

**Minutes of the 2014-2015 Fiscal Year Budget Work Sessions  
Special Meeting of the Yancey County Board of Commissioners  
Yancey County Courthouse, Burnsville, North Carolina**

Present at the 28 April 2014 meeting of the Yancey County Board of County Commissioners were Chairman Johnny Riddle, Commissioners Jill Austin, Jim Edwards, Randy Ollis and Jeff Whitson, County Manager Nathan Bennett, Clerk to the Board Jason Robinson, Finance Director Lynne Hensley and Finance Officer Brandi Burleson.

**Call to Order and Approval of Agenda**

Chairman Riddle called the meeting to order and then asked for a motion to approve the agenda. Commissioner Ollis made a motion to approve the agenda and it was seconded by Commissioner Whitson. The vote to approve was unanimous. (Attachment A)

**Budget Review**

Chairman Riddle recognized Mrs. Lynne Hensley, Mrs. Brandi Burleson, and Mr. Nathan Bennett. Mrs. Hensley, Mrs. Burleson, and Mr. Bennett reviewed the budget process for county governments. The Board was reminded that this is a lengthy process that requires different drafts of the budget. Mrs. Burleson reviewed with the Board the different departmental budgets and what increases were needed for each department. Mrs. Burleson noted that there is a need to replace software in the finance department and at the transfer station. Also noted was the expense at the Board of Elections due to the voting law that was passed by the State last year requiring different tabulators. Also related to the Board of Elections was the lease arrangement by the new owner of that building. The new owner is requesting a long term lease and increased amount of \$1380 per month. County Manager Nathan Bennett stated that he is looking at alternatives including the former US Forest Service building. The Forest Service is asking \$480,000 for this building and Mr. Bennett stated that he was investing the potential use of the building for multiple departments. Discussion next followed concerning the EMS expansion and the willingness of Mission Health to provide the expansion. Mrs. Burleson stated that all non-profits had been held at their current funding levels. Mrs. Burleson highlighted other aspects of the budget that had changed from the current year including a 3% cost-of-living increase for employees.

**Budget Amendment #5, #6, #7**

The Board next heard from Mrs. Burleson concerning budget amendments #5, 6, and 7. Mrs. Burleson explained the need for the budget amendment to make sure all of the expenditures and revenues were still in line. Upon hearing from Mrs. Burleson, Commissioner Ollis made a motion to approve budget amendments #5, 6, and 7. The motion was seconded by Commissioner Whitson and the vote to approve was unanimous. (Attachment B)

**Recess**

Having no further business for today, Commissioner Ollis made a motion to recess until May 5, 2014 at 9:00 am and it was seconded by Commissioner Austin. The vote to recess was unanimous.

**MAY 5, 2014 9:00 a.m.**

Chairman Riddle reconvened the recess meeting from April 28, 2014 with Chairman Johnny Riddle, Commissioners Jill Austin, Jim Edwards, Randy Ollis, and Jeff Whitson (arrived at 9:45 am) present. Also in attendance were County Manager Nathan Bennett, Finance Director Lynne Hensley, and Finance Officer Brandi Burleson.

**Budget Work Session**

The Budget Work Session began with discussion of the Department of Social Services budget. Discussion of the DSS budget centered around the need for the department to reduce their budget by \$200,000 and the need for staff at DSS to more timely bring budget amendments to be approved by the Board. In addition Mr. Bennett and Mrs. Burleson informed the Board that Toe River Health District is seeking additional funding this year, about \$100,000 above the current allocation. The Board indicated that they would like to know the current funding levels (including payment of any utilities) of all of the counties for the library system, Mayland Community College, and Toe River Health District.

### **Audit Contract**

The Board next heard from Finance Officer Brandi Burleson concerning the audit contract for the fiscal year ending June 30, 2014. Mrs. Burleson stated that the auditing firm of Dixon, Hughes, and Goodman will be doing the audit and that the work of this audit is going to begin later in May. According to Mrs. Burleson the cost of the audit is going to be \$48,500 and there is \$57,000 budgeted for the audit this current fiscal year. Upon hearing from Mrs. Burleson, Commissioner Whitson made a motion to approve the audit contract and it was seconded by Commissioner Austin. The vote to approve was unanimous (Attachment C)

### **Recess**

Having no further business at this time Commissioner Austin made a motion to recess the meeting until May 19<sup>th</sup> at 9:00 am. The motion was seconded by Commissioner Ollis and the vote to recess was unanimous.

