

# Agenda

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## *Town of Fairview*



### **Agenda**

Town Council Meeting

**May 9, 2016**

7:00 pm

*(Meeting to be held at the Old Fairview School)*

**1. Call the meeting to order: ---Mayor Thomas**

Invocation  
Pledge of Allegiance

- a. Agenda Changes
- b. Approval of Agenda

**2. Public Comments\*\* / Presentations:**

**3. Consent Agenda:**

- a) Financial and Tax Reports--- *Report Accepted as Information*
- b) Land Use Report---*Report Accepted as Information*
- c) CRTPO --- *Report Accepted as Information*
- d) Monroe/Union County Economic Development Committee Report--- *Report Accepted as Information*
- e) Approve Council Retreat Minutes for March 12, 2016
- f) Approve Council Minutes for April 11, 2016
- g) Approve Council Budget Workshop Minutes for April 25, 2016

# Agenda

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- h) Approve Council Closed Session Minutes for April 25, 2016 (Not to be open to the public)
- i) Call a Public Hearing for Budget Year 2016-2017 at the Town's regular monthly meeting on June 13, 2016 at 7:00 PM

## 4. Items of Business:

### **Item 1: Conduct Public Hearing on Text Amendment TC 16-016**

Mayor Thomas to open Public Hearing

#### **Amendment to: Table of Uses of the Fairview Land Use Ordinance**

##### **Adding: Event Venue/Center**

A facility for meeting and gatherings, such as reunions, conventions, private parties, and other similar ceremonies. This Use is allowed in RA40, R40, B-4, and HC with a Conditional Use permit.

Public Comments

Mayor Thomas to Close Public Hearing

### **Item 2: Decision on TC 16-016 (including zoning statement)**

The proposed zoning amendment under consideration is/is not found to be reasonable and consistent with the recommendations of the Town's adopted comprehensive plan, the Town of Fairview Land Use Plan (Revised August 11, 2014), and the Town of Fairview Land Use Ordinance (Effective July 1, 2005)---  
*Ed Humphries*

**Item 3: Appoint** 2 members to Park & Rec Committee (These appointments are for the positions currently held by Sharon Smith and Ronald Thomas –these terms will expire April 2019) --- *Jerry Clontz*

**Item 4: Update** on Fairview's Park --- *Jerry Clontz*

**Item 5: Approve** audit contract with Moyer, Smith & Roller, PA in the amount of \$6,450.

**Item 6: Discuss** proposed budget for 2016-2017 --- *Darrell Baucom*

## 5. Council Comments:

## 6. Adjournment

AS A COURTESY, PLEASE TURN CELL PHONES OFF WHILE MEETING IS IN PROGRESS

**\*\* Public Comments are limited to 3 minutes**

# Consent Agenda

A consent agenda is an effective means of managing the length of a meeting. It is normally made up of routine items that are not controversial in nature and upon which no further discussion is anticipated. Action on the consent agenda usually occurs early in the meeting with all items listed being approved by one motion and vote.

If any member of the governing body feels the need to discuss one or more of the items more fully, the item may be removed from the consent agenda and placed on the regular agenda.

Town of Fairview  
 Balance Sheet  
 As of April 30, 2016

	<u>Apr 30, 16</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
American Community Bank	197,307.89
Bank of NC	957,591.69
<b>Total Checking/Savings</b>	<u>1,154,899.58</u>
<b>Other Current Assets</b>	
Franchise Tax Receivable	43,188.53
<b>Investments</b>	
Investments NCCMT	965.99
<b>Total Investments</b>	<u>965.99</u>
Sales Tax Receivable	4,001.24
Taxes receivable	3,541.96
<b>Total Other Current Assets</b>	<u>51,697.72</u>
<b>Total Current Assets</b>	<u>1,206,597.30</u>
<b>Fixed Assets</b>	
Accumulated Depreciation	-7,474.08
Computer Equipment	12,643.66
Furniture and Equipment	1,698.00
Land	219,516.33
Land improvements	10,145.00
Leasehold Improvements	2,500.00
<b>Total Fixed Assets</b>	<u>239,028.91</u>
<b>Other Assets</b>	
Park development costs	25,055.00
<b>Total Other Assets</b>	<u>25,055.00</u>
<b>TOTAL ASSETS</b>	<u><u>1,470,681.21</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	8,000.00
<b>Total Accounts Payable</b>	<u>8,000.00</u>
<b>Other Current Liabilities</b>	
Accrued payroll	3,436.07
Deferred revenue - ad valorem	4,635.53
Payroll Liabilities	211.85
<b>Total Other Current Liabilities</b>	<u>8,283.45</u>
<b>Total Current Liabilities</b>	<u>16,283.45</u>
<b>Total Liabilities</b>	<u>16,283.45</u>
<b>Equity</b>	
Equity	
Fixed assets	264,083.91
<b>Total Fund Balance</b>	<u>1,244,247.72</u>
<b>Total Equity</b>	<u>1,508,331.63</u>
Retained Earnings	140,494.54
Net Income	-194,428.41
<b>Total Equity</b>	<u>1,454,397.76</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,470,681.21</u></u>

