Alleghany County Board of Commissioners

348 South Main Street
Post Office Box 366
Sparta, NC 28675
Tel: (336) 372-4179
Fax: (888) 369-2621

County Commissioners
Bill Osborne
Mark Evans
Bobby Irwin
Larry Prince
John U. Irwin, Jr.

County Manager
Michael L. Carter

Clerk to the Board
Drew Temple

County Attorney
Donna Shumate

AGENDA
Monday, May 18, 2020
10:00 am

10:00 Meeting called to order
Pledge of Allegiance and invocation
Approval of agenda
Motion on minutes from 4/20, 4/27 and 5/4 (pages 1-11)

A. 10:05 **Public Comments/Agenda Items**: Citizens are encouraged to comment at this time on any item(s) specifically listed on this meeting's agenda. Guidelines for public comment are posted in the meeting room.

B. 10:10 **Presentations to the Board**
   i. Jen Greene, AppHealth – COVID19 update
   ii. Nick Hawks – Federal inmate program

C. 10:20 **General Business**
   i. Governor's Crime Commission grant funding from Sheriff's Department budget
   ii. New Council on Aging status update (pages 12-13)
   iii. Paving at the Wilkes Community College/BDC/Library building (pages 14-15)
   iv. Cardboard recycling
   v. Recreation - 2020 Spring sports
   vi. Purchasing agent position
   vii. Karen Evans, Finance Officer (pages 16-41)
      a. Salary line item transfer
      b. Audit agreement to provide services
      c. Audit contract
      d. 3-yr audit proposal thru FY22/23

D. 10:45 **Consent Agenda (Board action requested)**
   i. Rita Miller, Tax Administrator (pages 42-48)
      a. License Plate Agency month end report

b. April auto refunds
c. April real and personal property refunds
d. Real and personal property releases
e. Delinquent taxpayer contracts
f. Board of Equalization and Review minutes

E. 11:00 **Public Comments**: Citizens are encouraged to comment at this time on any item(s) requiring the attention of the Commissioners. Guidelines for public comment are posted in the meeting room.

F. 11:10 **County Manager Comments**

i. Budget message (page 49)
ii. April building inspection report (page 50)
iii. Local spending (page 51)

G. 11:30 **County Commissioner Comments**

H. 11:40 **Request for Closed Session Pursuant to G.S. 143-318.11.(a)-(6) Personnel**

I. **Adjourn**

The Alleghany County Board of Commissioners met in regular session on Monday, April 20th, 2020 at 10:00 am in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chair Bill Osborne, Commissioner Mark Evans, Commissioner Bobby Irwin, Commissioner Larry Prince, Commissioner John Irwin, County Manager, Michael Carter and Clerk to the Board Drew Temple.

Commissioner Larry Prince made a motion to approve the amended agenda. Commissioner Mark Evans seconded. Vote 5:0.

AGENDA
Monday, April 20, 2020
10:00 am

10:00 Meeting called to order
Pledge of Allegiance and invocation
Approval of agenda
Motion on minutes from 3/16 and 4/13 (pages 1-8)

Public Hearing: Wellness Way (pages 9-13)

A. 10:05 **Public Comments/Agenda Items**: Citizens are encouraged to comment at this time on any item(s) specifically listed on this meeting's agenda. Guidelines for public comment are posted in the meeting room.

B. 10:10 **Presentations to the Board**
- i. Governor's Crime Commission grant – Nick Hawks
- ii. Alleghany Health
- iii. AppHealth – Andy Blethen, COVID-19 update
- iv. Authentically Alleghany/Chamber update

C. 10:40 **General Business (Board action requested)**
- i. Set date for budget public hearing
- ii. Set date for fire tax public hearing
- iii. TDA appointments
- iv. High Country Workforce Development Board appointment (page 14)
- v. Transfer Station operating hours (page 15)
- vi. JCPC additional funding (page 16)
- vii. Mowing bids (pages 17-28)
- viii. Alleghany County Schools funding reduction
- ix. Special appropriations funding reduction
- x. FY19/20 employee furlough
- xi. Communities in Schools funding suspension
- xii. Republic Services (pages 29-31)
- xiii. General Fund budget amendment #12 in the amount of $1,700 for donations by Rotary Club for K9 carrier (page 32)

xiv. General Fund budget amendment #13 in the amount of ($335,676) for indirect costs revenue and expenditure that won't be realized (page 33)

D. 11:15 **Consent Agenda (Board action requested)**

i. Rita Miller, Tax Administrator (pages 34-47)

a. License Plate Agency month end report
b. March auto refunds
c. March real and personal property refunds
d. Real and personal property releases
e. Delinquent taxpayer contracts
f. Request for Forestry Present-Use status
g. Commercial Solid Waste releases

E. 11:30 **Public Comments**: Citizens are encouraged to comment at this time on any item(s) requiring the attention of the Commissioners. Guidelines for public comment are posted in the meeting room.

F. 11:40 **County Manager Comments**

i. March building inspection report (page 48)

G. 11:50 **County Commissioner Comments**

ii. ¼ cent sales tax referendum

H. **Adjourn**

Public Hearing: Wellness Way

Chairman Bill Osborne opened the public hearing for Wellness Way.

Chairman Bill Osborne closed the public hearing.

Commissioner John Irwin made a motion to accept the road name Wellness Way. Commissioner Larry Prince seconded. Vote 5:0.

Public Comments

Hugh Shepherd asked the commissioners to publish a statement in the Alleghany News regarding their appropriation amount.

David Higgins said if Commissioner Bobby Irwin can't straighten out what he says, the commissioners need to.

Motion on minutes from 3/16 and 4/13

Commissioner John Irwin made a motion to approve minutes with correction. Commissioner Larry Prince seconded. Vote 5:0.

Presentations to the Board

Governor's Crime Commission grant – Nick Hawks

Nick Hawks gave an update on Governors Crime Commission grant and statistics on the benefit the county receives from these positions.

Nick Hawks asked the board to allow the Sheriff's Department to use existing funds in their budget to make up the shortfall from the GCC grant.

Commissioner John Irwin asked for the GCC grant funding to be added to the next agenda.

Alleghany Health

Dr. Jim Hoekstra gave an update on Alleghany Health.

AppHealth – COVID-19 update

Jen Greene gave an update on COVID-19.

Authentically Alleghany/Chamber update

Lisa Bottomley gave an update on Authentically Alleghany and the Chamber of Commerce.

Karen Evans

Karen Evans, Finance Officer gave a general budget update and explained the expected decline in sales tax as a result of COVID-19.

Karen Evans explained the unanticipated revenues the county has received, special appropriation reductions and furlough days for employees.

Commissioner John Irwin asked that waiving commissioner pay for the remainder of the year be put on the next agenda.

County Manager, Michael Carter explained the communication he has had with department heads and commissioners regarding the financial situation the county is in.

County Manager, Michael Carter said that if the budget numbers go in an unwanted direction, there will be accountability for that.

Karen Evans said when she says we are $326,000 short for 19/20, that is not touching the $404,000 appropriated fund balance.

Karen Evans explained we are looking at 1 furlough day for employees and a 3% reduction in special appropriations excluding the fire departments, rescue squad, Vaya Health and AppHealth.

Recess

General Business

Set date for budget public hearing

Commissioner John Irwin asked that we advertise the fire tax public hearing for 3 weeks to give the public plenty of notice and to give the board the authority to move the meeting if we anticipate a large crowd.

There was discussion between the board and County Manager, Michael Carter about when to hold the budget and fire tax public hearings.

Commissioner John Irwin made a motion to hold the budget and fire tax public hearings on May 19th at 6:30 pm.

TDA appointments

Commissioner John Irwin explained his nominations for the Tourism Development Authority.

Commissioner John Irwin nominated Charlie Scott for the TDA board. Commissioner Bobby Irwin seconded. Vote 5:0.

