



**Executive Committee
February 27, 2019 – 11:00am
Land of Sky Regional Council
339 New Leicester Highway, Suite 140, Asheville, North Carolina 28806**

AGENDA

1. Call to Order (11:00am)

2. Consent Agenda

Consent Agenda items are considered routine and noncontroversial in nature, and are considered and approved by a single motion and vote. If any member of the Executive Committee requests an item be removed from the Consent Agenda for separate consideration and action, that item will be placed under the Business, Updates and Discussion section of the agenda.

- A. January 23, 2019 Executive Committee Meeting Minutes
- B. On-Call Answering Services & Transportation Services Proposals
- C. French Broad River Partnership
- D. Senior Companion Program FY 2020 5310 Rural Transportation Grant
- E. Nominating Committee/Officer and Executive Committee Elections

3. Business, Updates and Discussion

- A. Presentation of Audit for the Fiscal Year Ending June 30, 2018
- B. Audit Contract for the Fiscal Year Ending June 30, 2019
- C. Closed Session

4. Other Items

5. Adjournment



AGENDA ITEM SUMMARY

Item: Consent Agenda – 2A, 2B, 2C, 2D, and 2E

Nature of Item: Executive Committee Action Requested

Attachment(s): Draft January 23, 2019 Executive Committee Meeting Minutes

Staff: Justin Hembree

Background: Five items are presented for consideration and action as part of the Consent Agenda. Consent Agenda items are considered routine and noncontroversial in nature, and are considered and approved by a single motion and vote.

If any member of the Executive Committee requests an item be removed from the Consent Agenda for separate consideration and action, that item will be placed under the Business, Updates and Discussion section of the agenda. Staff will provide an overview of each item prior to consideration of approval of the Consent Agenda.

Suggested Motion: Move to approve consent agenda.

Item 2A – January 23, 2019 Executive Committee Meeting Minutes

Staff: Zia Rufkin

Attached are minutes of the January 23, 2019 Executive Committee meeting.

Staff recommends approval of the minutes as part of the consent agenda.

Item 2B – On-Call Answering Services & Transportation Services Proposals

Staff: Deon Lytle

Staff seeks approval to respond to two requests for proposals recently released by Buncombe County Health and Human Services. Specifically, NEMT Call Center leadership is interested in responding to an RFP for after-hours/weekend answering services and an

RFP for specialized Medicaid transportation services. Staff feels these two opportunities can enhance Call Center operations, expand the Council's menu of service offerings, and generate additional revenue through local fee-for-service contracts.

Staff recommends authorization to proceed with responding to the two RFPs as part of the consent agenda.

Item 2C – French Broad River Partnership

Staff: Erica Anderson

In November 2018, a diverse group of State, Federal, local agencies, and nonprofit organizations convened a stakeholder group in support of the French Broad River Watershed region. The FBR Partnership is a newly developing stakeholder group with hopes to improve collaboration across all sectors to support the health and growth of the watershed. The Partnership's Steering Committee is comprised of local business owners, US Fish and Wildlife staff, NC DEQ and Forestry staff, nonprofit Directors, and Land of Sky staff.

The Steering Committee has requested that Land of Sky Regional Council act as their fiscal administrator.

Mission

To maintain and improve stream health within the French Broad River Watershed for environmental and economic benefits.

Vision

That broad-based interests work collaboratively to ensure the French Broad River Watershed serves as a source of drinking water and recreation while supporting biodiversity, sustainable agriculture, forestry, and economic growth.

Guiding Principles

- We recognize sustainable economic development and the pursuit of improved water quality are mutually beneficial goals.
- We work collaboratively, engaging the skills and resources of diverse stakeholders to achieve a greater positive impact.
- We operate with integrity and transparency to define challenges to watershed health and resolve them through innovation and stakeholder commitment, resulting in a lasting impact on the river.
- We engage communities because knowledge empowers all to consider the health of the river in daily and long-term decisions.

Staff recommends authorization for the Council to act as the FBR Partnership's fiscal administrator as part of the consent agenda.

