



**Executive Committee
April 25, 2018 – 11:00am
Land of Sky Regional Council
339 New Leicester Highway, Suite 140, Asheville, North Carolina 28806**

AGENDA

1. Call to Order

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. March 28, 2018 Executive Committee Minutes
- B. AARP Quick Action Grant Application

3. Business, Updates and Discussion

- A. Update on Lease-Purchase Agreement with Buncombe County
- B. Local Government Outreach and Community Engagement Strategy
- C. Employee Assistance Network
- D. Update on Performance Improvement Efforts
- E. Presentation of Financial Statements and Compliance Report for the Fiscal Year Ending June 30, 2017
- F. Audit Contract for the Fiscal Year Ending June 30, 2018

4. Other Items

5. Adjournment

Agenda Item(s): 2, A, B
Title(s): Consent Agenda
Responsible Staff: Justin Hembree, Executive Director
Attachment(s): March 28, 2018 Executive Committee Minutes
AARP Grant Information
Recommended Action(s): Approve Consent Agenda
Suggested Motion(s): Move to approve the Consent Agenda

Background (Item A): March 28, 2018 Executive Committee Minutes – The minutes for the March 28, 2018 Executive Committee meeting are attached. Approval of the consent agenda will approve the minutes.

Background (Item B): AARP Grant Application – Mountain Mobility is working to submit a grant application through AARP's Community Challenge Program. The grant would provide funds to increase transit connectivity for citizens. Buncombe County supports this effort and partnerships with other units of government and organizations are planned. As staff works on the application, a specific funding request will be calculated. The attached information provides additional details concerning this grant program. Approval of the consent agenda will authorize staff to prepare and submit a grant application, and execute all applicable documents.

Agenda Item(s): 3, A
Title(s): Update on Lease-Purchase Agreement with Buncombe County
Responsible Staff: Justin Hembree, Executive Director
Vickie Thomas, Finance Director
Attachment(s): None
Recommended Action(s): No action(s) recommended (update only)
Suggested Motion(s): No motion(s) suggested (update only)

Background: As a follow-up from the April Executive Committee meeting, Council staff forwarded comments and questions concerning the building lease-purchase to Buncombe County staff. The County has responded with an updated agreement and Council staff has reviewed the update. Staff has submitted some additional comments to the County and will forward the final draft document to the Council Attorney for review. Staff anticipates that the lease-purchase agreement can be sent to the Local Government Commission for approval in May and be placed on the May 23 Executive Committee and Board of Delegates agendas for approval.

Agenda Item(s): 4, B

Title(s): Local Government Outreach and Community Engagement Strategy

Responsible Staff: Justin Hembree, Executive Director
Danna Stansbury, Deputy Executive Director

Attachment(s): None (draft strategy document to be provided during meeting)

Recommended Action(s): No action(s) recommended (future action may be requested)

Suggested Motion(s): No motion(s) suggested (future motion may be suggested)

Background: As a result of the Executive Director's performance improvement activities, increased attention to outreach and engagement is a top priority. In turn, staff is working to develop a comprehensive Local Government and Community Engagement Strategy.

Staff plans to present a final draft of a strategy document for formal approval to the Executive Committee and Board of Delegates during the May 23 meetings. The following information is presented as a preview:

Goals of the Strategy

- 1 – Strengthen local awareness of Land of Sky programs, services and activities.
- 2 – Enhance communications with member governments, key partners and the public about Land of Sky activities
- 3 – Increase member government participation in Land of Sky programs, services and activities.
- 4 – Educate member governments and partners on the capabilities of Land of Sky.

Strategic Priorities

- 1 – Enhance Land of Sky's image and brand.
- 2 – Promote and market Land of Sky's assets, capabilities, signature projects, programs and services.
- 3 – Expand local government engagement and community partnerships.
- 4 – Educate target audiences on Land of Sky's impact in their community and on the region.

Level 1 Target Audiences

Elected Officials
Local Government Managers
Local Government Staff
Clients/Potential Clients

Level 2 Target Audiences

Business Leaders

Non-Profits

Educational Organizations

Funding Agencies

Media Outlets/Press

Goal 1 Actions

Presentations during target audiences' meetings

Presence at appropriate events

Increase social media presence

Goal 2 Actions

Distribute impact reports to member governments and partners

Create and maintain a calendar of upcoming events

Create and maintain an inventory of funding opportunities

Goal 3 Actions

Informal visits with member government officials

Personal invitations to elected officials to attend events and meetings

Continuously survey member governments on topics to be addressed during events and meetings

Goal 4 Actions

Educate member governments on current best practices than can be replicated

Develop collaborative partnerships with community organizations that share the Council's goals

Please keep in mind this is merely an outline of the strategy. However, staff felt it important to share this information.

Agenda Item(s): 3, C

Title(s): Employee Assistance Network

Responsible Staff: Justin Hembree, Executive Director

Attachment(s): None

Recommended Action(s): No action(s) recommended (future action may be requested)

Suggested Motion(s): No motion(s) suggested (future motion may be suggested)

Background: Council staff recently met with a representative from the Employee Assistance Network (EAN). The Council has a contract with EAN to provide services to the organization as a whole and to individual employees. The Executive Director will provide an overview of this program and present possibilities for using EAN as a resource for the Council's human resources operations.