### **MAY 19, 2014 9:00 am**

Chairman Riddle reconvened the budget work session with Commissioners Austin, Edwards, Ollis, and Whitson present. Also in attendance were County Manager Nathan Bennett, Clerk to the Board Jason Robinson, Finance Director Lynne Hensley, and Finance Officer Brandi Burleson.

### **Budget Work Session**

The Board first heard from Mrs. Brandi Burleson concerning the adjustments that were made to the proposed budget since the last work session on May 5<sup>th</sup>. Mrs. Burleson reported back to the Board about the funding of the Toe River Health District, Mayland Community College, and the AMY Library System. Discussion also followed about the requested amount of funding by Toe River Health District. In the proposed budget they have received an increase of \$42,215 to bring Yancey County in line with the other counties. Discussion also followed concerning the Department of Social Services budget and the reductions that had been taken from that department. Mrs. Burleson stated that the proposed budget is now balanced according to North Carolina law.

### **Budget Amendment #8 and East Yancey Recycling Center and Senior Center Project Ordinance**

Mrs. Burleson next informed the Board about the need for a budget amendment for the 2013-14 budget in the social services department. Mrs. Burleson stated that this amendment will bring the social services revenues and expenditures in line with actual revenues and expenditures. Upon hearing from Mrs. Burleson, Commissioner Edwards made a motion to approve budget amendment #8 and it was seconded by Commissioner Ollis. The vote to approve was unanimous (Attachment D). Mrs. Burleson next moved to the East Yancey Recycling project ordinance and the Yancey County Senior Center project and explained that since these were going to be projects that cross multiple budget years their needed to be a project ordinance done for both projects. Upon hearing from Mrs. Burleson, Commissioner Whitson made a motion to approve the project ordinances and it was seconded by Commissioner Austin. The vote to approve was unanimous (Attachment E and F).

### **Mission Health and Department of Social Services**

The Board next welcomed Susan Odom with Mission Health and Clay Carroll, Yancey County EMS Director. Mr. Carroll reviewed with the Board the request that was sent to Mission last year to add a 24 hour per day, 7 day per week ambulance to the service here in Yancey County. Ms. Odom that explained that because Mission Health has been in transition, the project did not make it to her desk for some time. When she asked the business manager at Mission to look at the proposal it was determined that the call volume was not sufficient to add a 4<sup>th</sup> ambulance and the proposal was denied. The Board inquired of Ms. Odom why it took almost a year for an answer to get back to them. Ms. Odom responded that it had to do with the reorganization that Mission Health has been going through within the last year. The Board also inquired of Ms. Odom if adding additional time or additional days could be an option to the

existing 8 hour per day, 5 day per week ambulance. Ms. Odom stated that might be a possibility, she would have to consult with the business manager concerning this new proposal. The Board emphasized to Ms. Odom its desire and commitment to adding additional time to ambulance service in Yancey County, they further asked Ms. Odom to have a formal response and financial reports to County Manager Nathan Bennett in time for the 2014-15 budget on July 1<sup>st</sup>.

The Board next heard from Department of Social Services Director Rick Tipton and Administrative Officer Denise Peterson. Mr. Tipton reviewed for the Board the implementation of the NCFAST program and the problems that have occurred with this implementation. Mr. Tipton stated that many of the workers at DSS have to work on Saturday and Sunday to ensure that clients have the services that they need. Mr. Tipton and Ms. Peterson asked for an additional worker in the income maintenance section of the department to ensure a more effective transition to the new program. Ms. Peterson stated that this employee would only cost the county about \$13,500 per year. Mr. Tipton and Ms. Peterson further stated that the state has provided a support person that will be leaving at the end of June and the department will be left with no one to support the program. Also, according to Mr. Tipton there are to be more programs to be added to the NCFAST program in the coming months. Mr. Tipton assured the Board that this is something that is not just happening in Yancey County but is a problem all over the state. Mr. Tipton also discussed the need to pay the workers in the department more, to try to reduce turnover, and he also discussed the daycare facility that is operated by the department. According to Mr. Tipton the County loses about \$130,000 per year on the daycare currently.

**Adjournment**

Having no further business Commissioner Edwards made a motion to adjourn the Budget Work Sessions for the 2014-15 budget. The motion was seconded by Commissioner Whitson and the vote to adjourn was unanimous.

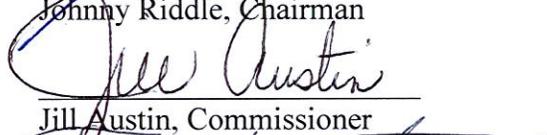
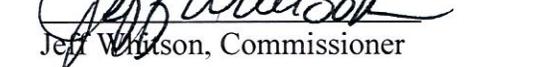
Approved and authenticated on this the 14<sup>th</sup> day of July 2014.