2:45 PM

04/29/16

Accrual Basis

**Town of Fairview**  
**Profit & Loss Budget vs. Actual**  
**July 2015 through April 2016**

	Jul '15 - Apr 16	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Ad Valorem taxes	70,962.33	69,100.00	1,862.33
Cable TV franchise taxes	2,786.49	2,100.00	686.49
Interest on delinquent taxes	258.46		
Investment income	2,615.34	2,000.00	615.34
Motor vehicle taxes	9,352.30	5,750.00	3,602.30
PARTF Grant reimbursement	5,505.00	240,000.00	-234,495.00
Sales and use tax	19,311.73	20,834.00	-1,522.27
Sales and use tax refund	130.26		
Utility Franchise taxes	117,005.47	112,500.00	4,505.47
Zoning fees	2,385.00	4,000.00	-1,615.00
<b>Total Income</b>	<b>230,312.38</b>	<b>456,284.00</b>	<b>-225,971.62</b>
<b>Expense</b>			
Advertising and Promotion	524.86	650.00	-125.14
Audit fees	6,800.00	6,800.00	
Bank Service Charges	24.51	200.00	-175.49
Capital outlay	27,060.00	476,325.00	-449,265.00
Charitable Contributions	224,978.98	225,000.00	-21.02
Collection fees	1,271.72	1,200.00	71.72
Computer and Internet Expenses	6,776.15	5,834.00	942.15
Dues and Subscriptions	5,143.00	5,000.00	143.00
Elections expense	2,721.33	3,145.00	-423.67
Grants	4,000.00	7,500.00	-3,500.00
Insurance Expense	4,706.98	6,000.00	-1,293.02
Legal fees	4,894.74	5,000.00	-105.26
Meals and Entertainment	178.05		
Miscellaneous Expense	233.92		233.92
Office Supplies	1,547.70	2,500.00	-952.30
Park Maintenance	100.00	20,000.00	-19,900.00
Park start-up and nonreimburse	35,037.40	35,000.00	37.40
Payroll Expenses	25,864.75	26,886.00	-1,021.25
Payroll taxes	4,308.60	4,750.00	-441.40
Planning and zoning	33,615.10	35,016.00	-1,400.90
Postage and Delivery	29.34		
Professional Fees	2,225.00		2,225.00
Public Safety	25,000.00	25,000.00	
Rent Expense	2,500.00	2,500.00	
Repairs and Maintenance	479.29		479.29
Telephone Expense	2,825.08	3,000.00	-174.92
Training fees	1,065.00	1,000.00	65.00
Travel Expense	829.29	1,000.00	-170.71
<b>Total Expense</b>	<b>424,740.79</b>	<b>899,306.00</b>	<b>-474,565.21</b>
<b>Net Ordinary Income</b>	<b>-194,428.41</b>	<b>-443,022.00</b>	<b>248,593.59</b>
<b>Net Income</b>	<b>-194,428.41</b>	<b>-443,022.00</b>	<b>248,593.59</b>

**Town of Fairview  
Transactions by Account  
As of April 30, 2016**

Type	Date	Num	Name	Memo	Debit	Credit	Balance
<b>American Community Bank</b>							221,259.25
Bill Pmt -Check	04/09/2016	101566	Alfred Benesch & Compa...	Construction administration		5,600.00	215,659.25
Bill Pmt -Check	04/09/2016	101567	Clark, Griffin and McColl...	Monthly legal fees		412.50	215,246.75
Bill Pmt -Check	04/09/2016	101568	Computer Network	monthly support charges		260.00	214,986.75
Bill Pmt -Check	04/09/2016	101569	Darrell H. Baucom	expense reimbursement		78.60	214,908.15
Bill Pmt -Check	04/09/2016	101570	Ed Humphries	expense reimbursement		54.96	214,853.19
Bill Pmt -Check	04/09/2016	101571	Enquirer Journal	advertising		52.24	214,800.95
Bill Pmt -Check	04/09/2016	101572	Fairview VFD and Rescue			15,892.31	198,908.64
Bill Pmt -Check	04/09/2016	101573	Great American Financial...	copier charges		63.34	198,845.30
Paycheck	04/11/2016	101575	Darrell H. Baucom			426.89	198,418.41
Paycheck	04/11/2016	101587	Teresa Gregorius			689.86	197,728.55
Paycheck	04/11/2016	101574	Bradley W Purser			138.53	197,590.02
Paycheck	04/11/2016	101576	Edward D Humphries			1,975.42	195,614.60
Paycheck	04/11/2016	101577	Edwin E Shaver, III	VOID:	0.00		195,614.60
Paycheck	04/11/2016	101578	Gary H Wilfong			138.53	195,476.07
Paycheck	04/11/2016	101579	Jerry C. Clontz			161.61	195,314.46
Paycheck	04/11/2016	101580	Jesse L Hargett			69.27	195,245.19
Paycheck	04/11/2016	101581	John A Biggers, Jr.			138.53	195,106.66
Paycheck	04/11/2016	101582	John H. Crowell			46.17	195,060.49
Paycheck	04/11/2016	101583	John T Phifer			46.18	195,014.31
Paycheck	04/11/2016	101584	Nancy H Randall			46.17	194,968.14
Paycheck	04/11/2016	101585	Patricia L Freeman			46.18	194,921.96
Paycheck	04/11/2016	101586	Phillip C Thomas			184.70	194,737.26
Paycheck	04/11/2016	101588	Tony FD Helms			46.17	194,691.09
Deposit	04/11/2016			Deposit	1,015.78		195,706.87
Deposit	04/13/2016			Deposit	733.13		196,440.00
Deposit	04/15/2016			Deposit	1,684.90		198,124.90
Check	04/25/2016		Frontier Telephone	monthly phone charges		165.28	197,959.62
Liability Check	04/25/2016	To Print	NC Dept of Revenue	600391020		443.00	197,516.62
Liability Check	04/25/2016	To Print	IRS	55-0789092		1,651.08	195,865.54
Deposit	04/25/2016			Deposit	720.23		196,585.77
Deposit	04/29/2016			Deposit	722.12		197,307.89
<b>Total American Community Bank</b>					<b>4,876.16</b>	<b>28,827.52</b>	<b>197,307.89</b>
<b>TOTAL</b>					<b>4,876.16</b>	<b>28,827.52</b>	<b>197,307.89</b>