Agenda Item(s): 3, D

Title(s): Update on Performance Improvement Efforts

Responsible Staff: Justin Hembree, Executive Director

Attachment(s): March 12 to April 16 Performance Improvement Updates

Recommended Action(s): No action(s) recommended

Suggested Motion(s): No motion(s) suggested

Background: The Executive Director will provide an update on performance improvement activities. Copies of performance improvement updates are attached.

Agenda Item(s): 3, E

Title(s): Presentation of Financial Statements and Compliance Report for the Fiscal Year Ending June 30, 2017

Responsible Staff: Justin Hembree, Executive Director
Vickie Thomas, Finance Director

Attachment(s): Local Government Commission Letter

Recommended Action(s): Acceptance of Financial Statements and Compliance Report for the Fiscal Year Ending June 30, 2017

Suggested Motion(s): Move to accept Financial Statements and Compliance Report for the Fiscal Year Ending June 30, 2017

Background: A representative from Cannon and Company, the Council's outside auditing firm, will present the Financial Statements and Compliance Report for the Fiscal Year Ending June 30, 2017. A presentation is also scheduled for the Board of Delegates.

The Council received the attached letter from the Local Government Commission (LGC) expressing concern with the audit being submitted late. This has been the case for the past several years due to the building lease-purchase with Buncombe County not being in place. Since we close to finalizing the lease-purchase, this will not be an issue in the future. Staff is drafting a response to the letter for Chair Harris to consider.

Agenda Item(s): 3, F

Title(s): Audit Contract for the Fiscal Year Ending June 30, 2018

Responsible Staff: Justin Hembree, Executive Director
Vickie Thomas, Finance Director

Attachment(s): Engagement Letter
Audit Contract

Recommended Action(s): Approve audit contract with Cannon and Company for the Fiscal Year Ending June 30, 2018

Suggested Motion(s): Move to approve audit contract with Cannon and Company for the Fiscal Year Ending June 30, 2018

Background: Staff has reviewed the attached engagement letter and audit contract. Everything seems to be in order. The \$22,050 proposed audit fee complies with the amount in Cannon and Company's RFP for the third year of the Council's contract.

Attachments

March 28, 2018 Executive Committee Minutes
AARP Grant Information
March 12 to April 16 Performance Improvement Updates
Local Government Commission Letter
Engagement Letter
Audit Contract

**Land of Sky Regional Council
Executive Committee
March 28, 2018**

Minutes

Land of Sky Regional Council's Executive Committee held a meeting on March 28, 2018 at the offices of Land of Sky Regional Council located in Asheville, NC. Present for the meeting were Chairman Larry Harris (Presiding), Charles Dickens, John Mitchell, George Goosmann and Patrick Fitzsimmons. Land of Sky staff present included Justin Hembree, Danna Stansbury, Vickie Thomas, Erica Anderson, LeeAnne Tucker, Deon Lytle and Vicki Jennings and Zia Rifkin (Recording). Legal Counsel for LOSRC, Billy Clarke was also present.

Call to Order – Chairman Harris called the meeting to order at approximately 11:00am.

Approval of Consent Agenda – The Consent Agenda, including items A. February 28, 2018 Executive Committee meeting minutes; B. Family Caregiver Support Program Funding Agreement with CarePartners; and, C. Appointment of Madison County Delegates to the Senior Tar Heel Legislature were presented for approval.

George Goosmann moved to approve the Consent Agenda as presented. Charles Dickens seconded and the motion carried as all were in favor.

New Business, Discussion & Updates

Lease Purchase Agreement with Buncombe County

Justin Hembree shared about the lease-purchase agreement from Buncombe County (draft provided). He noted that Vickie Thomas has spent considerable time working on this business item, as has Billy Clarke, legal counsel. The two main things, different from the old agreement, are firstly, the original agreement tied the dues paid by the county to LOSRC to the lease agreement. This agreement does not contain the measure regarding dues. In exchange for that, Council would begin paying for utilities (water and sewer) for the LOSRC portion of the building and for common area maintenance (CAM) fees to the exterior of the building. He also noted there are several things regarding the lease that need further consideration.

Legal Counsel, Billy Clarke, communicated that he has reviewed the lease purchase agreement and he noted that the exact square footage needs to be defined/resolved. He suggested that the Executive Committee could authorize Justin Hembree, Vickie Thomas and Chairman Harris to finalize this agreement.

Discussion occurred assuring that the lease agreement was okay for approval. Billy Clarke shared his opinion that the document could proceed. He clarified that the agreement is a lease with an option to purchase and the lease goes to 2034. While an exact measurement of square footage needs confirmation from the county, however, the LOSRC space is approximately 14670 square feet. He continued that a purchase price under the agreement would be \$1.609 Million and the yearly expense would be roughly \$122,000. Vickie Thomas shared that the interest rate was just over four percent. Vickie Thomas also confirmed that Council has set aside the funding necessary to cover lease payments for the past couple of years when the organization was not making monthly payments due to a revision of the LOSRC footprint on the property and ongoing negotiations with the county.

Discussion occurred regarding the previous lease agreement and it was shared that there is an existing lease from 2008. What is being considered for approval now is an amended lease that includes an option to purchase. Should the decision be made to purchase the building, the county would have shared ownership with LOSRC. Consideration has

also been given to the cost per square foot (when the county was doing improvements to the office). George Goosmann shared that the Executive Committee has considered comparative costs per square foot previously. The cost is about \$8 per square foot under the amended lease.