Commissioner John Irwin nominated Bill Nilo for the TDA board. Chair Bill Osborne seconded. Vote 5:0.

Commissioner John Irwin nominated Steve Mason for the TDA board. Commissioner Larry Prince seconded. Vote 5:0.

High Country Workforce Development Board appointment

Commissioner John Irwin explained his nomination for the High Country Workforce Development Board, Maria Peebles.

Commissioner John Irwin made a motion to appoint Maria Peebles to the High Country Workforce Development Board. Commissioner Larry Prince seconded. Vote 4:1 (aye: Commissioner Mark Evans, Chair Bill Osborne, Commissioner Larry Prince, Commissioner John Irwin; nay: Commissioner Bobby Irwin)

Transfer Station operating hours

There was discussion between the board, County Manager, Michael Carter, Josh Greene, Public Works Director and April Hamm, HR Officer about the hours at the transfer station.

Commissioner Larry Prince made a motion to approve the new hours at the transfer station with a start date of July 1, 2020. Commissioner John Irwin seconded. Vote 5:0.

There was discussion between the board and Josh Greene about when and how to implement the new hours.

JCPC additional funding

Karen Evans, Finance Officer explained the JCPC additional funding request. Commissioner Mark Evans made a motion to approve the JCPC additional funding request. Commissioner John Irwin seconded. Vote 5:0.

Mowing bids

There was discussion between the board and Megan Edwards, Recreation Director, County Manager, Michael Carter and County Attorney, Donna Shumate about the mowing bids.

Commissioner John Irwin made a motion to continue the contract with the exception of mulching and the sourcing of the mulch. Commissioner Bobby Irwin seconded.

Commissioner John Irwin withdrew his motion.

Commissioner John Irwin made a motion to accept the bids for consideration by the board. Commissioner Bobby Irwin seconded. Vote 4:1. (aye: Commissioner Mark Evans, Commissioner Bobby Irwin, Chair Bill Osborne, Commissioner John Irwin; nay: Commissioner Larry Prince)

Commissioner John Irwin made a motion to accept Lyall's Lawn Care bid minus Veteran's Park and Davis Field until COVID-19 is over. Vote 0:5.

Commissioner Mark Evans made a motion to accept the low bid for item 1 only. Commissioner Larry Prince seconded. Vote 4:1. (aye: Commissioner Mark Evans, Commissioner Bobby Irwin, Chair Bill Osborne, Commissioner Larry Prince nay: Commissioner John Irwin)

Megan Edwards – not opening DRC

Megan Edwards explained the impact not opening Duncan Recreation Center would have on her budget.

Commissioner Larry Prince made a motion not to open the pool this season. Commissioner John Irwin seconded. Vote 5:0.

Alleghany County Schools funding reduction

Commissioner John Irwin made a motion to approve item 8 to reduce Alleghany County Schools funding. Commissioner Larry Prince seconded. Vote 5:0.

Special appropriations funding reduction

Commissioner Mark Evans made a motion to reduce all remaining special appropriations disbursements by 3% with the exception of the fire departments, rescue squad, Vaya Health and AppHealth. Commissioner Larry Prince seconded. Vote 5:0.

FY19/20 employee furlough

Commissioner John Irwin made a motion to approve one employee furlough day to be Memorial Day. Commissioner Larry Prince seconded. Vote 5:0.

Communities in Schools funding suspension

Commissioner Mark Evans made a motion to suspend any remaining money to Communities in Schools. Commissioner John Irwin seconded. Vote 5:0.

Republic Services

County Manager, Michael Carter explained the proposed contract with Republic Services.

Commissioner John Irwin made a motion to approve the Republic Services contract. Commissioner Mark Evans seconded. Vote 5:0.

General Fund budget amendment #12

Commissioner John Irwin made a motion to approve General Fund budget amendment #12. Commissioner Mark Evans seconded. Vote 5:0.

General Fund budget amendment #13

Commissioner John Irwin made a motion to approve General Fund budget amendment #13. Commissioner Larry Prince seconded. Vote 5:0.

Consent agenda

Commissioner John Irwin made a motion to approve the consent agenda. Commissioner Mark Evans seconded. Vote 5:0.

Rita Miller, Tax Administrator explained the Fire Tax District estimates.

County Manager comments

County Manager, Michael Carter explained how the budget process has been this year.

The board decided to have a work session Monday, 4/27 at 9:00 am.

County Commissioner comments

Commissioner Mark Evans encouraged people to hang in there and thanked the budget committee.

There was discussion about going back to our regular meeting schedule.

Commissioner Bobby Irwin asked for a closed session on the next agenda to discuss replacing the county attorney.

Chair Bill Osborne said it would be a mighty fine time to vote the ¼ cent sales tax in. Chair Bill Osborne said the measures we are taking with COVID-19 are working and wished the 2 infected residents well.

Commissioner Larry Prince complimented the county on complying with COVID-19 regulations.

Commissioner Larry Prince said he appreciated being involved in the budget committee.

Commissioner John Irwin thanked the budget committee.

Commissioner John Irwin went over costs for volunteer fire departments.

Chair Bill Osborne thanked the budget committee and County Manager, Michael Carter for his experience.

Commissioner John Irwin made a motion to adjourn. Commissioner Larry Prince seconded. Vote 5:0.

Respectfully Submitted,

Drew Temple
Clerk to the Board

Bill Osborne
Chairman

The Alleghany County Board of Commissioners met in special session on Monday, April 27th, 2020 at 9:00 am in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chair Bill Osborne, Commissioner Mark Evans, Commissioner Bobby Irwin, Commissioner Larry Prince, Commissioner John Irwin, County Manager, Michael Carter and Clerk to the Board Drew Temple.

County Manager, Michael Carter explained the unexpected revenue from the hospital building permit that came in last week.

County Manager, Michael Carter said it was his hope that the unexpected revenues would eliminate the need to furlough any employee days.

There was discussion between the board, County Manager, Michael Carter and the budget committee regarding revenues.

There was discussion between the board, County Manager, Michael Carter and the budget committee regarding fire tax and Fire Commission.

There was discussion between the board, County Manager, Michael Carter and the budget committee regarding expenses for Governing Bodies, Administration, Finance, HR, Board of Elections, Recreation and Economic Development budgets.

Chair Bill Osborne called for a consensus on funding the Chamber of Commerce. Commissioner John Irwin voted no for Chamber and a reduction on Marketing.

Chair Bill Osborne voted yes for both.

Commissioner Bobby Irwin voted no for Chamber and a reduction of 10% for Marketing.

Commissioner Larry Prince voted yes for both.

Commissioner Mark Evans voted yes for both.

RECESS

There was discussion between the board, County Manager, Michael Carter and the budget committee regarding Tax Administration, Tag Office, GIS, Register of Deeds, Public Buildings, Sheriff's Department, Dispatch, Roaring Gap Deputies, Animal Control, Maint. Of Court Related, Jail, Emergency Management, Building Inspector, Health Department, EMS, Cooperative Extension, Soil & Water, Veteran's Office, Transportation Administration, Social Services, Public Assistance, Special Adoption Assistance, Chore Service, Work First, County Insurance, Added for Conversion, Education, Special Appropriations and Contingency budgets.

Respectfully Submitted,

Drew Temple
Clerk to the Board

Bill Osborne
Chairman

The Alleghany County Board of Commissioners met in regular session on Monday, May 4th, 2020 at 6:30 pm in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chair Bill Osborne, Commissioner Mark Evans, Commissioner Bobby Irwin, Commissioner Larry Prince, Commissioner John Irwin, County Manager, Michael Carter, County Attorney Donna Shumate and Clerk to the Board Drew Temple.

Commissioner John Irwin made a motion to accept the amended agenda. Commissioner Mark Evans seconded. Vote 5:0.