Town of Fairview  
Park Related costs

<u>Date</u>	<u>Services</u>	<u>Payee</u>	<u>Check Number</u>	<u>Amount Paid</u>
2/9/2015	Design development - initial bill	Benesch	101245	8,370.00
4/13/2015	Design development - second bill	Benesch	101268	1,335.00
5/11/2015	Design development - third bill	Benesch	101292	4,610.00
6/8/2015	Design development - fourth bill	Benesch	101321	1,010.00
6/23/2015	NC DOT driveway permit application fee	NC DOT	101329	50.00
6/23/2015	NC DENR erosion and sedimentation app fee	NC DENR	101330	260.00
7/10/2015	Construction documents - June 28, 2015	Benesch	101335	9,420.00
8/10/2015	Construction documents - July 26, 2015	Benesch	101359	2,355.00
8/27/2015	NC DENR storm water permit	NC DENR	101383	505.00
9/14/2015	Construction docs - Aug 18 and perc test	Benesch	101385	1,895.00
10/12/2015	Const docs, permitting and bidding	Benesch	101411	6,255.00
11/9/2015	Bidding on park	Benesch	101437	3,100.00
12/7/2015	Amendment #1 for turn lane design	Benesch	101488	4,900.00
3/14/2016	Construction administration	Benesch	101552	2,300.00
3/28/2016	NC DENR for revisions to plan	NC DENR	101565	150.00
4/11/2016	Construction administration	Benesch	101566	5,600.00
Total incurred costs-to-date				52,115.00
Reimbursements received from PARTF November 4, 2016				18,032.50
Park Budget				
Design and construction management				47,100.00
Cost to develop park				560,000.00
Contingency				28,000.00
Total park costs				635,100.00
Left turn lane into the park				180,000.00
Moving water line				30,000.00
Administrative costs from Benesch				4,900.00
Total adjusted park costs				850,000.00

Town of Fairview  
Pond Related Costs

<u>Date</u>	<u>Services</u>	<u>Payee</u>	<u>Check Number</u>	<u>Amount Paid</u>
3/9/2015	Foster Lake and Pond - lowering pond level	Foster Lake	101248	2,450.00
Total for 14/15 fiscal year				2,450.00
8/10/2015	Foster Lake and Pond - pond renovation	Foster Lake	101356	22,833.59
9/14/2015	Warlick Trucking - Grading, etc on pond site	Warlick Trucking	101386	9,500.00
Total paid-to-date on pond renovation and maintenance				34,783.59

## Zoning Permits 2016

2016

<u>Date</u>	<u>CK#</u>	<u>Permit #</u>	<u>Type</u>	<u>Fee \$</u>	<u>Name</u>	<u>Address</u>	<u>Parcel#</u>
12-Jan	4353	A-16-001	Accessory	\$50	Tomberlin Inc	9716 Tallwood Dr. IT	8210037
Totals		1		\$50			

11-Feb	4353	S-16-002	Sign	\$35	Union County Schools	Fairview Elem School	08219010b
9-Feb	167	C-16-003	Comp	\$100	Breece	1225 Crowell Dairy Road	0825513A
Totals		2		\$135			

3-Mar	3493	A-16-004	Accessory	\$50	Matthew Antone	1731 Garrett Road	8285064
10-Mar	2062	H-16-005	Home	\$50	John Beard-Schumacher	116 George Watkins Tr	8255004
10-Mar	13948	H-16-006	Home	\$50	Kelly Thomas--Helms	1032 Biggers Farm	0818004D
22-Mar	N/A	TC-16-007	Farm	N/A	Fairview	Bona Fide Farms	N/A
22-Mar	167	C-16-008	Compliance	\$100	Tomberlin--Spidel	741 Roy Kindley Road	08150013B
24-Mar	Cash	U-16-009	Upfit	\$50	Starnes Const--Hinson	9216 Concord Highway IT	8183007
29-Mar	1114	H-16-010	Home	\$50	Livarchuk	1615 Crowell Dairy Road	8282020
31-Mar	597	C-16-011	Compliance	\$100	Chad Julka-Contractor	402 Duck Creek Lane	8216027
Totals		8		\$450			

5-Apr	2151	A-16-012	Accessory	\$50	Luten Const	8811 Noah Helms Road	08285031B
11-Apr	2047	U-16-013	Upfit	\$50	Lyons	7916 Surry Lane	82222087
12-Apr	1040	H-16-014	Home	\$50	Plyer	523 Hopewell Church Road	08183002C

14-Apr	cash	C-16-015	Compliance	\$100	Nance	423 W. Old Dutch	08219015C
21-Apr	N/A	TC 16-016	Text Change	N/A	Town of Fairview	8400 Concord Highway	N/A
26-Apr	7151	A-P-16-017	Pool	\$50	Edgewater Pools	9913 Windrow Dr	8213121
28-Apr	1767	A--16-018	Archery Rang	\$50	Boy Scouts	9408 Belt Road Mid	8210005
28-Apr	16216	NU 16-019	Upfit	\$50	Fairview Grocery	7502 Concord Highway	8189013
Totals		8		\$400			



# **CRTOP Report**

## **April 20 MPO Meeting Results**

Miscellaneous 2016-2025 TIP Amendments: The MPO approved amendments to the 2016-2025 Transportation Improvement Program for nine locally administered projects.

STP-DA Allocation Process (Reallocation of STP-DA Funds to Existing Projects): The MPO approved the reallocation of \$3.4 million of STP-DA funds as recommended by the TCC with assistance from the Project Oversight Committee. The MPO also received an information report on the ongoing STP-DA call for new projects.

Comprehensive Transportation Plan: The MPO approved the start of a public involvement effort for the adoption of the CTP maps. The public involvement effort will begin shortly once the public engagement materials have been completed.

## **Prioritization 4.0 Update/Local Contribution**

The MPO received an information report on P4.0 which included a review of the fully and partially funded Statewide Mobility projects, and a DRAFT list of Regional Impact projects proposed for local input point assignment by the P4.0 Subcommittee. The P4.0 subcommittee will meet again next week once the NCDOT Divisions 10 and 12 have developed their draft local input points assignment lists. The May 5 TCC agenda will contain an action item to open a 26-day public involvement period on the draft list of Regional Impact projects proposed for local input points assignment.

## **Teresa Gregorius**

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**From:** Tony Helms [tfhelms6@gmail.com]  
**Sent:** Monday, May 02, 2016 2:05 PM  
**To:** Ed Humphries; Teresa Gregorius  
**Subject:** Board of Advisors Meeting Economic Development

Hi Guys,

Listed below are some of the items discussed.