Discussion occurred about the floorplan included as an exhibit to the agreement. Justin Hembree shared that this exhibit to the lease needs updating since it is from 2014, at a time when the organization considered expanding its space. Since that time, the county has decided that they can utilize that space.

John Mitchell moved to approve the LOSRC Executive Director, Finance Director and the Executive Committee Chairman entering into the amendment to the Lease Purchase Agreement with Buncombe County. Charles Dickens seconded and the motion carried without further discussion.

Draft Policies

Justin Hembree shared about the draft policies including the Overtime/Compensatory Time Policy, Travel Policy for Non-Exempt Employees, Exempt Employees Pay Deduction Policy, and the Independent Contractor Policy. He shared that these are the policies recommended by Jackie Grant, LOSRC's liaison for human resources with Roberts & Stevens, P.A. He communicated that copies have been sent to the Leadership Team and to Jackie Grant for review and comment. The next step would be for Leadership to determine how the policies fit into LOSRC processes. Regarding the Overtime/Compensatory Time Policy, department directors could have staff, who are approved to work more than 40 hours in a week, acknowledge that comp time would be provided in lieu of overtime by signing a statement to that effect. Another way to handle this would be to have a blanket policy (and condition of employment) stating that compensatory time is provided for hours worked in excess of 40 hours per week in lieu of overtime pay.

Discussion occurred regarding the standard LOSRC pay period, which begins at midnight on the first day (Saturday) of the pay period and ends at 11:59pm on the second Friday after the start of the pay period. He noted that the standard workday is from 8am to 5pm, Monday through Friday.

Discussion also occurred about the limit on the amount of comp time that may be accumulated, which if reached could mean that an employee could not work. Justin Hembree noted that was correct and that is why some flexibility would be built into the policy as in some cases, it might be beneficial to pay overtime. He also noted that comp time is equal to one and one-half times the regular pay rate and the objective is to not have staff accumulate too much comp time, which could become a liability for the organization. He noted that while there may be times when some staff could accumulate a large amount of comp time, those times would even out with a return to regular workflow. Vickie Thomas noted that this issue has arisen due to the pay study just completed that re-classified some staff to non-exempt positions. The policy would also require staff obtain approval from their department director before they could work overtime or disciplinary action could occur.

Information item only- no action required at this time.

Meeting Schedule for Executive Committee and Board of Delegates

Justin Hembree shared that the meeting schedules for Executive Committee and the Board of Delegates would return to a monthly calendar. Chairman Harris shared that moving forward, thought will need to be given to how LOSRC presents itself to member governments to increase their willingness to attend board meetings. He continued that the Board and the staff work together to govern the region and that needs to be communicated to all parties. With regards to member governments that are absent from meetings, those jurisdictions could appoint other staff as alternates to the Board as the interest is in serving the region. Chairman Harris noted that currently, the Executive Committee is authorized to govern the region, which is a dis-incentive for some member governments to attend Board meetings. George Goosmann noted that the format of Board meetings could change as well to provide topics of interest to elected officials. Additionally, elected officials must be educated about the value of LOSRC to the region and their jurisdictions.

Patrick Fitzsimmons moved to approve returning to the monthly meeting schedule (in person) for Executive Committee and the Board of Delegates. John Mitchell seconded and the motion carried as all were in favor.

Closed Session

George Goosmann moved to enter Closed Session for the purpose of discussing a personnel matter. Patrick Fitzsimmons seconded and the Executive Committee entered Closed Session.

Adjournment

Upon returning to open session, Chairman Harris adjourned the meeting, as there was no further business.



Grants to make communities livable for people of all ages
aarp.org/CommunityChallenge

AARP Community Challenge 2018

“Quick-action” grants to make communities livable for people of all ages

AARP invites you to submit applications for quick-action projects that can help **YOUR** community become more livable. Applications are now being accepted for small grants to improve housing, transportation, public space and other community elements that support great places for all people of *all* ages.



Applications are due by 5 PM ET, May 16, 2018, and all projects must be completed by November 5, 2018.

Applications must be submitted through AARP.org/CommunityChallenge. See Attachment A for the sample application outline.

Introduction to AARP and Livable Communities

AARP's work on livable communities supports the efforts of neighborhoods, towns, cities and counties nationwide to become great places for people of all ages. We believe that communities should provide safe, walkable streets; affordable and accessible housing and transportation options; access to needed services; and opportunities for residents to participate in community life.

AARP has offices in every state, the District of Columbia, Puerto Rico and the U.S. Virgin Islands and is working with local leaders in almost 300 communities. Ultimately, our vision is for a future in which U.S. communities—urban, suburban and rural—are great communities for all.

To help support communities that are working to create change, AARP plays several key roles:

- **Inspiring Communities to Take Action**
AARP provides quick-action grant funding to communities through the AARP Community Challenge, supporting projects that improve sidewalks and crosswalks, activate public spaces, and more. We also host local workshops on livability, such as pop-up demonstrations that help inform and catalyze stakeholders to take action.
- **Providing Resources and Expertise**
AARP provides local leaders and community organizations with online, print and in-person resources and expertise to help cities, towns and neighborhoods launch and implement livability programs and positive changes. We also showcase great ideas from communities in AARP's print and online publications.
- **Engaging and Mobilizing Residents**
AARP staff and volunteers work with community organizations and local municipalities to engage

residents. We collect information about what's important to older community residents, share it with decision makers, and provide local leaders, advocates and residents with tool kits for taking action.