Item 2D – Senior Companion Program FY 2020 5310 Rural Transportation Grant

Staff: Ann Whisenhunt

As presented during the September 2018 Executive Committee meeting, NCDOT directed staff to apply for a 5310 capital grant for 2020. This specific program has now switched to an operating grant. The total grant amount has not changed, but ratio of match changed from 80/20 to 50/50. NCDOT has requested the Executive Committee record in the minutes that they are aware of the change in funding requirements. Match funds are included in the Senior Companion Program budget.

Details from NCDOT Staff: Originally, applied for G621-Volunteer Reimbursement under a FY20 5310 capital application (#1000007164). That application has been zeroed out and a new application (#1000007402) has been created to move the capital request to a 5310 operating application. It has been determined that volunteer reimbursement is considered an operating cost because it is paying for someone's expenses incurred related to transit business operations. Capital is restricted to purchase of service.

New Senior Companion FY 20 5310 Rural Operating Application Funding Amounts:

Federal - \$8,787.00 (50%)

State - \$0

Local - \$8,787.00 (50%)

Total - \$17,574.00

Staff recommends acceptance of this information as acknowledgement of the change as part of the consent agenda.

Item 2E – Nominating Committee/Officer and Executive Committee Elections

Staff: Justin Hembree

The following information from Chair Harris' recent memo is presented for your information and a reminder of action that will be requested by the Board of Delegates.

Based on a review of Council Bylaws, several steps will be taken during February and March to ensure the Board of Delegates is able to move forward with 2019 Council elections. Please accept the following for your information:

A Nominating Committee, consisting of three delegates not serving on the Executive Committee, needs to be appointed by the Board of Delegates. Based on recommendation of legal counsel, I requested our Executive Director to contact the delegates below and determine if they would be willing to serve if approved by the Board of Delegates. The Nominating Committee, once approved, will then work with the Executive Director to submit to the Board of Delegates the names of

proposed officers and Executive Committee members at the Council's Annual Meeting on March 27, 2019.

The following delegates have agreed to serve on the Nominating Committee:

Nancy Allen, Town of Marshall
Bob Davey, Town of Fletcher
Albert Gooch, Village of Flat Rock

During its February 27, 2019 meeting, the Board of Delegates will be asked to formally appoint these delegates to serve as the Nominating Committee.

The Executive Committee shall be comprised of the following:

Officers of the Council (Chair, Vice-Chair, Secretary, and Treasurer)
One county delegate
One municipal delegate
One Past Chair of the Council
One person to ensure representation of minority interests
One person to ensure representation of the Aging Advisory Council or Senior Volunteer Services Advisory Council

The Nominating Committee will work to develop a recommended slate of officers and Executive Committee members. The recommended slate will be presented to the Board of Delegates at the March 27, 2019 meeting. Nominations from the floor are allowed and the election will be held during this meeting.

No specific action is recommended. Board of Delegates action is recommended.

**Land of Sky Regional Council
Executive Committee
January 23, 2019**

Minutes

Land of Sky Regional Council's Executive Committee held a meeting on January 23, 2019 at the offices of Land of Sky Regional Council (LOSRC) in Asheville, NC. Present for the meeting: Larry Harris (Presiding), George Goosmann, Mike Hawkins, Charles Dickens, and Patrick Fitzsimmons. Land of Sky staff present: Justin Hembree, Danna Stansbury, LeeAnne Tucker, Vicki Jennings, Nathan Ramsey, Zia Rifkin (Recording), and Billy Clarke (Legal Counsel).

Call to Order – Chair Harris called the meeting to order at approximately 11:30am.

Approval of Consent Agenda – The Consent Agenda, consisting of the minutes of the December 5, 2018 Executive Committee meeting, were presented for consideration.

George Goosmann moved to approve the consent agenda as presented. Mike Hawkins seconded and the motion carried without further discussion.