1. Unemployment rate rose from 4.8 % to 4.9% still lowest in region. Workforce 113,691
2. County Commission and Monroe City Council approved work plan.
3. Monroe Gas Line to Marshville
4. Spec 4 building location still has not been finalized due to potential company purchasing the property competition from Greenville, Spartanburg and Gastonia.
5. China project fell through.
6. HB2 law hurting interest in Companies considering relocation to N.C.
7. Six projects were lost due to lack of building
8. Active funnel projects 23 suspects, 14 prospects and 18 projects.



**Town of Fairview  
Retreat Meeting  
March 12, 2016**

The following Council members were present: Mayor Phil Thomas, John Biggers, Jerry Clontz, Bradley Purser, and Gary Wilfong.

Others present: Leamon B. Brice, N-Focus, Ed Humphries, Land Use Administrator / Deputy Clerk and Teresa Gregorius, Town Clerk

Leamon Brice with N-Focus was the facilitator for the meeting.

Mr. Brice began by asking each Council member to introduce himself, tell about his family, how long he had been on council, why he ran for council, what he likes/dislikes about Fairview.

Mr. Brice asked the Council members to list their expectations of each other and the group:

- be prepared for each meeting by reviewing agenda packets prior to meeting
- review town policies and procedures regularly
- be proactive
- support decisions of Council

Mr. Brice asked the Council members to list of 3 to 4 goals they would like to accomplish over the next 4 to 5 years:

- John Biggers: finish park, fire department relationship, town hall, downtown area
- Jerry Clontz: purchase/lease additional park property, town hall, town center plan
- Bradley Purser: downtown business center, water/sewer, purchase equipment for fire department every 5 years
- Mayor Thomas: town festival, resident survey update, park phase 1 and 2, town hall, community events, grants/developers, utilize town website
- Gary Wilfong: fire department located in center of town, bonds, conveniences for citizens

Once everyone had discussed the goals, Mr. Brice asked everyone to prioritize their top 5 goals.

- Town hall/town center plan
- Park completion/purchase of additional land
- Water/sewer
- Determine role of town and fire department
- Festival

The mayor and Council members were assigned to start the process on each goal and report to Council on the progress.

Respectfully submitted,

\_\_\_\_\_  
Teresa Gregorius  
Town Clerk

\_\_\_\_\_  
Phil Thomas  
Mayor

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2016



**Town of Fairview  
Regular Meeting  
April 11, 2016**

The following Council members were present: Mayor Phil Thomas, Jerry Clontz, and Bradley Purser.

Others present: Joe McCollum, Town Attorney; Darrell Baucom, Financial Officer, Ed Humphries, Land Use Administrator / Deputy Clerk and Teresa Gregorius, Town Clerk

**Agenda Changes**

None

**Approval of Agenda**

Jerry Clontz made a motion to approve the agenda. Bradley Purser seconded the motion. Councilmen Clontz and Purser voted yes (2-0).

**Public Comments**

None

**Consent Agenda**

- a) Accept Financial and Tax Reports as Information
- b) Accept Land Use Report as Information
- c) Accept CRTPO Report as Information
- d) Accept Monroe/Union County Economic Development Committee Report as Information
- e) Approve Council Minutes for March 14, 2016

Bradley Purser made a motion to approve the consent agenda. Jerry Clontz seconded the motion. Councilmen Clontz and Purser voted yes (2-0).

## Items of Business

### A. Conduct Public Hearing for Text Amendment TC 16-007

Mayor Thomas to open Public Hearing

#### Public Comments

Carol Gordon

Mayor Thomas closed the Public Hearing

### B. Approve Text Amendment TC 16-007

Jerry Clontz made a motion to approve Text Amendment TC 16-007 to include the zoning statement "The proposed zoning amendment under consideration is found to be reasonable and consistent with the recommendations of the Town's adopted comprehensive plan, the Town of Fairview Land Use Plan (Revised August 11, 2014), and the Town of Fairview Land Use Ordinance (effective July 1, 2005). Bradley Purser seconded the motion. Councilmen Clontz and Purser voted yes (2-0).

### C. Park & Recreation Report

Jerry Clontz

### D. Appoint 2 members to Park & Rec Committee

Jerry Clontz stated that since Councilmen Biggers and Wilfong were not present he would like to postpone appointing new members until the May meeting. Mr. Clontz asked the Council to bring any nominations to the next meeting. Mr. Purser will contact the PTO president to get names of parents that may be willing to serve on the committee. Mr. Clontz made a motion to table the appointment of two new Park & Rec Committee members until the May 9<sup>th</sup> Council meeting. Bradley Purser seconded the motion. Councilmen Clontz and Purser voted yes (2-0).

### E. Appoint Designated Official to Complete Form for ABC Commission "Local Government Opinion for Alcoholic Beverage Permits"

Ed Humphries stated that with the passage of the beer and wine referendum in Union County, which would include the Town of Fairview, the town may receive ABC permit requests that will require a town official to complete and sign. The Council needs to appoint a designated official to complete and sign these permits. After discussion, Jerry Clontz made a motion to appoint the Land Use Administrator or the Town Clerk to complete and sign the Alcoholic Beverage Permits. Bradley Purser seconded the motion. Councilmen Clontz and Purser voted yes (2-0).

### F. Discuss starting a mayoral monthly blog being added to the town website

Mayor Thomas stated that he would like to produce a quarterly factual blog to add to the website outlining what the Council is doing and happenings in the Town. After Council discussion, Bradley Purser made a motion to let the mayor start a mayoral blog for the Town website. Jerry Clontz seconded the motion. Councilmen Clontz and Purser voted yes (2-0).

**Council Comments**

Mayor Thomas stated that the Council needs to set a date for the budget workshop soon. Mayor Thomas suggested April 25<sup>th</sup> at 7:00 PM. Council members were agreeable to this date and time.