AGENDA
Monday, May 4, 2020
6:30 pm

6:30 Meeting called to order
Pledge of Allegiance and invocation
Approval of agenda

6:35 **Public Comments/Agenda Items**: Citizens are encouraged to comment at this time on any item(s) specifically listed on this meeting's agenda. Guidelines for public comment are posted in the meeting room.

A. 6:40 **Presentations to the Board**

i. Karen Evans – Finance Officer
   a. Salary line item transfers (page 1)
   b. Explanation of Expenditures 2020/2021 (pages 2-4)
   c. Total Expenditures FY 2020/21 (page 5)
   d. Expenditures of All County Revenues FY 2020/21 (page 6)
   e. Property Tax, Sales Tax, Undesignated Revenues Expended By Function FY 2020/21 (page 7)

B. 6:50 **General Business (Board action requested)**

i. High Country Workforce Development Board discussion and appointment – Keith Deveraux (page 8)
ii. Tourism Development Authority Fund budget amendment #2 in the amount of $10,223 to budget for increase in occupancy taxes. (page 9)
iii. General Fund budget amendment #14 in the amount of $9,883 to budget for additional Juvenile Crime Prevention Council (JCPC) funds (page 10)
iv. Reinstate Monday, May 25, 2020 (Memorial Day) as a paid holiday
v. Suspending fees paid to Commissioners effective 3/24/20
vi. Discussion on reopening Alleghany County offices
vii. Job description changes
   a. GIS Administrator (pages 11-13)
   b. GIS Specialist (pages 14-15)
   c. Elections Specialist/Deputy Director (pages 16-18)

d. Public Transit Billing Specialist (page 19-20)
e. Elections Director (pages 21-23)
f. Emergency Management Coordinator (pages 24-26)
g. Soil and Water District Office Administrator/Education Coordinator (pages 27-29)
h. Soil and Water District Director (pages 30-32)
i. Planning and Codes Administrator (pages 33-35)
j. Assistant Tax Collector (pages 36-38)
k. Vehicle Registration Supervisor (pages 39-40)
l. Real Property Appraiser III (pages 41-43)
m. Business Personal Property Appraiser II (pages 44-46)
n. Business Personal Property Appraiser (pages 47-49)
o. Deputy Tax Collector (pages 50-52)
p. Tax Administrator/License Plate Agency Contractor (pages 53-55)
q. Human Resource Officer/Payroll Specialist (pages 56-58)

C. 7:00 **Public Comments**: Citizens are encouraged to comment at this time on any item(s) requiring the attention of the Commissioners. Guidelines for public comment are posted in the meeting room.

D. 7:10 **County Manager Comments**

E. 7:20 **County Commissioner Comments**

F. 7:30 **Request for Closed Session Pursuant to G.S. 143-318.11.(a)-(6) Personnel, G.S. 143-318.11.(a)-(3) Legal**

G. **Adjourn**

Public Comment/Agenda Items
No comment.

General Business
High Country Workforce Development Board discussion

Keith Deveraux explained his response to the inquiry about Maria Peebles's appointment to the High Country Workforce Development Board.

Commissioner John Irwin requested that the board request a waiver for the High Country Workforce Development board appointment.

Keith Deveraux explained the High Country Workforce Development Board appointment is up June 30, 2020 and the term is 2 years.

Commissioner John Irwin made a motion to table the High Country Workforce Development Board appointment. Commissioner Larry Prince seconded. Vote 5:0.

Presentations to the Board
Jen Greene, AppHealth – COVID-19 update

Jen Greene announced the 7th confirmed COVID-19 case in Alleghany County.

Jen Greene gave a full COVID-19 update.

Karen Evans – Finance Officer

County Manager, Michael Carter explained the Salary Line Item Transfers for consideration.

Commissioner John Irwin made a motion to approve the Salary Line Item Transfers. Commissioner Mark Evans seconded. Vote 5:0.

County Manager, Michael Carter explained the Explanation of Expenditures, Total Expenditures FY2020/2021, Expenditures of All County Revenues FY2020/21 and Property Tax, Sales Tax, Undesignated Revenues Expended By Function FY2020/21.

General Business

County Manager, Michael Carter explained the TDA budget amendment.

Commissioner John Irwin made a motion to approve the TDA budget amendment. Commissioner Larry Prince seconded. Vote 5:0.

County Manager, Michael Carter explained General Fund budget amendment #14.

Commissioner John Irwin made a motion to approve General Fund budget amendment #14. Commissioner Larry Prince seconded. Vote 5:0.

Reinstate Memorial Day as paid holiday

Commissioner John Irwin made a motion to approve reinstating Memorial Day 2020 as a paid holiday. Commissioner Larry Prince seconded. Vote 5:0.

Suspending fees paid to Commissioners effective 3/24/20

Commissioner Larry Prince made a motion to approve suspending fees paid to Commissioners effective 3/23/2020. Commissioner John Irwin seconded. Vote 5:0.

Discussion about reopening county offices

Commissioner John Irwin suggested opening the county offices back up with stipulations on masks, partitions, etc.

There was discussion about when and how to open the county back up.

Commissioner John Irwin made a motion to open county offices contingent upon establishing proper precautions by May 11th. Commissioner Bobby Irwin seconded. Vote 5:0.

Job description changes

Commissioner John Irwin made a motion to accept all job description changes. Commissioner Bobby Irwin seconded. Vote 5:0.

Public comments

Brenda Irwin said Bark Mobile has a sign for no more than 3 people inside.

County Manager comments

County Manager, Michael Carter said he thinks the board should revisit the paving at BDC because there are some places that need some attention before the warranty runs out.

County Manager, Michael Carter explained the Fire Tax Revenues spreadsheet.

County Commissioner comments

Commissioner John Irwin apologized to the Rescue Squad for comments he made at the last meeting.

Commissioner Larry Prince said he is proud of the budget and process and thanked County Manager, Michael Carter and the committee.

Chair Bill Osborne thanked the budget committee.

Chair Bill Osborne explained an opportunity for agriculture producers in the county.

Chair Bill Osborne recognized Lila Williams as a national contest winner.

Commissioner Mark Evans asked about changing the location of the budget and fire tax public hearings.

Commissioner Bobby Irwin said Jen Greene was willing to help the county with the proper precautions before opening.

Commissioner John Irwin said the Fire Commission meeting will be May 12th in the Commissioners meeting room and will not be a public meeting.

Request for Closed Session Pursuant to G.S. 143-318.11.(a)-(6) Personnel, G.S. 143-318.11.(a)-(3) Legal

Commissioner Larry Prince made a motion to go into closed session to include April Hamm, HR Officer. Commissioner John Irwin seconded. Vote 5:0.

Chair Bill Osborne said no action was taken during closed session.

There was a motion and second to adjourn. Vote 5:0.

Respectfully Submitted,

Drew Temple	Bill Osborne
Clerk to the Board	Chairman

COA BUILDING PROGRESS REPORT

I am going to break the building into three sections. The **Office section** is the right 1/3 of the building looking at the front. The **Common area** will be the middle section of the building. The **Kitchen Section** is the left 1/3 of the building.

Office Section: list of things left to finish

- Electrician's to hang the light fixtures, install switches, and face plates
- Painting of the doors, door trim, and window trim
- Install baseboard
- Install toilet and sink in restroom
- Install counter top for the receptionist desk
- Finish 2 runs of flooring around 12' per run
- Skyline to pull the cat5 lines

All in all, I would say this area is 90% complete.