AARP Community Challenge

We know that it takes time to build great communities. But, we also believe that quick action can spark longer-term progress. AARP launched the AARP Community Challenge to fund projects that build momentum for change in communities to improve livability for all local residents. In 2017, the AARP Community Challenge awarded 88 grants.

AARP is currently soliciting applications for 2018 funding. Applications are due by 5 PM ET, May 16, 2018, and all projects must be completed by November 5, 2018.

Applications must be submitted through AARP.org/CommunityChallenge. See Attachment A for the sample application outline.

Eligibility

The program is open to the following types of organizations:

- 501(c)(3), 501(c)(4) and 501(c)(6) nonprofits
- Government entities
- Other types of organizations, considered on a case-by-case basis

The following projects are NOT eligible for funding:

- Partisan, political or election-related activities
- Planning activities and assessments and surveys of communities
- Studies with no follow-up action

Learn more at AARP.org/CommunityChallenge Questions? Email Communitychallenge@aarp.org

- Publication of books or reports
- Acquisition of land and/or buildings
- Sponsorships of other organizations' events or activities
- Research and development for a non-profit endeavor
- Promotion of a for-profit entity and/or its products and services

What types of projects are acceptable?

See Attachment C for specific examples from the 2017 AARP Community Challenge. For the 2018 AARP Community Challenge, AARP will prioritize projects that aim to achieve the following outcomes.

- **Deliver a range of transportation and mobility options** in the community through permanent or temporary solutions that increase connectivity, walkability, bikeability and/or access to public and private transit.
- **Create vibrant public places** in the community through permanent or temporary solutions that improve open spaces, parks and access to other amenities.
- **Support the availability of a range of housing** in the community through permanent or temporary solutions that increase accessible and affordable housing options.
- **Other community improvements.** We want to know the most important needs in your community and the best quick-action ideas you have to address them.

Community Challenge grants can be used to support the following types of projects in the community. *Please note: Proposed project types described below will be prioritized over those that support ongoing programming or events.*

- **Permanent physical improvement in the community**

- **Temporary demonstrations that lead to long-term change**
- **New, innovative programming or services**

The activity defined in the proposal must be completed by November 5, 2018.

Grant Amount

If your idea is big, no project is too small! Grants can range from several hundred dollars for small, short-term activities to several thousand for larger projects.

Does your project have to take place in a community that belongs to the Network of Age Friendly Communities (NAFC)?

No. Projects that benefit any community and satisfy all other criteria are eligible for consideration.

2018 Community Challenge Timeline

Dates	Key Activity
May 16	Deadline for applications
By June 25	Winning applicants notified by email
June 27	National announcement of winning grantees
By July 24	MOU and vendor forms completed and returned by grantees
November 5	Deadline for project completion
December 3	Deadline for After Action report

Learn more at AARP.org/CommunityChallenge Questions? Email Communitychallenge@aarp.org

How does a group/organization apply?

All applications must be submitted through AARP.org/CommunityChallenge by at 5 PM ET, May 16, 2018.

Grant Selection

Grant recipients will be selected by an AARP panel of experts on aging, community development and livable communities. Projects will be judged on the degree to which their goals make an immediate change that leads to longer-term impact in a manner that meets all other selection criteria.

THRESHOLD CRITERIA (must meet the following criteria to be considered):

- All items in the grant application have been addressed or noted if not applicable.
- The grant is not used for partisan, political or election-related activities or property acquisition.
- The grant is not used to promote a for-profit entity or its products and/or services.
- The grant is for one of the uses in the Project Details section of the application.

More specifically, the projects will be assessed on:

- **IMPACT (55 points):** The proposed project addresses a clear need that brings positive change to the community and effectively engages residents. The project also demonstrates the ability to accelerate, grow and/or sustain the community's livability for all, especially those 50-plus.
- **EXECUTION (30 points):** Applicants demonstrate capacity to deliver the Community Challenge project on time and within awarded budget.

- **INNOVATION (15 points):** The project demonstrates creativity, aesthetic beauty, unusual design or engagement elements and/or the potential to spark additional community change.

AARP reserves the right to make funding decisions based on other criteria, in addition to those described herein.

Application Requirements

- Applicants must meet the eligibility requirements.
- Applications must be submitted through AARP.org/CommunityChallenge with all pertinent information.
- Incomplete applications will not be reviewed.

Notification

Grant recipients and unselected applications will be notified by email. Grantees must execute and email a binding Memorandum of Understanding to AARP within fourteen (14) days of notification. Noncompliance with this time period may result in disqualification.

TERMS AND CONDITIONS

By submitting an application to AARP, the applicant agrees that:

- The decisions of AARP regarding the eligibility of participants and the validity of entries shall be final and binding.
- All submissions will be judged by AARP, whose decisions and determinations as to the administration of the award and selection of award recipients are final.
- AARP has the right, at its sole discretion, to cancel or suspend the award.
- All projects and applications shall not violate any third-party rights.
- Except where prohibited by law, participation in the award constitutes the Applicant's consent to AARP's use of the organization's name and corporate logo; street address, city, state, zip code and county; and names, likenesses, photographs, videos, images and statements made or provided by the Applicant's representatives regarding the award for promotional purposes in any media without further permission, consent, payment or other consideration.

All promotional materials (such as newsletters and press releases), events and signage related to the funded project will include a statement indicating that support was received from AARP.