Jerry Clontz made a motion to adjourn. Bradley Purser seconded the motion. Councilmen Clontz and Purser voted yes (2-0).

Respectfully submitted,

\_\_\_\_\_  
Teresa Gregorius  
Town Clerk

\_\_\_\_\_  
Phil Thomas  
Mayor

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2016



**Town of Fairview  
Council Budget Workshop Meeting  
April 25, 2016**

The following Council members were present: Mayor Phil Thomas, John Biggers, Jerry Clontz, Bradley Purser, and Gary Wilfong.

Others present: Darrell Baucom, Financial Officer, Ed Humphries, Land Use Administrator / Deputy Clerk and Teresa Gregorius, Town Clerk

**Budget Workshop Discussion**

Darrell Baucom presented the proposed budget (see Exhibit A) for the fiscal year 2016-2017. Councilmen discussed each item and the following changes were made to the budget as presented:

- Professional Fees - increased to \$10,000 \*
- Fairview Festival – add as a line item for \$10,000

\*Mayor Thomas stated that he would like to see the Town do a new town survey. The last survey was done five years ago. Council decided to increase Professional Fees line item to reflect the cost of the survey.

Council asked Mr. Humphries to request budget information from the Fairview Fire Department.

The Council agreed to further discuss the budget fiscal year 2016-2017 at the May 9<sup>th</sup> Council meeting.

Mayor Thomas stated that the Council would now go into closed session with the following persons in attendance: Mayor, Council, Teresa Gregorius, Ed Humphries, Darrell Baucom and B.B. Haigler.

John Biggers made a motion to break for Council Closed Session. Jerry Clontz seconded the motion. Councilmen Biggers, Clontz, Purser and Wilfong voted yes (4-0).

CLOSED SESSION

Bradley Purser made a motion to adjourn. John Biggers seconded the motion. Councilmen Biggers, Clontz, Purser and Wilfong voted yes (4-0).

Respectfully submitted,

\_\_\_\_\_  
Teresa Gregorius  
Town Clerk

\_\_\_\_\_  
Phil Thomas  
Mayor

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2016

# Public Hearing

Text Amendment TC 16-016

PUBLIC HEARING NOTICE

The Fairview Town Council will conduct a Public Hearing starting at 7:00pm on Monday **May 9<sup>th</sup> 2016 during the Council Regular monthly meeting** at the Old Fairview School (location address: 7514 Concord Highway, Monroe, N.C. 28110). The purpose of this hearing is to:

**Hear public comment on:**

**Text Amendment    #TC 16-016**

Amending: **The Table of Uses** of the Fairview Land Use Ordinance

Adding: **Event Venue/Center**

A facility for meeting and gatherings, such as reunions, conventions, private parties, and other similar ceremonies. This Use is allowed in RA40, R40, B-4, and HC with a Conditional Use permit.

The Public is invited to attend the public hearing and make comments. As a result of comments, the Town council reserves the right to make changes to the proposed Amendment prior to adoption. For More information, call Ed Humphries, Land Use Administrator at (704) 564.3412 during business hours. (Tuesday and Thursday 8:00am to 3:00pm)

The Town of Fairview does not discriminate on the basis of disability. If you need an auxiliary aid or service or other accommodation in order to attend or fully participate at this meeting, please contact the Ed Humphries at (704) 564.3412 as far in advance of the meeting as possible so that your request can be considered.

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# Text Amendment TC-16-016

## Event Venue/Center

RC-80	RA40	RA20	R40	R20	O	B-1	B-2	B-3	B-4	HC	B-6	LI
	c		c						c	c		

\*\*See Section 161 Special Events

### Definition

**Event Venue/Center.** A facility for meetings and gatherings, such as reunions, conventions, private parties, and other similar ceremonies

# Appoint 2 Park & Rec Members

# Park & Rec Report

# Approve Audit Contract



**Moyer, Smith & Roller, P.A.**  
Certified Public Accountants

2213 Commerce Drive  
Monroe, NC 28110  
T: 704-283-7748  
F: 704-283-0510  
cpamonroe@msr-cpa.com  
www.msr-cpa.com

April 28, 2016

To Honorable Mayor Phil Thomas  
Town of Fairview  
7400 Concord Highway  
Monroe, NC 28110

We are pleased to confirm our understanding of the services we are to provide Town of Fairview for the year ended June 30, 2016. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Town of Fairview as of and for the year ended June 30, 2016. 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 Town of Fairview'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 Town of Fairview'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) Budgetary Comparison Schedules.

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

- 1) Individual Fund Statements.
- 2) Other Schedules.

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the

accounting records of Town of Fairview and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Town of Fairview's financial statements. Our report will be addressed to the governing board of Town of Fairview. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Town of Fairview is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to 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 may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial

institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

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

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

### **Audit Procedures—Compliance**

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

### **Other Services**

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

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

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

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

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

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

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

### **Engagement Administration, Fees, and Other**

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

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

We will provide copies of our reports to the Local Government Commission; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Moyer, Smith & Roller, 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 the Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Moyer, Smith & Roller, 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 Local Government Commission. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately July 30, 2016 and to issue our reports no later than October 31, 2016.

Thomas M. Moyer, III is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$7,050. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. Interest will accrue on past due invoices at a rate of 1½% per month. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written

notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Mecklenburg or Union in the state of North Carolina, by a mediator chosen by Moyer, Smith & Roller, P.A., according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to North Carolina state law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

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

Sincerely,

*Moyer, Smith & Roller, P.A.*

Moyer, Smith & Roller, P.A.  
Certified Public Accountants

RESPONSE: This letter correctly sets forth the understanding of Town of Fairview.