Common Area: List of things left to finish

- Electrician's to hang the light fixtures, install switches, and face plates
- Painting the smaller rooms, the second coat and a couple rooms both coats
- Patch hole in concrete where the plumbers had to fix a small section of pipe that had got busted during the pouring of the concrete floor
- Clean and scrub the floor
- Install the carpet in the entryway and the floor in the rest of the area
- Install doors
- Case out the windows and the entryway and trim them
- Painting of the doors, door trim, and window trim
- Install baseboard
- Install toilets and sinks in restrooms
- Install the water heater
- Install the washer and dryer
- Skyline to pull cat5 lines

All in all, I would say this area is 35% complete

Kitchen area: List of things left to finish

- Electrician's to hang the light fixtures, install switches, and face plates

- Paint all rooms first and second coat
- Clean and scrub the floor
- Clear seal the floor
- Install doors
- Case out the windows and trim
- Paint the doors, door and window trim
- Install the food hot bag counter
- Install cabinets
- Install all the kitchen appliances
- Skyline to pull cat5 lines
- Install the sink and handwashing station

All in all, I would say this area is about 10% complete

As we continue to work on this project, I'll keep you updated on the things as they are completed in the sections.

Alleghany County BDC/WCC/Library Paving Parking lot Bid Sheet

Alleghany County
P.O. Box 366 Sparta, NC 28675

8/5/2019

Alleghany County is accepting bids on the Paving of the BDC/WCC/Library building parking lot, located at, 115 Atwood St. Sparta, NC 28675. Bids will be opened on 08/16/2019 at 2 PM, at the Administration Building(LL80) located at, 348 S. Main St. Sparta, NC 28675. Within this bid sheet you will find the scope of work Alleghany County is requiring.

Preparation/What's expected from Contractor:

- Remove and dispose of the existing concrete parking stops (curbing).
- Repair all soft spots in parking lot before re-paving, spots will be previously marked by staff with orange marking paint.
- Be willing to work with limited traffic during normal business hours or try to schedule during a mutually agreed upon time frame when traffic is minimal or nonexistent
- The area inside the fenced in generator will not be paved
- Alleghany County will accept concrete curbing at the transfer station (419 Osborne Rd. Sparta NC) at no charge.
- Contractor is to do a tac and overlay of 2" finished asphalt for entire parking lot
- Contractor is to supply Alleghany County with a 1 Year warranty on their work.
- Alleghany County holds the right to refuse any bids

QUOTE

High Country Paving, LLC
Free estimates
Jeff Revis
336-657-1396
asphaltlife2019@gmail.com

INVOICE #
DATE: 07/31/19

TO WWC Sparta
Customer ID No.

SALESPERSON	JOB	PAYMENT TERMS	DUE DATE
		Due on receipt	

QTY		UNIT PRICE	LINE TOTAL
1	Remove and haul off all concrete stoppers		
2	Repair all sink holes		
3	Sweep and tac parking lot		
4	Pave with 2" finish asphalt		
		SUBTOTAL	
		SALES TAX	
		TOTAL	$91,250.00

Quotation prepared by:

This is a quotation on the goods named, subject to the conditions noted below: Warranty only applies to workmanship. There are no implied, expressed, merchantability warranties on any material purchased for the job. Estimates are close, but may fluctuate with material cost.

To accept this quotation, sign here and return:

THANK YOU FOR YOUR BUSINESS!

Salary Line Item Transfers
May 18, 2020

GENERAL FUND
Elections

Line Item From	*Line Item To*	*Amount*
Equipment	Fees paid to Board Members	335

Batch Id: 430 Batch Date: 05/07/20 Batch Type: Standard

Account No. / Account Description	Type	Entry Description	Amount	Tracking Id	Seq
10-430-0100-000 Fees Paid To Board Members	Transfer In	short due to 5 members and abs. meetings	335.00		1
10-430-3400-000 Equipment	Transfer Out	short due to 5 members and abs. meetings	335.00		2

GOULD KILLIAN CPA GROUP, P.A.

Charles E. Killian
G. Edward Towson, II
Harvey W. Jenkins
Shon P. Norris
Eric W. Michael
Daniel R. Mullinix

April 28, 2020

To the Board of Commissioners
And Members of Management
Alleghany County
348 South Main Street
Sparta, NC 28675

Agreement to Provide Services

This agreement to provide services (the "Agreement") is intended to describe the nature and scope of our services.

Objective and Scope of the Audit

As agreed, Gould Killian CPA Group, P.A. ("GK" or "we") will audit the financial statements of the governmental activities, the business-type 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 Alleghany County as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Alleghany County'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 Alleghany County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Required schedules for Law Enforcement Officers' Special Separation Allowance
3. Required schedules for the Local Government Employees' Retirement System
4. Register of Deeds' Supplemental Pension Fund

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We have also been engaged to report on supplementary information other than RSI that accompanies Alleghany County'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. We will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements:

1. Combining and individual fund statements, budgetary schedules, other schedules
2. Schedule of expenditures of federal and state awards

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

1. Introductory section
2. Statistical section

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 (or disclaimer of 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

program(s) in accordance with the Uniform Guidance and State Single Audit Implementation Act, and other procedures we consider necessary to enable us to express such opinions.

Since our audit in accordance with GAAS, those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement, whether caused by error or fraud. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. Our work will be based primarily upon selected tests of evidence supporting the amounts and disclosures in the financial statements and, therefore, will not include a detailed check of all of the Government's transactions for the period. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners of Alleghany County. 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. In particular, impacts from the COVID-19 outbreak may result in our inability to properly complete the engagement or require us to include such an explanatory or emphasis paragraph in our auditor's report.

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 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 bring these misstatements to your attention as proposed adjustments. At the conclusion of our audit we will communicate to those charged with governance (as defined below) all uncorrected misstatements. 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.

The term "those charged with governance" is defined as the person(s) with responsibility for overseeing the strategic direction of the Government and obligations related to the accountability of the Government, including overseeing the financial reporting process. For the Government, we agree that the Board of Commissioners meets that definition.

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 and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Notwithstanding the unprecedented circumstances resulting from the COVID-19 outbreak, we continue to have a professional obligation to gather sufficient appropriate audit evidence in support of your financial statements. Travel restrictions, actual or suspected infections, work from home requirements, changes - such as work force reductions - made to accommodate the current business environments, or other similar matters may result in delays in your employees' ability to provide us the necessary audit evidence on a timely basis or at all. Similarly, such matters may impact our own ability to collect or appropriately assess necessary audit evidence on a timely basis or at all.

Should such events occur, you and Gould Killian will make good faith efforts to complete alternative procedures to gather and assess necessary audit evidence. Such procedures might include, but not be limited to, our respective employees working from home, transferring more audit information via electronic modes (preferably through Suralink secure document exchange), and meeting virtually rather than in-person. As to audit evidence transferred via electronic modes, you are responsible to ensure that such evidence is authentic, complete, and accurate for the purposes it is meant to serve. Gould Killian will perform, as it deems necessary, incremental procedures to validate the authenticity, completeness, and accuracy of such audit evidence.

As necessary, and as indicated in the Fees section of this Agreement, we will notify you if such alternative procedures require additional efforts and, if possible, an estimate of the additional cost.

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 Alleghany County'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* and the *Audit Manual For Governmental Auditors in North Carolina* for the types of compliance requirements that could have a direct and material effect on each of Alleghany County's major federal or state programs. The purpose of these procedures will be to express an opinion on Alleghany County's compliance with requirements applicable to each of its major programs in our report(s) on compliance issued pursuant to the Uniform Guidance and State Single Audit Implementation Act.

Management Responsibilities

Our audit will be conducted on the basis that you (management) acknowledge and understand that you are responsible for (1) establishing 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.

Management's responsibilities also include identifying and informing us of significant contractor relationships in which the contractor is responsible for program compliance and for the accuracy and completeness of that information.

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. The summary schedule of prior audit findings should be available for our review on prior to the completion of final field work.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state 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. 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 and state awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state 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 and state 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 and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state 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.