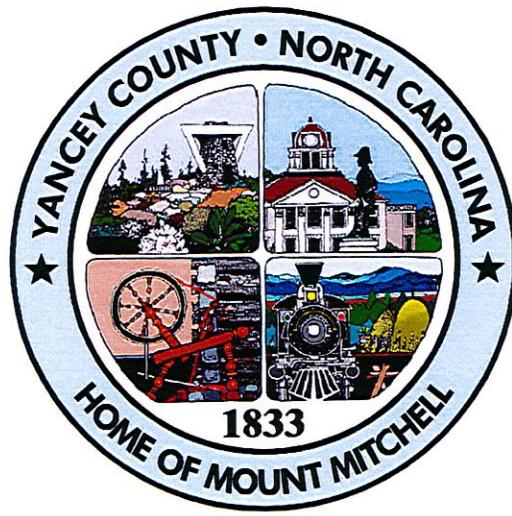
Attest:

  
Jason Robinson  
Clerk to the Board

(county seal)



  
Johnny Riddle, Chairman  
  
Jill Austin, Commissioner  
  
Jim Edwards, Commissioner  
  
Randy Ollis, Commissioner  
  
Jeff Whitson, Commissioner



**AGENDA  
YANCEY COUNTY COMMISSIONERS  
SPECIAL MEETING  
April 29, 2014**

- I. Call to Order - Chairman Riddle
- II. Approval of Agenda
- III. Fiscal Year 2014-15 Budget Preparation
- IV. Fiscal Year 2013-14 Budget discussion and adjustments
- V. Fiscal Year 2013-14 Budget amendments
- VI. Adjourn



## YANCEY COUNTY COMMISSIONERS

BUDGET AMENDMENT # 6

FUND: GENERAL

EXPEND. CODE	ACCOUNT	INCREASE	DECREASE
105910-5915	TIMBER RECEIPTS	7,908.00	
104322-544021	KIMBLE'S	6,000.00	
104195-5550	CAPITAL - MAP SCANNER	6,000.00	
104198-5353	R&M AUTO - IT DEPT	3,000.00	
104200-518301	HEALTH INS - COUNTY MATCH	14,000.00	
104200-512110	LE SUPPLEMENT		300.00
104200-5130	ANNUAL LEAVE PAYOUT		5,000.00
104200-5181	FICA/MED		3,000.00
104200-5185	UNEMPLOYMENT INS		30,000.00
104200-519501	LEGAL CONTINGENCY		5,000.00
104200-532501	POSTAGE	3,000.00	
104200-5401	BANK/CREDIT CARD MACHINE CHGS	5,000.00	
104310-5121	HOLIDAY PAY - SHERIFF	40,000.00	
104322-5121	HOLIDAY PAY - JAIL	35,500.00	
104315-5121	HOLIDAY PAY - DISPATCH	30,000.00	
104350-5121	SALARIES - BLDG INSPECT		34,000.00
104350-5128	SALARIES - CERTIFICATION		2,000.00
104350-5181	FICA/MEDICARE		2,000.00
104350-5182	RETIREMENT		2,000.00
104350-5183	HEALTH INS		3,000.00
104350-5311	TRAVEL/MILEAGE		500.00
104350-5321	TELEPHONE		700.00
104360-5194	AUTOPSIES		6,000.00
104370-519303	EMS CONTRACT		55,922.00
104390-5121	E-911 HOLIDAY PAY	30,000.00	
104552-5540	CAPITAL - VEHICLES - YCTA	48,287.00	
104750-5693	FOREST SERVICE AGREEMENT		15,000.00
105211-5331	ELECTRICITY		8,000.00
106120-5121	SALARIES - REC		11,600.00
106120-5181	FICA/MEDICARE		1,185.00
106120-5182	RETIREMENT		600.00
106120-5183	HEALTH INS		2,800.00
106125-5183	HEALTH INS	2,000.00	
106125-5366	LINCOLN PARK BALLFIELD	6,000.00	
106130-5121	SALARIES - CAMPGROUND	11,600.00	
106130-5181	FICA/MED	1,185.00	
106130-5182	RETIREMENT	600.00	
107000-600011	EY START UP FUNDS		30,000.00
104200-563003	NEW SENIOR CENTER PROJECT	100,000.00	
106120-5363	R&M KID MOUNTAIN	4,700.00	
104524-5001	EDTAP	4,767.00	
104524-5002	RGP	3,718.00	
104524-500301	WORK FIRST		381.00
104200-5991	CONTINGENCY	4,931.00	
	TOTALS	368,196.00	218,988.00
	NET CHANGE		149,208.00