Governance signature : \_\_\_\_\_

Title: \_\_\_\_\_

CONTRACT TO AUDIT ACCOUNTS

Of Town of Fairview  
Primary Governmental Unit

N/A  
Discretely Presented Component Unit (DPCU) if applicable

On this 27th day of April, 2016,

Auditor: Moyer, Smith & Roller, P.A. Auditor Mailing Address: 2213 Commerce Drive, Monroe,

NC 28110 Hereinafter referred to as The Auditor

and Town Council (Governing Board(s)) of Town of Fairview  
(Primary Government)

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

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2015, and ending June 30, 2016. 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 will 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 generally accepted auditing standards. 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, Final Rule*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and/or audit documentation 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 CPA Board).

County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB Uniform Guidance for the State of North Carolina. The LGC will notify the auditor and the County and Multi-Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.

3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will 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 unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government*

Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

*Auditing Standards.* The Auditor agrees to provide **a copy of their most recent peer review report regardless of the date of the prior peer review report** to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2016. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. **The Auditor shall file a copy of that report with the Secretary of the LGC.**
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent via upload through the current portal address: <http://nctreasurer.slgfd.icapfile.net> Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (Note: **Fees listed on signature pages.**)
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.

Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. 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 other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless another time frame is agreed to by the LGC.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, agreed-upon procedures report, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

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

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract needs to be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract, and then must be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload your amended contract is <http://nctreasurer.slgfd.leapfile.net>. **No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.**
16. Whenever the Auditor uses an engagement letter with the Governmental Unit, Item #17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of

Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #24 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.

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

See attached engagement letter

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU must be named along with the parent government on this audit contract. Signatures from the DPCU Board chairman and finance officer also must be included on this contract.
19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your contractual documents is <http://nctreasurer.sigfd.leapfile.net> Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of October 2015. These instructions are subject to change. Please check the NC Treasurer's web site at [www.nctreasurer.com](http://www.nctreasurer.com) for the most recent instructions.
20. The contract is not valid until it is approved by the LGC Secretary. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. Contractor hereby certifies that Contractor, and all subcontractors, are not on the Iran Final Divestment List ("List") created by the North Carolina State Treasurer pursuant to N.C.G.S. 143-6A-4. Contractor shall not utilize any subcontractor that is identified on the List.
24. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

***SIGNATURE PAGES FOLLOW***

Contract to Audit Accounts (cont.) Town of Fairview  
 Governmental Unit N/A  
 Discretely Presented Component Units (DPCU) if applicable

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

N/A FEEs  
 Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] N/A

Audit N/A

Preparation of the annual financial Statements N/A

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ N/A  
**\*\* NA if there is to be no interim billing**

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

DPCU Governmental Unit Signatures: N/A

Name of Discretely Presented Component Unit

By N/A  
**DPCU Board Chairperson:** Type or print name and title

Signature of Chairperson of DPCU governing board

Date N/A

By N/A  
 Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson \*\*

Date N/A

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

N/A

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

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By N/A

**DPCU Finance Officer:**  
 Type or print name

**DPCU Finance Officer Signature**

Date N/A

**(Pre-audit Certificate must be dated.)**

N/A

**Email Address of Finance Officer**

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

N/A

Contract to Audit Accounts (cont.) Town of Fairview  
 Governmental Unit N/A  
 Discretely Presented Component Units (DPCU) if applicable

Town of Fairview - FEES  
 Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] \$0  
 Audit \$6,450

Preparation of the annual financial Statements \$600  
 Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.  
 The 75% cap for interim invoice approval for this audit contract is \$ 5,287.50  
 \*\* NA if there is to be no interim billing

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.  
 Audit Firm Signature:  
Moyer, Smith & Roller, P.A.  
 Name of Audit Firm  
 By Thomas M. Moyer, III, President  
 Authorized Audit firm representative name: Type or print  
Thomas M. Moyer III Pres  
 Signature of authorized audit firm representative  
 Date 5/2/16  
tmoyer@msr-cpa.com  
 Email Address of Audit Firm

Governmental Unit Signatures:  
 Town of Fairview  
 Name of Primary Government  
 By Phil Thomas, Mayor  
 Mayor / Chairperson: Type or print name and title  
 Signature of Mayor/Chairperson of governing board  
 Date \_\_\_\_\_

By N/A  
 Chair of Audit Committee - Type or print name  
 Signature of Audit Committee Chairperson  
 Date N/A  
 \*\* If Governmental Unit has no audit committee, mark this section "N/A"

Town of Fairview  
**PRE-AUDIT CERTIFICATE: Required by G.S. 159-28**  
 (a)  
 This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.  
 By Darrell Baucom  
**Primary Governmental Unit Finance Officer:**  
 Type or print name  
 Primary Government Finance Officer Signature  
 Date \_\_\_\_\_  
 (Pre-audit Certificate must be dated.)  
dbaucom4@carolina.rr.com  
 Email Address of Finance Officer

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

# 2016-2017 Budget Discussion

**Town of Fairview**  
**Profit & Loss Budget Overview**  
 July 2016 through June 2017

	<u>Operating</u> <u>Budget</u> <u>Jul '16 - Jun 17</u>	<u>Park Project</u> <u>Budget</u> <u>16/17</u>	<u>Total</u> <u>Budget</u> <u>16/17</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Ad Valorem taxes	70,500.00		70,500.00
Fund balance appropriated	-30,254.48	532,450.00	502,195.52
Investment income	2,400.00		2,400.00
Motor vehicle taxes	7,600.00		7,600.00
PARTF grant	0.00	317,550.00	317,550.00
Sales and use tax	24,000.00		24,000.00
Utility Franchise taxes	169,000.00		169,000.00
Zoning fees	3,000.00		3,000.00
<b>Total Income</b>	<u>246,245.52</u>	<u>850,000.00</u>	<u>1,096,245.52</u>
<b>Expense</b>			
Advertising and Promotion	600.00		600.00
Audit fees	7,050.00		7,050.00
Capital outlay	0.00	850,000.00	850,000.00
Charitable Contributions	52,568.00		52,568.00
Collection fees	1,200.00		1,200.00
Computer and Internet Expenses	6,000.00		6,000.00
Dues and Subscriptions	5,250.00		5,250.00
Festival expense	10,000.00		10,000.00
Grants	5,000.00		5,000.00
Insurance Expense	6,000.00		6,000.00
Legal fees	6,000.00		6,000.00
Office Supplies	4,200.00		4,200.00
Park Maintenance	6,000.00		6,000.00
Payroll Expenses	33,382.68		33,382.68
Payroll taxes	5,569.80		5,569.80
Planning and zoning	39,425.04		39,425.04
Professional Fees	10,000.00		10,000.00
Public Safety	30,000.00		30,000.00
Rent Expense	3,000.00		3,000.00
Repairs and Maintenance	1,000.00		1,000.00
Solid Waste Manage cost share	8,000.00		8,000.00
Telephone Expense	3,600.00		3,600.00
Training fees	1,200.00		1,200.00
Travel Expense	1,200.00		1,200.00
<b>Total Expense</b>	<u>246,245.52</u>	<u>850,000.00</u>	<u>1,096,245.52</u>
<b>Net Ordinary Income</b>			
<b>Net Income</b>			