The organization is required to capture photos of the project and encouraged to capture video. As the organization captures photos and video of the project, if an identifiable individual appears in the photos and/or videos, the organization is responsible for having him/her sign the AARP General Release (this document will be provided to grantees with the MOU and other required paperwork). In addition the organization should not include any element in photos or videos provided to AARP that may violate third-party rights such as artwork and/or trademarks in text or logo other than those owned by the organization and AARP. The organization should be prepared to send work-in-progress photos to AARP upon request. Following the grant period, grantees are required to respond to periodic requests for updates from AARP.

AARP and its affiliated organizations, subsidiaries, agents and employees are not responsible for late, lost, illegible, incomplete, stolen, misdirected, illegitimate or impermissible submissions or any other error whether human, mechanical or electronic.

Learn more at AARP.org/CommunityChallenge Questions? Email Communitychallenge@aarp.org



**AARP
COMMUNITY
CHALLENGE**

Grants to make communities livable for people of all ages
aarp.org/CommunityChallenge

ATTACHMENT E

Examples of Application Social Impact Statement and Deliverables

SAMPLE A

Livability Improvement Statement: This grant will improve COMMUNITY X by activating new public spaces for people of all ages to engage with each other by purchasing and installing tables and board games in a playground that is under construction to help engage all generations in social activity.

Deliverables _____

- The Organization will partner with the CITY DEPARTMENT to purchase and install at least two each fully accessible, stainless-steel or concrete tables at a playground of a suitable size for a group of at least two (2) people per table, located at xxxxx, that is currently under construction in COMMUNITY X, to help engage all generations by November 5, 2018.
- The Organization will also conduct outreach to the community to communicate the new aspects of the playground. This outreach will include:
 - a. Sending out five (5) Twitter tweets about the project.
 - b. Placing one (1) announcement about the project in a local newspaper.
 - c. Posting at least three (3) announcements on your Facebook page.

SAMPLE B

Livability Improvement Statement: This grant will improve COMMUNITY X's transportation options. Specifically, this project will contribute to the age-friendly agenda by creating a more accessible and more comfortable public transportation system, thereby helping to increase the livability of COMMUNITY X for those 50-plus or any age, especially in more rural areas.

Deliverables _____

- The Organization will purchase and install 10 bus-shelter seats suitable for two (2) or more adults to sit in at one time in bus stops frequented by older adults in COMMUNITY X.
- In addition to the bus-stop seats, the grantee will market the bus-stop improvements through at least two (2) print advertisements and distribute at least one hundred (100) flyers to older adults in COMMUNITY X so that they are aware of the available seating at local public bus stops.

SAMPLE C

Livability Improvement Statement: This grant will help make COMMUNITY X a safer and more inviting gathering place for people of all ages, which will lead to increased engagement, interaction and livability for community members, especially those 50-plus. Specifically, this project will improve an alley in COMMUNITY X that connects Main Street to the park.

Deliverables

- The Organization will improve the alley in COMMUNITY X, located at xxxx, that connects Main Street to the park and install three (3) benches, each six feet in length, and nine (9) UV sail-shade canopies, 11 feet by 12 feet by 17 feet, at the Main Street entrance to the alley.
- Display original intergenerational art completed in a professional manner at the alley.

SAMPLE D

Livability Improvement Statement: This grant will help increase the connectivity between recreational opportunities by improving access to multiple modes of transportation for all ages and abilities, fostering healthy lifestyles in COMMUNITY X. Specifically, this project will deliver a Complete Streets demonstration project on Street 1 and Street 2 in COMMUNITY X, which will showcase short-term alterations to the street and sidewalk to increase pedestrian safety.

Deliverables

- Create a Complete Streets demonstration project on Street 1 and Street 2 in COMMUNITY X as part of COMMUNITY X's Complete Streets program.
- Organization will make ADA improvements to the crossing where applicable.
- Organization will use paint and plastic reflector/delineator posts, along with plantings and other low-cost materials to mimic the look of pedestrian bump-outs.
- Organization will replace and/or increase the size/width of the crosswalks and other on-street markings in the designated area to make the pedestrian space larger.
- Organization will install bright, tactile warning strips at the curb ramps and add turning arrows and stop bars to more clearly delineate the car realm from the pedestrian realm.

**Executive Director
Performance Improvement Update
March 12, 2018**

Leadership Team/Staff Relations

- Held Leadership Team Meeting on Friday, March 9 (understanding it is just a small step, I feel the meeting was positive, conversations/discussions will continue during upcoming meetings)
- Will hold Leadership Team meetings every Tuesday at 8:30am
- Beginning this week, will ensure I "check-in" with each Leadership Team member each week through informal conversations and taking an approach of "what do you need from me, what can I do for you"
- Work with Leadership Team to switch schedule of full staff meetings from once every two months to once every month (will be a topic on next Leadership Team meeting agenda)
- Canceled upcoming travel plans in order to focus time and energy on internal organizational relations

Human Resources/Personnel

- Meeting with Jackie on Monday, March 12, 2018 at 10:30am (will follow-up after meeting with action plan based on information shared)
- Review of first draft of new Employee Handbook/Personnel Policy (primarily correcting typos and format; once completed will send to Jackie and Leadership Team for review, feedback and recommendations)
- Exploring possibilities of working with Employee Assistance Network and/or a member government to assist with human resources/personnel operations
- Making sure all human resources/personnel matters are presented to Larry, George and Patrick (job openings, title change, advertising)