At the conclusion of the engagement, we will complete the appropriate sections of and electronically certify the Data Collection Form that summarizes our audit findings. We will provide a final copy of our reports in a PDF file to the Government; however, it is management's responsibility to upload the PDF version of the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) and complete the appropriate sections of the Data Collection Form. Management is responsible for electronically certifying the Data Collection Form and electronically submitting the completed Data Collection Form to the Federal Audit Clearinghouse (FAC). The financial reporting package must be text searchable, unencrypted, and unlocked to be accepted by the FAC. The Data Collection Form and the reporting package must be submitted electronically within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the oversight agency for audit. Both GK and management are responsible for ensuring that in their respective parts of the reporting package there is no protected personally identifiable information. We understand that we must make copies of the Data Collection Form and reporting package available for public inspection.

Reproduction of Audit Report

If the Government plans any reproduction or publication of a document that includes our report, or any portion of it, and that is assembled differently from any paper or electronic version that we have previously reviewed (e.g., by the addition of financial statements and/or accompanying information that you have produced), a copy of the entire document in its final form should be submitted to us in sufficient time for our review and written approval before printing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Posting of Audit Report and Financial Statements on Your Website

You agree that, if you plan to post an electronic version of the financial statements and audit report on your website, you will ensure that there are no differences in content between the electronic version of the financial statements and audit report on your website and the signed version of the financial statements and audit report provided to management by GK. You also agree to indemnify the GK from any and all claims that may arise from any differences between the electronic and signed versions.

Review of Documents In Connection With Offering of Sale of Debt

The audited financial statements and our report thereon should not be provided or otherwise made available to lenders, other financial institutions or sources of financing, or others (including advisors to such parties) in connection with any document to be used in the process of obtaining capital, including, without limitation, by means of the sale of securities (including securities offerings on the Internet) without first submitting copies of the document to us in sufficient time for our review and written approval. If, in our professional judgment, the circumstances require, we may withhold or condition our written approval.

Availability of Records and Personnel

You agree that all records, documentation, and information we request in connection with our audit will be made available to us (including those pertaining to related parties), that all material information will be disclosed to us, and that we will have the full cooperation of, and unrestricted access to, your personnel during the course of the engagement. Should impacts from the COVID-19 outbreak impede the ability to provide full cooperation and access, you will instead work with us in good faith to make alternative arrangements to accomplish the objectives of our audit.

You also agree to ensure that any third-party valuation reports that you provide to us to support amounts or disclosures in the financial statements (a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and (b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by Your Personnel

We also ask that your personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to Government employees and/or customers should be provided to us. In addition, we ask that you provide high-speed Internet access to our engagement team, if practicable, while working on the Government's premises. This assistance will serve to facilitate the progress of our work and minimize costs to you.

Peer Review Reports

Government Auditing Standards requires that we provide you with a copy of our most recent quality control review report. Our latest peer review report accompanies this letter.

Other Services

We are always available to meet with you and Commissioners at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the Government. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide

services to assist you in any of these areas. We will also be pleased, at your request, to attend governing board meetings.

We will also assist in preparing the financial statements and related notes, schedule of expenditures of federal and state awards, data collection form, and the Annual Financial Information Report (AFIR) of Alleghany County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, data collection form, and AFIR 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

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Government in the performance of our services. Any discussions that you have with personnel of GK regarding employment could pose a threat to our independence. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional standards require us to maintain certain respective roles and relationships with you with respect to the non-attest services described above. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

We will not perform management functions or make management decisions on behalf of the Government. However, we will provide advice and recommendations to assist management of the Government in performing its functions and fulfilling its responsibilities.

The Government agrees to perform the following functions in connection with our performance of the non-attest services listed above:

a. Make all management decisions and perform all management functions with respect to the non-attest services provided by us.
b. Assign Karen Evans, finance director, and management's consultant, Sidney Mashburn, CPA, to oversee the non-attest services and evaluate the adequacy and results of the services.
c. Accept responsibility for the results of non-attest services.

The services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. The Government must make all decisions with regard to our recommendations. By signing this Agreement, you acknowledge your acceptance of these responsibilities.

Engagement Administration, Fees, and Other

We will provide copies of our reports to the Board of Commissioners of Alleghany County; 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.

Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and certain of those banks have mandated the use of this service. Further, such third party confirmation processors also provide for the electronic (and manual) processing of other confirmation types (e.g., legal, accounts receivable, and accounts payable). To the extent applicable, the Government hereby authorizes GK to participate in such confirmation processes, including through the third party's website (e.g., by entering the Government's bank account information to initiate the process and then accessing the bank's confirmation response), and agrees that GK shall have no liability in connection therewith.

The audit documentation for this engagement is the property of Gould Killian CPA Group, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal or state 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 Gould Killian CPA Group, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal or state oversight agency. 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 in May 2020 and to issue our reports no later than October 31, 2020. Daniel R. Mullinix is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our charges to the Government for the services described above are expected to be $61,900, which includes two major programs. There is an additional fee of $3,000 for each major program in excess of two.

The planned timing and fees for our audit services are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We define the level of our total time threshold to be 625 hours in total. If significant additional time is necessary (over 625 hours), we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Our fee structure for these services is as follows:

Financial audit - base fee	$ 38,400
Financial statement preparation	11,000
Financial audit total	49,400
Compliance base fee	12,500
* Additional program (1 expected)	3,000
Compliance audit total	15,500
Base fee total	$ 61,900
Expected total fixed + variable	$ 64,900
* Base fee includes up to 2 major programs, Fee for each additional program	$ 3,000
Separate Fees Not Included Above:	
Annual Financial Information Reports (AFIR)	$ 1,500
Data Collection Form	$ 400

This fee structure does not take into consideration effects that any future standards promulgated by the Governmental Accounting Standards Board and/or other professional bodies will have on our audit procedures. As we become aware of additional audit procedures resulting from these circumstances, we will notify you of the situation and the estimated additional cost.

We believe the foregoing correctly sets forth our understanding; however, if you have any questions, please let us know. If you find the foregoing arrangements acceptable, please acknowledge this by signing and returning to us a copy of this Agreement and retaining a copy for your files. We will forward the signed engagement letter and LGC contract to the Local Government Commission for their approval.

Very truly yours,

Daniel R. Mullinix
Certified Public Accountant

RESPONSE:

This letter correctly sets forth the understanding of Alleghany County.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

SHARRARD, MCGEE & CO., P.A.
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HIGH POINT
GREENSBORO

Report on the Firm's System of Quality Control

July 28, 2017

To the Owners of
Gould Killian CPA Group, P.A. and the
Peer Review Committee of the North Carolina Association of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Gould Killian CPA Group, P.A. (the firm) in effect for the year ended January 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

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

July 28, 2017

Opinion

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

Shanaad, McLean & Co, P.A.

LGC-205 **CONTRACT TO AUDIT ACCOUNTS** Rev. 9/2019

The	Governing Board Board of Commissioners
of	Primary Government Unit (or charter holder) Alleghany County
and	Discretely Presented Component Unit (DPCU) (if applicable) Alleghany County Tourism Development Authority

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

and	Auditor Name Gould Killian CPA Group, PA
	Auditor Address 100 Coxe Avenue, Asheville, NC 28801

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/20	Audit Report Due Date 10/31/20

Must be within four months of FYE

hereby agree as follows:

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

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

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

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

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

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

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

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

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

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved 'with approval date shall be returnedto

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FEES FOR AUDIT SERVICES

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

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

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

Name:	*Title and Unit / Company:*	*Email Address:*
Sidney Mashburn, CPA	Consultant/Sidney Mashburn CPA	msbmash@aol.com

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

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

PRIMARY GOVERNMENT FEES

Primary Government Unit	Alleghany County
Audit Fee	$ 50,900 (fixed plus variable - see engagement letter for details)
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$ 3,000 per program over 2
Writing Financial Statements	$ 11,000
All Other Non-Attest Services	$ 0
75% Cap for Interim Invoice Approval *(not applicable to hospital contracts)*	$ 52,050.00

DPCU FEES (if applicable)