Town of Fairview  
Fiscal Year 2016-17 Budget  
Assumptions and Explanations

Adjustments since last meeting on April 25, 2016:

Showed total estimated Park Project reimbursements from PARTF, as part of the budget for this capital project.

Showed total estimated Park Project expenses plus turn lane (\$180,000), transfer of waterline (\$30,000) and additional administrative expenses from Benesch (\$4,900) for the Park Project.

Increased audit fees to \$7,050 per estimate from Moyer, Smith, Roller

Reduced elections expense to \$0, since we won't have any candidates in the 2016 election.

Increased insurance expenses by \$1,000 for \$5 million umbrella versus \$1 million previously

Added Festival expense for \$10,000

Increased professional fees to \$10,000 from \$2,000 for Resident's Survey.

**Revenue**

Ad valorem: based upon projected real and personal property values of \$359,822,207 from Union County using 98% collection rate for ad valorem taxes at \$.02 per hundred assessment rate.

Funds balance appropriated – funds needed to balance the budget, since expenses are exceeding revenue.

Investment income: Projected .35% rate on average money market balance of \$700,000; balance is currently \$957,000.

Motor Vehicle taxes: based upon estimated values of \$39,236,346 and using 98% collection rates at \$.02 per hundred assessment rate.

Sales and use tax: NC League estimates slight growth of 3.75% for 2016-17.

Franchise taxes: NC League estimates slight growth for 2014-15. I estimated no change in franchise taxes and included Cable TV franchise tax in this category.

Zoning fees: based upon recent trends showing an increasing amount of zoning fee revenue.

### **Expenses**

Advertising: based upon current trends

Audit fees: based upon slight increase from last year's audit by Moyer, Smith, Roller for \$6,800. I have a call into them for a more exact number.

Contributions: Town's contribution to the Fire Department for quarterly payments to the Bank.

Collection fees: based upon 1.5% of ad valorem taxes and motor vehicle taxes

Computer and internet: based upon reimbursements to staff and estimated computer maintenance, etc. See spreadsheet of this year's incurred expenses.

Dues and subscriptions: School of Govt Foundation – 450 - NC League of Municipalities – 4,300 (Current year plus slight increase); Union County Chamber of Commerce – 500

Elections expense: based upon estimate using 15-16 expense from UC Elections Board.

Grants: Used estimate of \$5,000 for grants to solicited donations from organizations.

Liability insurance: Based upon current year amounts paid with slight estimated increase from NC League of Municipalities. Amount required to increase General Liability limit from \$1 million to \$5 million is \$1,000 annual charge.

Legal fees: based on trend of about \$500 per month.

Office supplies: based upon recent trends of \$200 per month, plus estimated \$1,800 from Ed for new chairs for meeting room.

Park Maintenance: estimated \$500 per month for maintenance; not sure what to use.

Payroll expenses: See worksheet documenting budgeted amount. Used 4.25% increase for staff.

Payroll taxes: Total salaries at 7.65% rate for employer taxes.

Planning and zoning: 15/16 rate of pay is \$37,818 per year. Used 4.25% rate of increase for Planning and Zoning officer.

Professional fees: Possible studies by N Focus and others. Actual for 15/16 is \$2,902, thus far.

Postage: included with office expenses.

Printing: included with office expenses.

Public Safety: \$30,000 payment to Fairview VFD; \$2,500 per month

Rent - \$250 per month for 12 months

Repairs and Maintenance: Misc repair and maintenance items that may occur.

Solid Waste Management: Used budgeted amount of \$8,000. I have a call into Union County to get their estimate of the amount.

Telephone: estimated \$300 per month based on recent trends

Training fees: used nominal amount of \$100 per month.

Travel: estimated \$1,200 for the year.

**Fairview Fire & Rescue**  
**Balance Sheet**  
 As of April 7, 2016

	Apr 7, 16
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Fairview Fire & Rescue Savings	41,369.62
Fairview Fire and Rescue	251,022.92
LGFCU Savings	1,734.92
Money Market Account	236,296.38
Wells Fargo	15,187.46
<b>Total Checking/Savings</b>	545,611.30
<b>Accounts Receivable</b>	
11400 · Grants Receivable	-2,220.00
<b>Total Accounts Receivable</b>	-2,220.00
<b>Other Current Assets</b>	
13500 · Supplies Inventory	107.23
<b>Total Other Current Assets</b>	107.23
<b>Total Current Assets</b>	543,498.53
<b>Fixed Assets</b>	
15000 · Furniture and Equipment	14,726.36
15050 · equipment and radios	130,536.13
15100 · Buildings - Operating	13,153.62
16400 · Vehicles	392,748.64
17100 · Accum Depr - Furn and Equip	-330,950.85
<b>Total Fixed Assets</b>	220,213.90
<b>TOTAL ASSETS</b>	<b>763,712.43</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20100 · Grants Payable	2,209.61
<b>Total Accounts Payable</b>	2,209.61
<b>Other Current Liabilities</b>	
20200 · accounts payable	792.97
25000 · Current Portion of Loans	93,797.63
<b>Total Other Current Liabilities</b>	94,590.60
<b>Total Current Liabilities</b>	96,800.21
<b>Long Term Liabilities</b>	
27100 · Truck Payments	-100,704.08
<b>Total Long Term Liabilities</b>	-100,704.08
<b>Total Liabilities</b>	-3,903.87
<b>Equity</b>	
30000 · Opening Bal Equity	10,857.03
32000 · Unrestricted Net Assets	792,816.10
Net Income	-38,056.83
<b>Total Equity</b>	767,616.30
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>763,712.43</b>

