerk

Town Attorney

VEHICLES:

2009	Toyota	Prius	JTDKB20U993474025	175898	Mileaged out
2008	Ford CV	Crown Vic	2FAFP71V78X150957	102135	Mileaged out
2008	Ford CV	Crown Vic	2FAFP71V78X150960	107444	Trans/Engine
2010	Ford CV	Crown Vic	2FABP7BV8AX106437	118911	AC/Clutch
2010	Ford CV	Crown Vic	2FABP7BV8AX106438	104627	Mileaged out
2010	Ford	Fusion	3FADP0L31AR271126	188762	Mileaged out
2013	Ford SUV	Intercept	1FM5K7AR4DGB28272	114786	Mileaged out
2010	Ford CV	Crown Vic	2FABP7BV6AX114518	118554	Out of Service/Engine
2000	Chevrolet	Blazer	1GNDT13W2Y2240303	128455	Mileaged out/No longer needed

**OTHER
EQUIPMENT:**

Miscellaneous Police Equipment removed from vehicles
--

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Lori Harrell, Town Clerk


Action Requested:

Review the minutes from the Feb. 4th Regular Meeting.

Manager's Recommendation:

Approve minutes.

ATTACHMENTS:

Name:	Description:	Type:
 02-04-19_Regular_Meeting_draft.pdf	Regular Minutes	Backup Material



BOARD OF COMMISSIONERS

February 4, 2019
MINUTES

PRE-MEETING – 5:45PM

❖ North Corridor Presentation – CATS

John Lewis and Jason Lawrence with CATS gave an update on the North Corridor Study. Mr. Lewis gave an overview of the study that points to using the I-77 HOT lanes for BRT (Bus Rapid Transit). Mr. Lawrence presented the 1 ½ year study that included 19 public workshops, surveys, Facebook Live workshops and stakeholder meetings to establish the guiding principles and define staff recommendations for short, medium and long term rapid transit options. He explained the next phase of the study with additional recommendations and future implementation. Mr. Lawrence stated that CATS staff will present their recommendations to MTC on February 27th. Mayor Washam asked the Board to provide a directed vote for Cornelius at the MTC meeting.

Commissioner Miltich made a motion to support the short, medium and long term North Corridor options presented and directed Mayor Washam to vote accordingly at the February 27th MTC meeting. Commissioner Naas seconded the motion and it passed unanimously, 5-0.

❖ Closed Session

Mayor Washam called for a motion to go into Closed Session to discuss a contract matter under attorney-client privilege.

Commissioner Miltich made a motion to go into Closed Session at 6:26PM. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Upon return from Closed Session at 7:01PM, Mayor Washam dismissed everyone to go downstairs for the Regular meeting.

REGULAR MEETING – 7:00PM

1. CALL TO ORDER

Mayor Washam called the meeting to order at 7:05PM.

2. DETERMINATION OF QUORUM

All commissioners were present for the meeting.

3. APPROVAL OF AGENDA

Commissioner Miltich made a motion to approve the agenda as presented. Commissioner Bilodeau seconded the motion and it passed unanimously, 5-0.

4. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

Jim Duke led the pledge after a moment of silence was observed.

5. MAYOR/COMMISSIONERS/MANAGER REPORTS

Commissioner Bilodeau reported on the following:

- Attended the VLN Board meeting on Jan. 28th
- Attended the northern Towns and County park meeting on Jan. 30th
- PARC – Home Grown Art Exhibit opening night was held on Feb. 1st; a Celebration of Arts event will be held at Brick Row on Feb. 21st (6PM-9PM); the Black History Celebration will be held at Town Hall on Feb. 23rd (1PM-3PM); and an information update on the North Meck Regional Rec. Center will be held at Bailey Middle School on Feb. 26th (6:30PM-8:00PM)

Commissioner Ross reported on the following:

- Attended the ElectriCities Board meeting on Jan. 22nd
- Attended the swearing-in ceremony of U.S. Congresswoman Alma Adams on Jan. 26th at Johnson C. Smith University
- Chamber – Focus Friday will be held on Feb. 13th (8:30AM); and the Health Fair Summit will be held on Feb. 21st at Northstone Country Club

Commissioner Miltich reported on the following:

- Visited with Fire Station 1 on Jan. 23rd
- Attended a public input session for Lake Cornelius Public Access project on Jan. 23rd
- Met with Hough High School Principal Rosenbach regarding rising issues and concerns
- Attended the quarterly Unity and Community meeting on Jan. 26th
- Attended the LDCAB meeting held on Jan. 28th
- Attended the Smithville Coalition meeting on Jan. 28th
- Attended the TAB meeting on Jan. 29th
- Participated in a conference call with a representative from the Center for Public Safety Management regarding consultant work in Cornelius
- Attended the Homegrown Art Exhibit on Feb. 1st

Commissioner Naas reported on the following:

- Attended the TAB meeting on Jan. 29th
- Attended the Huntersville Education Options Study Commission (HEOSC) meeting on Jan. 28th
- A joint CEOSC and HEOSC will be held in Cornelius on Feb. 11th (6:00PM)

Manager Grant reported on the following:

- A water leak has been identified at Potts Street and Hwy. 115
- The Adaptive Signal Control technology will go live on Feb. 5th
- Meck. County Tax Assessor's office is holding a revaluation community meeting at Town Hall on Feb. 6th
- Robbins Park public meeting will be held on Feb. 19th (6:30PM-8:30PM)
- North Regional Recreation Center public meeting will be held at Bailey Middle School on Feb. 26th (6:30PM-8:00PM)
- Antiquity Greenway project should be completed in July, 2019

Mayor Washam reported on the following:

- Headed to Washington DC for a bankers conference but will be lobbying for Cornelius with the U.S. delegation while in D.C.
- EDC – the North Mecklenburg Demographic & Housing Assessment has been completed
- Visited with the 2nd graders from Southlake Christian Academy during their trip to Town Hall
- Connecting Cornelius event held at Harvey's this morning was very well attended (~100 people)
- Attended the Big Day at the Lake 2019 kickoff celebration

6. CITIZEN CONCERNS/COMMENTS

Dave Yochum stated that the fundraising has begun for Big Day at the Lake 2019. He explained that the focus is on providing a full day of fun for “Littles”, recruitment of Bigs and raising money for Big Brothers/Big Sisters. Jim Duke stated that Big Day at the Lake 2018 raised approx. \$120K and 2019's goal is \$150K. The kickoff celebration raised approx. \$64K.

7. PUBLIC HEARING

A. REZ 02-18 Mulberry Townhomes

Mayor Washam called for a motion to open the 1st public hearing on REZ 02-18 Mulberry Townhomes.

Commissioner Miltich made a motion to open the public hearing. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Asst. Planning Director Aaron Tucker gave the staff presentation on the proposed rezoning to build 6 townhomes located on Mulberry Street behind Food Lion. He outlined the site plan and highlighted where additional on-street parking would be located within the site.

Commissioner Miltich asked what concerns were raised at the community meeting. Mr. Tucker stated that most of the concerns were parking related.

Commissioner Bilodeau asked what the turnout was for the community meeting. Mr. Tucker stated that approximately 10 people attended.

Commissioner Gilroy asked if the proposal was part of the original plan. Deputy Manager Wayne Herron stated that the site was a phase of the original plan approved as a CUP (Conditional Use Permit) that allowed for 11+ units; however, that phase was never completed and the CUP has since expired and the zoning has been changed to *Town Center* and does not allow townhomes in the proposed area. The proposed rezoning will allow for both sides of Mulberry Street to remain residential and the applicant has reduced the number of units to 6. Commissioner Gilroy asked if there was any type of buffer between the residential and commercial. Deputy Herron stated that the *Code* does not require a buffer between residential and commercial in Town Center zoning. Mr. Tucker added that he believes there will be a fence along the backside of the townhomes.

Mayor Washam invited the applicant to speak.

Scott Hooks explained that during the pre-planning stages of design it was determined that the original 1997 approval (of 11 townhomes), density was too high and parking would be a concern; therefore, the new proposal includes 6 townhomes with concrete patios, 2-car garages and 1 additional parking place that is contained within the site. A retaining wall and 6 foot privacy fence along the rear of the site will help create a break between the commercial and residential zoning. The area where the utility boxes are will be screened with landscaping and used as open space.