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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Gould Killian CPA Group, PA	
Authorized Firm Representative (typed or printed)* Daniel R. Mullinix, CPA	Signature*
Date* 04/28/20	Email Address* dmullinix@gk-cpa.com

GOVERNMENTAL UNIT

Governmental Unit* Alleghany County	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Bill Osborne, Chair	Signature*
Date	Email Address

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed) Karen Evans	Signature*
Date of Pre-Audit Certificate*	Email Address* Karen.Evans@alleghanycounty-nc.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* Alleghany County Tourism Development Authority	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)* Steve Mason	Signature*
Date*	Email Address*

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

DPCU Finance Officer (typed or printed)* Karen Evans	Signature*
Date of Pre-Audit Certificate*	Email Address* Karen.Evans@alleghanycounty-nc.gov

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

PRINT

GOULD KILLIAN CPA GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Charles E. Killian
G. Edward Towson, II
Harvey W. Jenkins
Shon P. Norris
Eric W. Michael
Daniel R. Mullinix

April 28, 2020

To the Board of Commissioners
And Members of Management
Alleghany County
348 South Main Street
Sparta, NC 28675

We are pleased to continue as independent auditors for Alleghany County. We look forward to continuing to provide high-quality services you expect from your professional service providers. Our team has enjoyed working with Karen and your county staff.

Our commitment to delivering superior service means that we strive to demonstrate initiative, anticipate problems, propose solutions, and communicate effectively with you and other members of management throughout the year. In addition, during our audit we will be alert for opportunities to bring insightful and constructive suggestions for improving management information, operating and accounting procedures, and controls.

Attached to this letter is an agreement describing our fiscal year 2020 audit services. If you have questions about any of the matters discussed in that agreement, please give us a call. If you find the arrangements acceptable, please acknowledge your agreement to the understanding by signing and returning to us the signed copy. We will upload the engagement letter and contract to the Local Government Commission for their approval.

We have thoroughly enjoyed being your auditors over the past three years. We hope your impression is that our firm was engaged to add value above performing financial statement and compliance audit services. We have provided cost estimates to continue providing these services for another three years with the proposed fee estimate provided on the next page. The current economic environment is full of uncertainty and has increased the difficulty of your FY 2021 budget process. We have provided the same fee structure in FY 2021 as we have agreed to for FY 2020. We sincerely wish to continue working with Alleghany County. Please let us know your thoughts on this proposed extension of time to work with Alleghany County beyond FY 2020.

100 Coxe Avenue | Asheville, NC 28801 | P 828.258.0363 | F 828.252.0528 | www.gk-cpa.com

An Independent Member of the BDO Alliance

FEE SCHEDULE

	FY 20	FY 21	FY 22	FY 23
Fixed Fees:				
Financial Audit	$ 38,400	$ 38,400	$ 39,100	$ 39,700
Compliance Audit - 2 Major Programs	12,500	12,500	12,700	12,900
Financial Statement Preparation	11,000	11,000	11,200	11,400
TOTAL FIXED FEES	**$ 61,900**	**$ 61,900**	**$ 63,000**	**$ 64,000**
Variable Fees:				
Additional Major Programs	**$ 3,000**	**$ 3,000**	**$ 3,075**	**$ 3,150**

We look forward to many years of pleasant association with your staff and Alleghany County.

Very truly yours,

Daniel R. Mullinix
Certified Public Accountant

ALLEGHANY COUNTY TAX OFFICE

Tax Administrator: Rita B Miller

MONTHLY REPORT

April 2020

Vehicle Tax System Refunds.....$ 166.11
Real & Personal Property Refunds.....$ 153.83
Real & Personal Property Releases.....$ 338.15

County Tax, Original Levy Collection Rate: 100 %
County Tax, Current Levy Collection Rate: 97.26 %
**original levy + discoveries, deferred (roll backs)*

Default Payment Agreement Report

LICENSE PLATE AGENCY MONTH END REPORT

Transactions: 86
Overage/Shortage: $ 0
Compensation: $

2020 BOARD OF EQUALIZATION AND REVIEW MINUTES

MOTOR VEHICLE APPEAL(S)

none

REQUEST FOR APPROVAL OF LATE APPLICATION / AUDIT INFORMATION

none

REQUEST FOR RELEASE OF RESIDENTIAL SOLID WASTE FEE

none

Signature, Chairman of the Board: _____

Date: _____
Submitted by:
Rita Miller,
Tax Administrator

North Carolina Vehicle Tax System

NCVTS Pending Refund report

Re

Payee Name	Prima	Refund Reason	Create Date	Authorization Date	Tax Jurisdiction	Levy Type	Change	Interest Change	Total Change
DEAN, GARY STEVEN	DEAN -	Situs error	04/03/2020	5/4/2020 2:58:55 PM	ALLEG	Tax	$0.00	$0.00	$0.00
					C002	Tax	($151.05)	$0.00	($151.05)
								Refund	$151.05
HIGGINBOTHAM, MANSON	HIG	Vehicle Sold	04/07/2020	4/7/2020 9:11:29 AM	ALLEG	Tax	($0.83)	$0.00	($0.83)
								Refund	$0.83
HIGGINBOTHAM, MANSON	HIG	Vehicle Sold	04/07/2020	4/7/2020 9:16:51 AM	ALLEG	Tax	($7.99)	$0.00	($7.99)
								Refund	$7.99
TRULOCK, DEBRA ANNE	TRUL	Vehicle Sold	04/15/2020	4/15/2020 9:38:43 AM	ALLEG	Tax	($6.24)	$0.00	($6.24)
								Refund	$6.24
Submitted by: Rita Miller, Tax Admin.		Finance Line Item: 10-244-0000		Approved by Board: _____ Date	Chairman Signature: _____			**Refund Total**	**$166.11**

RUN DATE: 5/1/2020 9:48 AM

ALLEGHANY COUNTY REFUND REPORT
APRIL 2020 REFUND REPORT

NAME	BILL NUMBER		AMOUNT	OPER	DATE TIME
77142 ALLEGHANY RIFLE ASSOCIATION INC. PO BOX 986 SPARTA, NC 28675	2019-286	RP: 3979260312 ALLEGHANY RIFLE ASSOCIATION (OVPD BAL) REFUND RECIPIENT: ALLEGHANY RIFLE ASSOCIATION PO BOX 986 SPARTA NC 28675	4.90	KARENA GREENE	4/24/2020 9:59:01 AM
13335 BOTTOMLEY SHERILL WAYNE 45 CELESTES WAY SPARTA, NC 28675	2017-500178	ALLEGHANY CO (VTS) REFUND REFUND RECIPIENT: AMANDA BOTTOMLEY 45 CELESTES WAY SPARTA NC 28675	95.57	KARENA GREENE	4/23/2020 3:48:50 PM
4089 CATRON KAREN P. 1329 OSBORNE MEMORIAL RD SPARTA, NC 28675	2019-2540	RP: 3043609017 SUSAN MILES REFUND RECIPIENT: SUSAN REINHARDT MILES PO BOX 727 SPARTA NC 28675	4.05	KARENA GREENE	4/20/2020 10:35:16 AM
12208 VAUGHN MARGARET L. 8877 GLADE VALLEY RD ENNICE, NC 28623	2019-14555	RP: 4021001101 ALLEGHANY CO (VTS) REFUND REFUND RECIPIENT: MARGARET VAUGHN 8877 GLADE VALLEY RD ENNICE NC 28623	46.08	KARENA GREENE	4/23/2020 3:54:52 PM
1918 WORRELL JAMES P. & INEZ A.; & MABE DANNY W. & MARY B. 1991 MEMORIAL PARK DR SPARTA, NC 28675	2019-15584	RP: 3070631011 ALLEGHANY CO (VTS) REFUND	3.23	KARENA GREENE	4/23/2020 3:56:23 PM