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04/07/16

Accrual Basis

Fairview Fire & Rescue  
Profit & Loss  
March 2016

	Mar 16
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
43200 · Vendor Refund	621.00
43300 · Legal Repayment	1,720.00
43400 · Direct Public Support	
43410 · Corporate Contributions	5,000.00
<b>Total 43400 · Direct Public Support</b>	<b>5,000.00</b>
44400 · Government Contracts	
44401 · Monthly Allocation	3,933.11
44402 · Fire Fees	4,293.75
<b>Total 44400 · Government Contracts</b>	<b>8,226.86</b>
45000 · Investments	
45030 · Interest-Savings, Short-term CD	3.51
<b>Total 45000 · Investments</b>	<b>3.51</b>
46000 · Fundraiser Income	
46101 · BBQ-Pork	916.00
<b>Total 46000 · Fundraiser Income</b>	<b>916.00</b>
47500 · Rentals	
47503 · Town Rent	500.00
<b>Total 47500 · Rentals</b>	<b>500.00</b>
<b>Total Income</b>	<b>16,987.37</b>
<b>Gross Profit</b>	<b>16,987.37</b>
<b>Expense</b>	
61400 · Fire Gear	575.71
62100 · Contract Services	
62110 · Accounting Fees	13.19
<b>Total 62100 · Contract Services</b>	<b>13.19</b>
62200 · Truck Maintenance	
62202 · Fuel	267.89
62204 · Oil/Filters/Parts/Supplies	3,325.40
<b>Total 62200 · Truck Maintenance</b>	<b>3,593.29</b>
62300 · Fire Equipment	
62302 · Ladders/Hose/Nozzles/etc.	843.97
62303 · Small Equipment	824.25
<b>Total 62300 · Fire Equipment</b>	<b>1,668.22</b>
62800 · Facilities and Equipment	
62804 · Building Maintainance	407.00
<b>Total 62800 · Facilities and Equipment</b>	<b>407.00</b>
65200 · Utilities	
65201 · Water	27.63
65202 · Time Warner Cable	383.88
65203 · Duke Energy	397.94
65205 · Web site	24.95
65206 · Piedmont Natural Gas	321.85
65208 · Verizon	456.12
<b>Total 65200 · Utilities</b>	<b>1,612.37</b>

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04/07/16

Accrual Basis

Fairview Fire & Rescue  
Profit & Loss  
March 2016

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	<u>Mar 16</u>
65400 · Awards and Recognitions	730.37
69800 · Uncategorized Expenses	38.38
<b>Total Expense</b>	<u>8,638.53</u>
<b>Net Ordinary Income</b>	8,348.84
<b>Other Income/Expense</b>	
<b>Other Income</b>	
43100 · interest income	100.35
<b>Total Other Income</b>	<u>100.35</u>
<b>Net Other Income</b>	100.35
<b>Net Income</b>	<u><u>8,449.19</u></u>



	UCCM		UCCM		UCCM		Change FY 2016 to FY 2017	Notes
	Adopted FY 2015	Requested FY 2016	Proposed FY 2015	Adopted FY 2016	Requested FY 2017	Proposed FY 2017		
Maintenance - Vehicles	25,000	25,000	25,000	25,000	28,000	28,000	3,000	FY15 note: increase cost of supplies FY17 note: addition of E30 & 39
Advertising	700	700	700	700	700	700	-	
Legal & Professional Fees	8,000	8,000	8,000	8,000	8,000	8,000	-	
Fundraiser Expenses & Supplies	9,000	10,000	10,000	9,000	9,000	9,000	-	FY16 note: increase in supplies.
Insurance	25,000	26,000	26,000	25,000	25,000	25,000	-	FY15 note: increase in premiums. FY16 note: premium increase.
Dues & Subscriptions	2,000	2,000	2,000	2,000	2,000	2,000	-	
Cost of Tax Collections	350	350	350	350	350	350	-	
Taxes	20,000	24,000	24,000	20,000	30,000	30,000	10,000	FY16 note: 8 sets of gear. FY17 note: gear 12 sets, 10 helmets (60% our of date), gloves, hoods, etc
Capital Reserve	-	Note 2,000,000	-	-	2,750,000	-	-	FY16 note: New Building FY16 note: **UCCM Building not recommended at this time. FY17 note: 400,000 new building x 5,750,000 substation. FY17 note: **UCCM \$2.75 million not recommended at this time.
Building Payment	-	433,966	433,966	-	-	-	-	FY15 note: Cost of new building FY15 note: **UCCM Explore Alternative Funding and Financing. Is included in Horizon Analysis. FY16 note: \$433,966 new truck.
Truck Payment	85,515	85,515	85,515	85,515	350,000	-	(85,515)	FY16 note: \$85,515 base. FY16 note: Town of Fairview bought the FD a pumper truck in FY 2016. FY17 note: Tanker replacement (replace 1990 tanker) FY17 note: ** UCCM (Noted that last truck loan was completed in FY 2016 (\$85,515). Tanker replacement for \$350K not recommended at this time.
Miscellaneous Loan Payments	-	-	-	-	-	-	-	
Budget Adjustments	260,565	767,531	712,531	260,565	3,354,050	201,050	(59,515)	
Total	260,565	767,531	712,531	260,565	3,354,050	201,050	(59,515)	
Sources Over/(Under) Uses		(1729,531)	(672,524)	(3,346,050)	(163,050)	(163,050)	(163,050)	