New Business, Discussion & Updates

Clean Vehicles Coalition Contract Modification

Erica Anderson shared that the US Department of Energy's Clean Cities Program has offered to modify the existing contract that supports the work of Land of Sky Clean Vehicles Coalition. This year's annual support will be \$82,500 to promote the use of alternative fueled and advanced technology vehicles and fueling/charging infrastructure in WNC. Through this contract, LOSRC will assist member governments and others in exploring alt fuel vehicle use and securing funding for projects, including funding through the Volkswagen Settlement (NC is receiving \$92 million).

Mike Hawkins moved to authorize the Executive Director to execute all documents related to this contract modification. Charles Dickens seconded and the motion carried upon a vote.

MPO Corridor Studies – MOAs with City of Asheville and Buncombe County

Erica Anderson shared about the MPO Corridor Studies- Memorandum of Agreements (MOAs) for the City of Asheville and Buncombe County. She communicated that in March 2018, the French Broad River MPO (FBRMPO) Board approved funding Corridor Studies, which utilized \$37,500 in NCDOT funding with a local match of \$37,500 from Surface Transportation Program-Directly Attributable (STP-DA) set aside funds through the FBRMPO. The business before the Executive Committee today is a request to approve LOSRC entering into the MOAs with City of Asheville and Buncombe County.

George Goosmann moved to approve LOSRC entering into the Memorandums of Administration (MOAs) with the City of Asheville and Buncombe County. Patrick Fitzsimmons seconded and the motion carried without further discussion.

CEDS Committee

Erica Anderson shared an update concerning the Comprehensive Economic Development Strategy (CEDs) in relation to membership and activities. She encouraged Executive Committee members to provide suggestions for members to serve on the CEDs Committee, including the addition of healthcare professionals.

Discussion occurred regarding the benefits of including a representative from HCA or the Dogwood Health Trust on the CEDs Committee.

No action requested.

MAHEC Partnership

LeeAnne Tucker shared that Area Agency on Aging (AAA) received a proposal on December 28, 2018 from Program Manager Evan Richardson with Mountain Area Health Education Center (MAHEC) for a Community Health Worker (CHW) Program through a funded collaboration with the AAA. Details of the proposal include total revenue in the amount of \$900 for FY 19 (2/1/19-6/30/19) for deliverables, which includes the development of slides, the recording of an online module; the development of a facilitator's guide and a competency assessment for "What is a Community Health Worker's Role?" The total estimated time for the deliverables is six hours of work paid at a rate of \$150 per hour. Additionally, for FY 20 (7/1/19-6/30/20), additional revenue of \$3600 would be paid to provide technical assistance with hiring, onboarding, and implementation of CHWs at MAHEC, working with Dow Stick, FNP, Care Coordination Program Manager (CHWs Supervisor) at a rate of \$150 per hour for 20 hours of work. An additional four hours of paid work (\$150 per hour/\$600 in revenue) would be provided for the facilitation of two separate one-hour case-based application sessions for "What is a Community Health Worker?" using a facilitator's guide and the administration of competency assessments.

Discussion occurred about what Community Health Workers do and LeeAnne Tucker shared that they are the liaisons who help folks connect with necessary healthcare/wellness activities. She also shared that talks have begun to make the CHW designation available through certified training. Justin Hembree communicated that essentially, what we are doing is providing expertise to outside organizations to assist them in addressing the social terms of health. This could become a type of fee-for-service activity that LOSRC is interested in engaging in with local organizations. LeeAnne Tucker shared that there is a pilot CHW program going on at Asheville Terrace Apartments. Stephanie Stewart is the Health Promotions staff at LOSRC who is heading up the CHW initiative.

George Goosmann moved to incorporate this funding into the Area Agency on Aging Health Promotion/Community Health Worker budget for FY 19 and FY 20. Mike Hawkins seconded and the motion carried without further discussion.