Member Government Relations

- Requested job descriptions for Deputy Executive Director/Outreach Coordinator positions from other regional councils (to aid with review/change of Danna's job description/role)
- Requested information from Triangle J Council of Governments about their new outreach/orientation program (to aid with the development of a fresh plan for outreach)
- Beginning to work a comprehensive matrix showing all municipal and county governing body meetings (to assist with establishing my schedule for attending meetings)
- Relationships with Mills River, Rosman, Marshall, Hot Springs, Montreat, Mars Hill, Brevard and Madison County will be placed on next Leadership Team meeting agenda

**Executive Director
Performance Improvement Update
March 19, 2018**

Leadership Team/Staff Relations

- Planned agenda for Tuesday, March 20 Leadership Team meeting
- Planning staff retreat/visioning session (Appreciative Inquiry process/VIA Character Strengths); will set date after input from Leadership Team
- Did informal check-ins with Leadership Team members
- Ordered StrengthsFinder 2.0 to read and get input from Leadership Team; considering using for team building project
- Planning for recommended reorganization (all Leadership Team members will report directly to me)

Human Resources/Personnel

- Met with Jackie on Monday, March 12
- Prepared drafts of policies recommended by Jackie and sent for her review (Overtime/Comp Time, Exempt Pay Deductions, Non-Exempt Travel Policy, Independent Contractor)
- Continued review of first draft of new Employee Handbook/Personnel Policy
- Continued exploring possibilities of working with Employee Assistance Network and/or a member government to assist with human resources/personnel operations (have a conference call concerning issue on Wednesday, March 21)
- Continue to present all human resources/personnel matters to Larry, George and Patrick (job openings, title change, advertising)

Member Government Relations

- Reviewed job description for Deputy Executive Director; will be recommending from switching internal focus of position to member government relations/client officer focus
- Scheduling lunch meetings with managers (emailed an invitation to several managers)
- Scheduling attendance at local government board meetings (working into calendar to begin next week)
- Planning upcoming managers lunch

**Executive Director
Performance Improvement Update
April 2, 2018**

Leadership Team/Staff Relations

- Held Leadership Team meeting on Tuesday, March 27 (next meeting Tuesday, April 3)
- Set date for staff visioning session – May 30 from 1pm to 4pm
- Continued informal check-ins with Leadership Team members (lunch scheduled with Leadership Team member on April 4)
- Leadership Team taking StrengthFinder 2.0 assessment for exercise during April 10 Leadership Team Meeting
- Rolled out reorganization (change to direct reports, new Deputy Director job description, personnel workflow) to Leadership Team on March 27, implementation underway

Human Resources/Personnel

- Awaiting legal review of draft policies
- Held team meeting to create “to do” list for draft of new Employee Handbook/Personnel Policy; discussion item for April 3 Leadership Team meeting
- Meeting with Employee Assistance Network account representative on April 12
- Continuing development of HR education program for staff
- Sent contact information to staff for outside HR liaison (Jackie)

Member Government Relations

- Initial work on formal plan for local government outreach
- Lunch with Henderson County Manager; lunch on April 2 with Laurel Park Manager; lunch on April 5 with Mayor VeHaun
- Awaiting response from Transylvania County Manager concerning hosting next Managers Lunch
- Drafting poll for Board of Delegates concerning meeting agendas and content to be sent out no later than April 6
- Formatting monthly activity report for Board of Delegates to be sent out no later than April 6

**Executive Director
Performance Improvement Update
April 9, 2018**

Leadership Team/Staff Relations

- Held Leadership Team meeting on Tuesday, April 3 (next meeting Tuesday, April 10)
- Continued informal check-ins with Leadership Team members (lunch with Leadership Team member on April 4; lunch with Leadership Team member set for April 16; Leadership Team member checking schedule for lunch week of April 9)
- Leadership Team continuing with StrengthFinder 2.0
- Leadership Team working on format for monthly activity reports; to be ready for April 25 meeting

Human Resources/Personnel

- Awaiting legal review of draft policies
- Leadership Team agreed on process for reviewing/editing new Employee Handbook/Personnel Policy; timeline to be set during April 10 meeting after input from David Hill about his timeframe from making initial edits
- Meeting with Employee Assistance Network account representative set for April 12

Member Government Relations

- Working on draft outline for formal Local Government Outreach Strategy; to be presented to Executive Committee at April 25 meeting
- Lunch with Laurel Park Manager; lunch with Weaverville Manager; lunch with Woodfin Mayor VeHaun
- Breakfast meeting with Commissioner Hawkins set for April 11
- Meeting with Cara Truitt, Mission Health's Regional Advocacy Director, set for April 13
- Meeting with Cindy Davis-Bryant, new Executive Director for Eliada Homes, set for April 9
- On agenda for presentation at Weaverville's April 16 meeting
- Set regional managers lunch for May 4; Transylvania County hosting
- Sent poll on April 4 to get feedback on Board of Delegates meetings
- Sent performance improvement report to Board of Delegates on April 4

**Executive Director
Performance Improvement Update
April 16, 2018**

Leadership Team/Staff Relations

- Held Leadership Team meeting on Tuesday, April 10 (next meeting Tuesday, April 17)
- Continued informal check-ins with Leadership Team members
- Leadership Team continuing with StrengthFinder 2.0; team member introductions continuing
- Leadership Team considering dates for off-site teambuilding retreat; will be set during April 17 meeting
- Began opening Leadership Team meetings with “Three Questions”
- Lunch with Leadership Team member scheduled for Monday, April 16
- Staff meeting set for Wednesday, April 18