TOTAL: 153.83

RUN DATE: 5/1/2020 9:43 AM

APRIL 2020 RELEASE REPORT
Alleghany County

NAME	BILL NUMBER		OPER	DATE/TIME	DISTRICT	VALUE	AMOUNT
1227	2019-3032	DY: PERSONAL PROPERTY	Rita Miller	4/16/2020 4:07:05 PM			
COCHRAN MARTY ALLEN							
					C ADVLTAX	4,310.00	25.73
					SW51FFEEFEE	4,310.00	98.00
		DOUBLE BILLED - M/H WAS SOLD TO JOSH COCHRAN WHO ALSO RECEIVED A BILL AND PAID IT.				TOTAL RELEASES:	123.73
8605	2019-9605	DY: RP:3050238821	MISSY SMITH	4/9/2020 9:36:44 AM			
MOXLEY CHARLES PHILLIP & TAMMY							
					C ADVLTAX	30.00	0.18
		RELEASED DUE TO NOT BEING SENT CERTIFIED				TOTAL RELEASES:	0.18
8605	2019-9605	DY: RP:3050238821	MISSY SMITH	4/9/2020 9:52:07 AM			
MOXLEY CHARLES PHILLIP & TAMMY							
					C ADVLTAX	65,670.00	29.82
		RELEASED DUE TO NOT BEING SENT CERTIFIED MAIL				TOTAL RELEASES:	29.82
202050023600	2020-500236	DY:19 PERSONAL PROPERTY	Rita Miller	4/24/2020 10:19:53 AM			
ROBINSON DEBRA DAVIS							
					C ADVLTAX	6,410.00	41.46
		VEHICLE NO LONGER IN ALLEGHANY, IN BURKE COUNTY PAST 3 YEARS				TOTAL RELEASES:	41.46
78698	2019-300071	DY:19RP:3081557239	Rita Miller	4/14/2020 2:56:48 PM			
SHACKELFORD KATHY TEAGUE							
					SW51FFEEFEE	0.00	98.00
		board approved release of solid waste fee				TOTAL RELEASES:	98.00
77053	2019-19433	DY: PERSONAL PROPERTY	Rita Miller	4/9/2020 10:31:13 AM			
WOOD JIM							
					C ADVLTAX	11,820.00	44.96
		YEAR OF CAMPER ENTERED INCORRECTLY, BILLED ON WRONG VALUE				TOTAL RELEASES:	44.96
NET RELEASES PRINTED:	338.15						
TOTAL TAXES RELEASED							338.15

Alleghany County
DELINQUENT TAXPAYER CONTRACTS FOR STATUS: DFLT

NAME	CONTRACT DATE	DUE AT CONTRACT	PROMISED MONTHLY PAYMENT	YEARS INCLUDED	LAST PAYMENT	TOTAL PAID	CURRENT DUE	MONTHS TO PAY
BROWN & SAUCIER ASSOCIATES LP - HEIRS HEIRS	04/11/2018	426.93	80.00	2017-2018	03/05/2019	430.00	557.04	DEFAULT
FINNEY JOAN	03/13/2018	199.57	95.00	2017-2019			1014.48	DEFAULT
MURPHY MARY SUE	04/04/2016	2213.49	142.00	2016-2019	04/02/2020	415.37	3995.44	DEFAULT
MURRAY ANNA JEAN	11/03/2017	992.52	56.00	2014-2019	03/11/2020	510.00	998.12	DEFAULT
PAOLINO JACQUELINE	10/10/2018	689.64	100.00	2016-2019	08/26/2019	654.45	772.38	DEFAULT
RICHARDSON M.B. D/B/A BLUE RIDGE SUN	07/14/2017	1262.99	170.00	2015-2019	05/20/2019	2695.55	436.01	DEFAULT
SPARKS PAULINE ESTATE	02/19/2018	451.01	70.00	2016-2019	09/23/2019	1193.82	143.54	DEFAULT
TRIVETT WILLIE C. SR. (LIFE TENANT)	07/07/2017	1492.71	120.00	2015-2019	08/30/2019	930.00	1308.90	DEFAULT

STATUS	TOTAL CONTRACTS	TOTAL PAID	TOTAL DUE
DEFAULT	8	6,829.19	9,225.91

Alleghany County Board of Equalization and Review
Tax Year: 2020

April 14, 2020 – 6:35pm

Chairman of the Board, Bill Osborne, opened the 2020 Board of Equalization and Review Hearings. Board members present were Osborne, Co-Chair Larry Prince and Commissioner John Irwin. Rita Miller, Clerk to the Board was in attendance.

There were no property owners present and no appeals were heard.
Meeting was continued until April 16, 2020 at 6:30pm.

April 16, 2020 – 6:30pm

Chairman of the Board, Bill Osborne, opened the meeting with the Pledge of Allegiance and Prayer. Board members present were Osborne, Bobby Irwin & John Irwin. Tax Office staff present were Rita Miller, Clerk to the Board and Theresea Dotson, Real Property Appraiser III.

Chilly Water Properties, LLC – Ricky and Kim Brown came before the Board to discuss 5 questions that they had submitted to the tax office regarding a parcel of land they had purchased from Herbert Brown Estate (Doug Brown), how the purchased land had split from a larger tract, then combined with other land they owned and that Chilly Water Properties LLC had been advertised for delinquent taxes. Rita Miller reviewed the five questions and answers from the tax office.

The discussion turned to present use value on the parcel and Theresea Dotson advised that she had not received an application and that the property was not in the program when purchased. Bobby Irwin asked if the properties adjoined Chilly Waters other properties, Dotson stated no. Mr. Ricky Brown asked how they get this property into the agriculture program. Discussion about application and filing times concluded with Mr. Brown stating they would apply in January of 2021.

The difference in tax value on all three tracts, land classification and size adjustment was discussed.

A prepayment for the 2019 tax had been paid by the closing attorney prior to the calculation of the tax bill. A tax increase for 19/20 resulted in a balance due on the parcel.

Mr. Brown explained that when they saw their name in the paper they were very frustrated and that this was very upsetting for them. They thought that the tax was taken care of at the closing. Mr. Brown discussed that the Notice of Lien Advertising, giving time to pay before advertising, was sent to the seller, Herbert Brown Estate instead of Chilly Water Properties LLC. Mr. Brown asked what could be done for themselves and others advertised without notice? Could the tax office run an ad in the newspaper stating that their name had been advertised without proper notification? Mrs. Miller discussed the statutory changes in 2006 which states that the January 6 owner is the owner to be advertised. Mr. Brown discussed that the example Miller had sent him was almost exactly like their situation. Mr. Brown again asked that if the Tax Office could run a small ad that they would appreciate it. Miller asked the Board to approve running the ad. John Irwin made a motion to approve the ad, Osborne seconded, and motion was approved 3-0. (Copy of ad attached)

6:50pm Chairman Osborne adjourned the 2020 Board of Equalization and Review Hearings.