Finance Director

Justin Hembree provided an update on the filling of the Finance Director position. He noted that an offer has been extended to Charlotte Sullivan. Ms. Sullivan will be present at the Board meeting today for introductions. Justin Hembree shared that Charlotte will be joining LOSRC after the beginning of March. He noted that she would be meeting with finance staff, who will work to get her familiar with LOSRC's charts of accounts, etc. He noted, too, that LOSRC is very fortunate to get Ms. Sullivan as LOSRC's Finance Director as she was the finance director for Asheville City Schools and Polk County's public school system; providing her with the requisite local government background, familiarity with federal funding and the requirements of Uniform Guidance.

No action requested

Executive Committee/Officers Nominations Discussion

Justin Hembree communicated that LOSRC's annual meeting is usually held in March, rather than May. Discussion occurred that there is a need to get new folks on the Executive Committee and to do that, it would be best to hold the annual meeting in May, rather than March.

Discussion occurred about whom would be good to put on the Executive Committee and George Goosmann shared that Barbara Volk, Mayor of Hendersonville attends Board meetings regularly and would be a good addition to the Executive Committee. Other potential delegates to serve on the Executive Committee could include Albert Gooch with the Village of Flat Rock, and Jonathan Kanipe- Town of Biltmore Forest. Charles Dickens communicated that the representative of the Regional Aging Advisory Committee does not need to be the chair; it could be another representative of the body.

Additionally, he noted that the current chair of the Regional Aging Advisory Committee is Bob Tomasulo, who is also serving on the Regional Council. Discussion occurred about the bylaws and if there were specified terms for the Executive Committee. Justin Hembree noted that there are seven slots on the Executive Committee. Also, it would be best for the Executive Committee, acting as the Nominating Committee, to suggest the full slate of officers to the Board of Delegates.

Chair Harris affirmed his willingness to continue as Chair. Justin Hembree noted that there are other slots on the Executive Committee that could be filled by current committee members. George Goosmann and Patrick Fitzsimmons noted their willingness to also continue service on Executive Committee. Mike Hawkins shared that he is now Chair of the Transylvania Commission and is willing to remain an Executive Committee member; however, he would not mind stepping aside.

Justin Hembree shared that some of the seats on the Executive Committee could be difficult to fill since the requirements of the seats are very specific. He communicated that he would review the bylaws, the slots on the Executive Committee, and send out the details of what those slots represent. The goal is to have as diverse a group as possible serve. Billy Clarke noted that it might be beneficial to have some component of the Board involved with the Nominating Committee. George Goosmann offered to ask Albert Gooch, Barbara Volk and Jonathan Kanipe if they were willing to serve on Executive Committee. Justin Hembree noted that four slots on Executive Committee must be elected officials, while other members of the Board who are not elected officials could fill the remaining slots. The key is to nominate as many folks as possible, who are willing to serve. Through the Strategic Plan, there will be additional committees, providing more opportunities for Board of Delegates members to be more active with the organization. Chair Harris noted that one slot on Executive Committee is for an Aging Representative. Justin Hembree noted that formerly, there was an informal progression to provide continuity. Billy Clarke emphasized that it would be best to hold off on nominations until slots on Executive Committee are confirmed. Chair Harris noted that the Strategic Plan would be approved in February, and the current officers could serve for another year to provide continuity.

No action requested.

Other Items

Justin Hembree shared that Brian Caskey, Councilman for Mills River, is very interested in the Town becoming a part of the Regional Council. He shared that he will be visiting the Town on Thursday to provide information to elected officials on the benefits of being a member government. He also communicated that LOSRC is very interested in having the Town become a member of the regional council. Discussion occurred that in Henderson County, the County pays dues for people in the unincorporated parts of the county and the municipalities pay their own dues. Erica Anderson shared that with regards to Mills River, LOSRC is already doing work (on the Broadband initiative) for the entire County of Henderson so it's not really doing anything extra for Mills River. Justin Hembree affirmed that since work is being done in the county, which does not exclude any parts of the county, that could provide an opportunity to have that conversation with Mills River about the specific things they need and provide those on a fee-for-service basis. Erica Anderson noted that it would be less expensive for the Town to pay the annual dues than to pay a fee-for-service.