Human Resources/Personnel

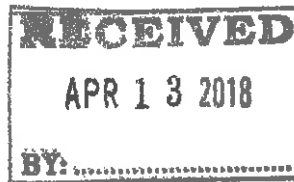
- Awaiting legal review of draft policies
- Met with Debra Bergman, Employee Assistance Network account representative, on Thursday, April 12; discovered numerous options are available per our contract including filling role in grievance process; recommendation to be made during April 25 Executive Committee meeting

Member Government Relations/Community Outreach

- Drafting Local Government Outreach Strategy; to be presented to Executive Committee at April 25 meeting
- Reviewing results of Board of Delegates meetings survey; presentation to be made during April 25 Board of Delegates meeting
- Lunch meeting with Cindy Davis-Bryant, new Eliada Home Executive Director, on Monday, April 9
- Attended Workforce Development Career Fair on Tuesday, April 10
- Attended Western North Carolina Managers Lunch on Thursday, April 12
- Met with Cara Truitt, Mission Health Regional Advocacy Director, on Friday, April 13
- On agenda for presentation at Weaverville's April 16 meeting
- Regional managers lunch on May 4; Transylvania County hosting



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Dale R. Folwell, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

GREGORY C. GASKINS
DEPUTY TREASURER

April 11, 2018

Chairperson Larry Harris
Land-of-Sky Regional Council
339 New Leicester Highway
Suite 140
Asheville, North Carolina 28806

Dear Chairperson Harris:

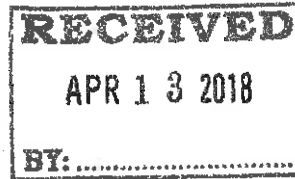
The State and Local Government Finance Division in its role as staff to the Local Government Commission has analyzed the audited financial statements of the Land-of-Sky Regional Council (COG) for the fiscal year ended June 30, 2017. The results of the analysis revealed a concern regarding your financial operations; the purpose of this letter is to convey that matter to you and the Board. We request that you respond to this letter, addressing the concern we have raised.

The COG's audited financial statements for 2017 were not received by our office until March 19, 2018, well after the due date of October 30, 2017. As stewards of the public's resources, the governing body is responsible for ensuring that the audited financial statements are available to the public in a timely manner. Information in the report is needed by you and your Board in order for you to take prompt and effective corrective action on any deficiencies noted. Various external groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations need current financial information as well.

We urge the Board to analyze the reasons for the delay and take the appropriate action to ensure that the audited financial statements for the 2018 fiscal year are submitted by the October 31st due date.

Please respond to this in writing within the next 45 days. Responses should be on the COG's letterhead, signed, and emailed to unitletter@NCTreasurer.com; if, however, email is not a feasible option for you, you may mail your response. If you are planning to issue debt that requires the approval of the Local Government Commission, we must have a complete and thorough response to this letter on file prior to the Commission's consideration of your debt application.

Chairperson
Land-of-Sky Regional Council
April 11, 2018
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We are available to assist you in addressing this matter. If you have any questions, please contact me at (919) 814-4301 or at james.burke@nctreasurer.com.

Sincerely,

James Burke
Assistant Director, Fiscal Management Section

cc: Finance Officer
Auditor(s)



April 11, 2018

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, 2018. 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, 2018. 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

Land of Sky Regional Council

April 11, 2018

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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 2018 and to issue our reports no later than October 31, 2018. 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 \$22,050. 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
April 11, 2018
Page 8

Very truly yours,

Cannon & Company, L.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: _____

CONTRACT TO AUDIT ACCOUNTS

Of Land of Sky Regional Council
Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 11th day of April, 2018

Auditor: Cannon & Company, LLP Auditor Mailing Address: 2160 Country Club Road

Winston-Salem, NC 27104

Hereinafter referred to as The Auditor

and the Council (Governing Board(s)) of Land of Sky Regional Council

(Primary Government)

and N/A; hereinafter referred to as the Governmental Unit(s), agree as follows:
 (Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2017, and ending June 30, 2018. 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 auditing standards generally accepted in the United States of America. 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 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 Office of the State Auditor (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 SLGFD 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.

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

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 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 their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit 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 GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

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 the SLGFD within four months of fiscal year end. Audit report is due on: 10/31/18. 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 generally accepted auditing standards include a review of the Governmental Unit's 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 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 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 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 invoices shall be sent via upload through the current portal address: <https://nc.treasurers.gfd.leaffile.net>. Subject line should read "Invoice - [Unit Name]". The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit 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 Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost 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. (Note: Fees listed on Fees page.) 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 has outstanding revenue bonds, the Auditor shall submit to the SLGFD 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 the SLGFD simultaneously with the

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

Governmental Unit's 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 and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit 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 as soon as practical after the close of the fiscal year end.
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 shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.
13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the 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 SLGFD by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form. 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 without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

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 the SLGFD.

The SLGFD's process for submitting contracts, audit reports and invoices is subject to change. Auditors shall use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/sg/Pages/Audit-Forms-and-Resources.aspx>

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 varied or changed 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 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. 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 through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is <https://nctreasurer.slgfd leapfile.net>. 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 shall be attached to the contract, and by reference here becomes part of the 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 #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.
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, physically signed by all parties including Governmental Unit and the Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is <https://nctreasurerslgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
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. 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.
22. 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.
23. 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).