Approved by the Board of Equalization and Review

_____ _____

Chairman, Bill Osborne Date

Alleghany County Tax Office

The following names were included in the 2019 Advertisement of Unpaid Tax Liens and did not receive a 2019 Lien Advertisement and Debt Set Off Notice, giving 30 days to pay, prior to the advertisement. (NCGS 105-369)

Chilly Water Properties LLC; Elliott Amanda Sparks; Golds Vilas Ray & Ima Lee Baker; Greene Tony; Joines John W; Miles Susan MSR; Strupe Phillip M & Vicki J

Submitted by
Tax Collector,
Rita Miller 20200417

On Apr 17, 2020, at 12:32 PM, Rita Miller <rita.miller@alleghanycounty-nc.gov> wrote:

Could you run the attached in a small ad or press release in next week's newspaper please?
Thank you,

Rita B. Miller
Tax Administrator
Alleghany County Tax Office
Sparta NC 28675
Phone: 336-372-8291

PLEASE NOTE MY EMAIL ADDRESS HAS CHANGED!
RITA.MILLER@ALLEGHANYCOUNTY-NC.GOV
EFFECTIVE 11/1/2019

E-mails sent to or from this e-mail address that relate to the Alleghany County Tax Office's work are public records and may be subject to public access under the North Carolina public records law

<press release.docx>

Alleghany County

Proposed FY20/21 Bullet Point Highlights

- Maintain property tax rate of $0.597.
- No new positions added for FY 20/21.
- Reduction of 2 FT positions from previous year.
- Reduction of 4 permanent PT positions from previous year.
- No annual salary increases projected for employees.
- No change in insurance coverage for employees.
- Establish and implement fire tax for VFD's.
- Continue to fund Rescue Squad from General Fund appropriation.
- Includes new phone system for all buildings with identified annual savings.
- Consolidate all telephone line expenses into Manager's Office.
- Board of Education reduction of 5% over 19/20 allocations.
- Special Appropriations maximum reduction of 10% over 19/20 allocations.
- Establish a Supplemental Contingency of $5,605.
- Establish an Un-allocated Contingency of $125,000 to assist in rebuilding the fund balance.
- Compensate for a 3% increase of solid waste haul and disposal fees due to rate increase by current provider.
- Established a Transfer Facility improvement line item in the amount of $72,713 to begin renovations to the facility.
- Eliminated dues to National Association of Counties (NACO), Lions Club and the Chamber of Commerce.
- Delay all vacant position hiring until August 2020.
- Eliminate take home vehicle for Emergency Management Department.
- Eliminate purchase of uniforms for designated Departments.
- Reduction of $30,000 transfer from General Fund to Transportation Fund from FY19/20 budget.
- Inclusion of $98,832 for purchase of mandated EMD equipment. $58,832 from the Dispatch line item and $40,000 from the 911 Fund.

		Monthly	Report	April-20			
	# of Permits	Additions	New	Total Construction Cost	Permit Cost	Permits - Previous Year	Atcual Income
Residential							
One-family building	8	2	6	$ 925,000.00	$ 3,461.00	4	$ 135,606.64
Two or more family							
Mobile Home	2		2		$ 300.00		
Recovery Fund	5		5		$ 50.00	2	
Garages	2		2	$ 12,600.00	$ 260.00	2	
Utility							
Decks	3		3	$ 55,000.00	$ 165.00		
Roofing	1		1	$ 500.00	$ 55.00		
Non-Residential							
Industrial							
Office--Prof.							
Retail/Service							
Churches, Etc.						1	
Hosp./School/Ins.	3	2	1	$ 17,065,705.00	$ 136,525.64		
Other Non-Res						1	
MISC.PERMITS							
Electrical	16		16		$ 835.00	15	
Plumbing						1	
Mechanical	9		9		$ 595.00	10	
Total	49	4	45	$ 18,058,805.00	$ 142,246.64	36	
Total To Date	438	29	409	$ 30,357,015.00	$ 200,601.64	364	

2020	January	February	March	April	May	June
Alleghany Chamber of Commerce	$ 12,558.34					
Alleghany Community Television			$ 20,408.16			
Alleghany Garbage Service	$ 60.00	$ 60.00		$ 120.00		
Alleghany High School	$ 100.00					
Alleghany In Motion	$ 14.32					
Alleghany News	$ 2,004.20	$ 118.40	$ 731.40	$ 599.10	$ 3,467.88	
Alleghany Stone, LLC		$ 547.36	$ 1,702.44	$ 1,173.53	$ 3,958.59	
Alleghany Wellness Center						
Arnold J Todd		$ 10,673.36	$ 3,800.00			
B&T Alignment		$ 1,851.60				
Betty's Dollar Mart			$ 88.05			
Billings Heating and Cooling	$ 176.14	$ 279.69	$ 24,260.13			
Blevins Building Supply	$ 9,702.89	$ 401.18	$ 1,483.58	$ 17.06	$ 2,436.81	
Blue Ridge Electric	$ 16,159.38	$ 2,554.38	$ 3,854.38	$ 2,554.38	$ 2,554.38	
Blue Ridge Energies	$ 8,062.52	$ 5,443.07	$ 4,105.24	$ 2,739.76		
Blue Ridge Pumping	$ 500.00	$ 500.00				
Bourne's Lawncare	$ 900.00					
ACTV Broadband	$ 239.12		$ 119.56	$ 38.43	$ 38.43	
Carolina West Wireless	$ 2,780.46	$ 3,013.60	$ 2,891.72	$ 2,874.65	$ 679.98	
Carquest of Alleghany	$ 601.58	$ 493.19	$ 87.41	$ 80.07		
City Body Shop	$ 75.00		$ 113.60	$ 127.20		
CJ Hardware	$ 198.36	$ 364.59	$ 412.00	$ 474.49		
Clean Under Pressure (Stevie Moxley)			$ 1,000.00			
Dillard Construction		$ 29,033.19	$ 27,495.00	$ 20,815.94		
Dollar General	$ 8.81	$ 12.01	$ 57.43	$ 19.22		
Edwards Body Shop	$ 266.88					
Evans Electrical Service		$ 10,366.24				
Foley's One Stop Shop				$ 31.26		
Food Lion	$ 375.07	$ 105.85	$ 359.21	$ 125.80		
G&B Energy	$ 1,300.00					
Glade Creek Animal Hospital				$ 60.43		
H3 Unlimited		$ 1,400.00	$ 400.00			
H & S Fencing		$ 1,444.19				
Halsey Drug			$ 21.41	$ 78.82		
Home Town Oil and LP Gas	$ 11,914.59	$ 1,145.81	$ 1,370.15	$ 1,071.51	$ 711.30	
Horizon Bistro	$ 16,776.73	$ 11,403.93	$ 8,686.70	$ 14,361.83	$ 7,001.51	
Inside Additions	$ 346.08					
Jamie's Auto Solutions	$ 50.00		$ 200.00	$ 231.20	$ 122.40	
Jeff Bode		$ 14.00				
Kemp Irwin	$ 1,022.50	$ 722.50	$ 361.25	$ 354.25	$ 690.00	
Lyall's Lawn Care				$ 1,223.20		
Old River Pest Management				$ 450.00		
Old Quarry Scrap & Auto Salvage		$ 400.00				
O'Reilly Automotive	$ 422.22	$ 550.09	$ 640.34	$ 400.91	$ 81.52	
Postmaster	$ 908.50		$ 110.00			
Presnell's Printing	$ 507.86	$ 164.18	$ 360.50			
Sheila Pratt		$ 12.00	$ 30.00			
Skyline Telephone	$ 8,510.16	$ 7,116.60	$ 9,827.18	$ 7,577.13	$ 3,316.59	
Sparta Exxon	$ 260.08	$ 217.44	$ 212.36	$ 162.84	$ 59.04	
Sparta Florist	$ 186.81	$ 26.69				
Town of Sparta	$ 19,468.60	$ 39,539.14	$ 10,398.44	$ 11,293.18	$ 165.79	
Twin Oak Veterinary Hospital		$ 12,593.22				
U.S. Cellular	$ 214.47					
Village Emporium			$ 12.80			
Total Local Spending	**$ 116,671.67**	**$ 142,567.50**	**$ 125,600.44**	**$ 69,056.19**	**$ 25,284.22**	
Local Spending Percentage	**16%**	**17%**	**26%**	**6%**	**13%**	
Total AP	**$ 1,092,734.21**	**$ 1,163,718.62**	**$ 823,343.12**	**$ 1,089,044.74**	**$ 464,546.15**	
Total Outside Allocations	**$ (351,062.82)**	**$ 346,922.00**	**$ 347,080.68**	**$ 346,350.04**	**$ 267,229.57**	
	$ 741,671.39	**$ 816,796.62**	**$ 476,262.44**	**$ 742,694.70**	**$ 197,316.58**	

116,671.67 / 741,671.39=16%