Discussion also occurred that there are open slots on the Board that the counties need to fill. It was shared that Tim Love, with Buncombe County is willing to serve as an alternate on the Board. Justin Hembree also noted that there may be the possibility of finding an alternate delegate for Henderson County who could attend meetings.

Adjournment

Chairman Harris adjourned the meeting, as there was no further business.



AGENDA ITEM SUMMARY

- Item:** Presentation of Audit for the Fiscal Year Ending June 30, 2018 – 3A
- Nature of Item:** Executive Committee Action Requested
- Attachment(s):** None (Financial Statements and Compliance Report Included as Attachment in Agenda Packet Email)
- Staff:** Valerie Kiger, CPA
- Background:** Valerie Kiger with Cannon & Company will present the Council's audit for the fiscal year ending June 30, 2018. Valerie will provide hard copies of the audit report.
- Suggested Motion:** Move accept the Financial Statements and Compliance Report for the fiscal year ending June 30, 2018.



AGENDA ITEM SUMMARY

- Item:** Audit Contract for the Fiscal Year Ending June 30, 2019
- Nature of Item:** Executive Committee Action Requested.
- Attachment(s):** Engagement Letter
Audit Contract
- Staff:** Justin Hembree
- Background:** It is time for the Executive Committee to consider the audit contract for the current fiscal year. This will be third year of the Council's relationship with Cannon & Company.
- Suggested Motion:** Move approve audit contact with Cannon & Company for the fiscal year ending June 30, 2019.



January 15, 2019

To the Board of Delegates and Justin Hembree, Executive Director

Land of Sky Regional Council
339 New Leicester-Hwy 140
Asheville, NC 28806

We are pleased to confirm our understanding of the services we are to provide Land of Sky Regional Council for the year ended June 30, 2019. 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 Land of Sky Regional Council as of and for the year ended June 30, 2019. 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 Land of Sky Regional Council'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 Land of Sky Regional Council's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary comparison schedules
- 3) Local Government Employees Retirement System Schedules of the Council's Proportionate Share of Net Pension Liability (Asset) and Council's Contributions

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

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

Audit Objectives

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

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Delegates of Land of Sky Regional Council. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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

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

Audit Procedures—Internal Control

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

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Land of Sky Regional Council's major programs. The purpose of these procedures will be to express an opinion on Land of Sky Regional Council's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

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

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

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

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

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

Engagement Administration, Fees, and Other

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

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

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the

reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Land of Sky Regional 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 Cannon & Company, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Cannon & Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

We expect to begin our audit on approximately August 2019 and to issue our reports no later than October 31, 2019. Richard J. Tamer 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 at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$22,600. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes significantly past due and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the 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 Land of Sky Regional Council 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.

Land of Sky Regional Council
January 15, 2019
Page 8

Very truly yours,

Cannon & Company, S.L.P.

Cannon & Company, LLP

RESPONSE:

This letter correctly sets forth the understanding of Land of Sky Regional Council.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

The	Governing Board Council
of	Primary Government Unit Land of Sky Regional Council
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 Cannon and Company, LLP
	Auditor Address 2160 Country Club Road, Winston-Salem, NC 27104

Hereinafter referred to as Auditor

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

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/sg/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	Land of Sky Regional Council
Audit	\$ 20,600.00
Writing Financial Statements	\$ 2,000.00
All Other Non-Attest Services	\$ N/A
75% Cap for Interim Invoice Approval	\$ 16,950.00

DPCU FEES (if applicable)

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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Cannon and Company, LLP	
Authorized Firm Representative (typed or printed) Richard J. Tamer	Signature 
Date 01/15/19	Email Address rtamer@cannon.pro

GOVERNMENTAL UNIT

Governmental Unit Land of Sky Regional Council	
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) Larry Harris	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "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) Justin Hembree	Signature
Date of Pre-Audit Certificate	Email Address justin@landofsky.org

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
(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)	Signature
Date of Pre-Audit Certificate	Email Address

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

PRINT