Mayor Washam invited the public to speak and the following comments were made:

Nancy Archer – 21100 Catawba Avenue, explained that she grew up on Mulberry Street and her mother's home is on Mulberry Street; therefore, she has a vested interest in Mulberry Street. She stated that when she attended the community meeting her biggest concern was parking; however, she believes the height of the townhomes are going to have a negative impact on the homes on the other side of Mulberry Street.

Mike Medson – 21320 Pine Street, expressed his concerns with the parking issues that exist for the current townhomes and that the proposed project may affect emergency service access.

Lorie Schneider – 20405 Church Street, questioned what would happen to the single-family homes on the other side of Mulberry if the street were to redevelop. Mr. Herron stated that the land will remain zoned as Medium-Density Residential and the rezoning request is a transition from residential to commercial and not necessarily going to be a mirror image of the other side of the road.

There being no further comments, Mayor Washam called for a motion to close the public hearing.

Commissioner Miltich made a motion to close the public hearing on REZ 02-18. Commissioner Gilroy seconded the motion and it passed unanimously, 5-0.

8. CONSIDERATION OF APPROVAL

A. PARC Commission Appointments

PARC Director Troy Fitzsimmons stated that Chris Kolkhorst and Travis Dancy were interested in serving another 3yr. term. He explained that Seat 3 was vacant and of the 11 applications received, 4 interviews were conducted and the PARC Commission has recommended Meghan Stamper to fulfill the remaining term of Seat 3.

Commissioner Miltich made a motion to reappoint Chris Kolkhorst and Travis Dancy for another term and appoint Meghan Stamper to fill vacant seat 3 to the PARC Commission. Commissioner Bilodeau seconded the motion and it passed unanimously, 5-0.

B. NCDOT Municipal Agreement-Bailey Road Realignment

Manager Grant explained that the municipal agreement with NCDOT is to extend Bailey Road from the sharp curve by Poole Place to Hwy. 21.

Commissioner Miltich made a motion to approve the NCDOT Municipal Agreement and authorize the Town Manager and Town Attorney to finalize the agreement.

Commissioner Ross seconded the motion and it passed unanimously, 5-0.

9. CONSENT AGENDA

A. Approve Regular Meeting Minutes (Jan. 22nd) (Approved 5-0)

B. Approve Closed Session Minutes (Jan. 22nd) (Approved 5-0)

Commissioner Ross made a motion to approve the Consent Agenda as presented.

Commissioner Miltich seconded the motion and it passed unanimously, 5-0.

10. COMMISSIONER CONCERNS

No concerns were expressed.

11. ADJOURNMENT

There being no further business to discuss, Commissioner Miltich made a motion to adjourn at 8:08PM. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Approved this 18th day of February, 2019.

ATTEST:

Woody Washam, Jr., Mayor

Lori A Harrell, Town Clerk

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Lori Harrell, Town Clerk

Action Requested:

Review the minutes from the Feb. 4th Closed Session meeting.

Manager's Recommendation:

Approve minutes.

ATTACHMENTS:

Name:	Description:	Type:
 02-04-19_Closed_Session.pdf	Closed Session	Backup Material

REQUEST FOR BOARD ACTION

 **Print**

Date of Meeting: February 18, 2019

To: Mayor and Board of Commissioners

From: Julie Niswonger, Finance Director

Action Requested:



Approve a contract with Martin Starnes & Associates to audit the Town of Cornelius FY19 financial statements.

Staff has negotiated with Martin Starnes & Associates to audit the current year financial statements. We have agreed upon a fee of \$31,550. There is no fee increase from FY18. This \$31,550 contract price includes \$1,500 in fees associated with single audit additional procedures applicable to Powell Bill and grant funds.

Manager's Recommendation:

Approve audit contract.

ATTACHMENTS:

Name:	Description:	Type:
 2019_Town_of_Cornelius_Contract.pdf	TOC 2019 Audit Contract	Cover Memo
 Town_of_Cornelius_-_2019_Single_Audit_Engagement_Letter.pdf	TOC 2019 Single Audit Engagement Letter	Cover Memo

The of and	Governing Board Board of Commissioners
	Primary Government Unit Town of Cornelius, NC
	Discretely Presented Component Unit (DPCU) (if applicable) NA

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

and	Auditor Name Martin Starnes & Associates, CPAs, P.A.
	Auditor Address 730 13th Ave Dr SE, Hickory, NC 28602

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Audit Report Due Date
	06/30/19	10/31/19

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).