SIGNATURE PAGES FOLLOW FEES PAGE

Contract to Audit Accounts (cont.)

Land of Sky Regional Council

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

FEES - PRIMARY GOVERNMENT

AUDIT: \$ 20,895

WRITING FINANCIAL STATEMENTS: \$ 1,155

ALL OTHER NON-ATTEST 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.

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 above. 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.

The 75% cap for interim invoice approval for this audit contract is \$ 16,538

** NA if there is to be no interim billing

FEES - DPCU (IF APPLICABLE)

AUDIT: \$ _____

WRITING FINANCIAL STATEMENTS: \$ _____

ALL OTHER NON-ATTEST 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.

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 above. 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.

The 75% cap for interim invoice approval for this audit contract is \$ _____

** NA if there is to be no interim billing

Contract to Audit Accounts (cont.)

Land of Sky Regional Council

Primary Government Unit
N/A

Discretely Presented Component Unit (DPCU) if applicable

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

Cannon & Company, LLP

Name of Audit Firm

By Richard J. Tamer

Authorized Audit firm representative name: Type or print


Signature of authorized audit firm representative

Date 4/11/18

rtamer@cannon.pro

Email Address of Audit Firm

Governmental Unit Signatures:

Land of Sky Regional Council

Name of Primary Government

By Vickie Thomas

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By

Chair of Audit Committee - Type or print name

**

Signature of Audit Committee Chairperson

Date

** If Governmental Unit has no audit committee, mark this section "N/A"

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

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.

By Vickie Thomas

Primary Government Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

(Pre-audit Certificate must be dated.)

Vickie@landofsky.org

Email Address of Finance Officer

Date Primary Government Governing Body Approved Audit Contract - G.S. 159-34(a)

*** Please provide us the most current email addresses available as we use this information to update our contact database ***

Contract to Audit Accounts (cont.)

Land of Sky Regional Council

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

**** This page to only be completed by Discretely Presented Component Units If Applicable ****

N/A

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

DPCU Governmental Unit Signatures:

Name of Discretely Presented Component Unit

By _____
DPCU Board Chairperson. Type or print name and title

Signature of Chairperson of DPCU governing board

Date _____

By _____
Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson

Date _____

**** If Governmental Unit has no audit committee, mark this section "N/A" ****

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

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.

By _____
DPCU Finance Officer:
Type or print name

DPCU Finance Officer Signature

Date _____
(Pre-audit Certificate must be dated.)

Email Address of Finance Officer

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

***** Please provide us the most current email addresses available as we use this information to update our contact database *****

Steps to Completing the Audit Contract

1. Complete the header information – If a DPCU is subject to the audit requirements found in the Local Government Budget and Fiscal Control Act and a separate report is being issued for that DPCU, a separate audit contract for the DPCU is required. If a separate report is not being issued for the DPCU – it is being included in the Primary Government's audit – the DPCU shall be named with the Primary Government on the audit contract for the Primary Government. The Board Chairperson of the DPCU shall sign the audit contract in addition to the elected leader of the Primary Government.
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link: <https://www.netreasurer.com/slq/Pages/Audit-Forms-and-Resources.aspx>
5. Item No. 9 – Please note that the new fee section has been moved to page 5.
6. Item No. 16 – Has the engagement letter been attached to the contract that is being submitted to SLGFD?
 - a. Do the terms and fees specified in the engagement letter agree with the Audit 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."*
 - b. Does the engagement letter contain an indemnification clause? **The audit contract shall not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the fees page; please note:
 - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we shall compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: https://www.netreasurer.com/slq/lfn/audit_acct/Pages/default.aspx select "audit fees"

Please call or email Lorna Hodge at 919-814-4299 lorna.hodge@netreasurer.com if you have any questions about the fees on this list.

 - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)
 - If there is to be no interim billing, please indicate N/A instead of leaving the line blank.
8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Please only send the page(s) that are applicable to your Unit of Government and do not include the instructions pages. Make sure all signatures have been obtained, and properly dated. The contract shall be approved by Governing Boards pursuant to G.S. 159-34(a). If this contract includes the audit for a DPCU that is a Public Authority that falls under the Local Government Budget and Fiscal Control Act, it shall be named in this contract and the Board Chairperson of the DPCU also shall sign the contract in the area indicated. If the DPCU is filing a separate audit, a separate audit contract is required for that DPCU.
9. Please place the date the Primary Government's Governing Board and the DPCU's Governing Board (if applicable) approved the audit contract in the space provided.
- a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.
 - b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?
 - c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board and the DPCU's Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?
10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the fees page.
11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.
12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to PDF. When submitting for approval send the documents as one PDF file to include the Audit contract, any applicable addendums, the engagement letter and Peer Review Report. Submit these documents using the most current submission process which can be obtained at the NC Treasurer's web site <https://www.nctreasurer.com/alg/Audit%20Forms%20and%20Resources/Instructions%20for%20Contract%20Submission.pdf>
13. If an audit cannot be completed by the due date, the Auditor or Governmental Unit shall file an Amended Contract form (Amended LGC-205). This form shall be signed by the Governmental Unit representative and the Auditor. The explanation for the delay in completing the audit is part of this contract amendment form and shall be provided. The parties that signed the original audit contract shall sign the amended contract form as well. If the signing representatives are unable to sign the amended contract, please include an explanation for this in the submitted amended contract form.