County and Multi-County Health Departments: The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on

eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

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*, 2011 revisions, 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. 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. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. 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, 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 12).

10. 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.

11. 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.

12. 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.

13. The Auditor shall submit the report of audit in PDF format to LGC Staff 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.

If the OSA designates certain programs to be audited as major programs, as discussed in Item 2, a turnaround document and a representation letter addressed to the OSA shall be submitted to LGC Staff.

14. 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.

15. 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). 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.

16. 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 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 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

18. 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.

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

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.
26. 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).
27. 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>.
28. 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.

FEES FOR AUDIT SERVICES

For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. 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. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

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, 9, and 12 for details on other allowable and excluded fees.

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 audit fee. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

20 NCAC 03 .0505: 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.

PRIMARY GOVERNMENT FEES

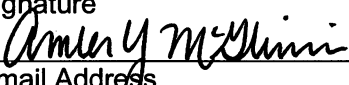
Primary Government Unit	Town of Cornelius, NC
Audit	\$ See fee section of engagement letter
Writing Financial Statements	\$ See fee section of engagement letter
All Other Non-Attest Services	\$ N/A
75% Cap for Interim Invoice Approval	\$ 23,662.50

DPCU FEES (if applicable)

Discretely Presented Component Unit	NA
Audit	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed) Amber Y. McGhinnis	Signature 
Date 01/24/19	Email Address amcghinnis@martinstarnes.com

GOVERNMENTAL UNIT

Governmental Unit Town of Cornelius, NC	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref. G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed) Woody Washam, Jr., Mayor	Signature
Date	Email Address wtwasham@cornelius.org

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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) Julie Niswonger, Finance Director	Signature
Date of Pre-Audit Certificate	Email Address jniswonger@cornelius.org

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

DPCU – PRE-AUDIT CERTIFICATE

(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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) NA	Signature
Date of Pre-Audit Certificate	Email Address

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

PRINT



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates CPAs, P.A. and the
Peer Review Committee, North Carolina Association
Of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates CPAs, P.A. (the firm) in effect for the year ended December 31, 2017. 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 compliance audits under the Single Audit Act and an audit of an employee benefit plan.

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

Opinion

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

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 3, 2018

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

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919 542 6000
919 542 5764 FAX

MARTIN ♦ STARNES

& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

January 24, 2019

Julie Niswonger
Town of Cornelius
21445 Catawba Avenue
Cornelius, NC 28031

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cornelius, NC, as of June 30, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Town of Cornelius' basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and State award programs for the period ended June 30, 2019. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and State award programs.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the 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 required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Government Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the Town of Cornelius' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budgetary schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

The following additional information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- Introductory section
- Statistical tables

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

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. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and the direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Town of Cornelius' basic financial statements. Our report will be addressed to the governing body of the Town of Cornelius. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the Town of Cornelius' major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal and state award programs. Our procedures will consist of determining major federal and state programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For the design, implementation, and maintenance of internal control over federal and state awards;

7. For establishing and maintaining effective internal control over federal and state awards that provides reasonable assurance that the nonfederal and nonstate entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state statutes, regulations, and the terms and conditions of federal and state award programs and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
9. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above (including the Schedule of Expenditures of Federal and State Awards), you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with

the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Fixed:	
Audit	\$ 26,200
Single Audit Fees	1,500
Financial Statement Drafting	3,850
Other Non-Attest Services	-
	<u>\$ 31,550</u>

Our invoices for these fees will be rendered in four installments as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Town of Cornelius' personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Assistance with Financial Statement Drafting

Your personnel is responsible for drafting the Schedule of Expenditures of Federal and State Awards. Upon completion of the drafted schedule, we will review it and return it to you with suggested revisions. If significant assistance is needed to make those revisions, this will result in additional fees based on the amount of assistance required.

Our fees are 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. Our fees for such services range from \$75-\$300 per hour.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or State agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of Data Collection Form

We will not assume management responsibilities on behalf of the Town of Cornelius. However, we will provide advice and recommendations to assist management of the Town of Cornelius in performing its responsibilities.

With respect to the nonattest services we perform as listed above, the Town of Cornelius' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the services in accordance with applicable professional standards.
- This engagement is limited to the nonattest services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account codings and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;

- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Town of Cornelius by:

Name: _____

Title: _____

Date: _____