CURRENT APPROP  
TOTAL APPROP AMENDED

21,437,180.00  
21,586,388.00

			INCREASE	DECREASE
104000-4500		INTEREST	6,200.00	
104040-4422		DMV TRANSACTIONS	20,000.00	
104040-4423		NOTARY FEES	7,000.00	
104041-4210		AUTO TAXES		20,000.00
104041-4305		LOAN COMPANY REFUNDS	5,900.00	
104042-4310		ARTICLE 39	15,000.00	
104042-4313		ARTICLE 44		15,000.00
104042-4316		TIMBER RECEIPTS	7,908.00	
104042-4320		FEDERAL LAND ENTITLEMENT	30,000.00	
104043-4450		FACILITY FEES	9,000.00	
104044-4471		FILING FEES	2,355.00	
104044-4472		TOWN ELECTION REIM	1,628.00	
104045-4480		RECORDING FEES	9,000.00	
104045-4485		MARRIAGE LICENSE		2,000.00
104046-449813		CONTROLLER'S DRUG FUND	5,000.00	
104048-4498		MISC REV - JAIL	900.00	
104048-449811		KIMBLE'S	9,000.00	
104050-4603		CDC TRANSPORT		4,700.00
104050-4626		EDTAP FROM STATE	13,159.00	
104069-4412		CRC RENT	5,400.00	
104050-4620		YCTA - CAPITAL VAN	43,458.00	
		TOTALS	190,908.00	41,700.00

NET CHANGE  
CURRENT APPROP  
TOTAL APPROP AMENDED

149,208.00  
21,437,180.00  
21,586,388.00

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NATHAN BENNETT, COUNTY MANAGER/BUDGET OFFICER

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DATE

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BRANDI BURLESON, FINANCE OFFICER

\_\_\_\_\_  
DATE

**YANCEY COUNTY COMMISSIONERS**

BUDGET AMENDMENT # 7 (DSS)

FUND: GENERAL

EXPEND. CODE	ACCOUNT	INCREASE	DECREASE
105310-5121	SALARIES	11,850.00	
105310-5170	BOARD MEMBERS	2,050.00	
105310-5181	FICA/MEDICARE	900.00	
105310-5182	RETIREMENT	850.00	
105310-5199	PROF SERV - OTHER		1,000.00
105310-5239	VACCINATIONS/DRUG TESTS	600.00	
105310-524016	R&M BLDGS	4,000.00	
105310-5260	OFFICE SUPPLIES		4,000.00
105310-5311	TRAVEL/MILEAGE		1,000.00
105310-5312	TRAVEL EXPENSES		250.00
105310-5321	TELEPHONE	13,000.00	
105310-5325	POSTAGE	1,000.00	
105310-5331	ELECTRICITY		2,500.00
105310-5334	WATER		1,200.00
105310-5352	R&M EQUIPMENT	1,000.00	
105310-5370	ADVERTISING		500.00
105310-5381	COMP PROG TIME	600.00	
105310-5394	CLEANING SERVICES		2,500.00
105310-5431	COPIER LEASE		2,500.00
105310-5491	DUES	150.00	
105310-5497	1571 AUTOMATION	200.00	
105310-5510	CAPITAL - OFFICE FURNITURE		8,000.00
105310-5520	CAPITAL - COMPUTERS	1,000.00	
105320-5121	SALARIES	20,000.00	
105320-5181	FICA/MEDICARE	1,530.00	
105320-5182	RETIREMENT	1,400.00	
105320-5267	OTHER SUPPLIES	100.00	
105320-5312	TRAVEL EXPENSES	500.00	
105320-5395	TRAINING		250.00
105320-5520	CAPITAL COMPUTERS		4,800.00
105320-552001	LIEAP COMPUTERS		1,200.00
105320-5761	WORK 1ST		3,000.00
105320-5762	WORK 1ST TRAVEL		2,000.00
105320-5766	FOOD STAMP ISSUANCE		2,000.00
105320-5768	LIEAP PAYMENTS	7,103.00	
105320-576803	EMPLOYMENT & TRAINING		1,000.00
105320-576804	DUKE ENERGY LOW INCOME	153.00	
105320-5769	SOC SEC DISABILITY		500.00
105320-5772	MED ASST SITE DRAFT	1,500.00	
105320-5774	MEDICAID TRANSPORT		20,000.00
105320-5775	CRISIS INTERVENTION	4,686.00	
105320-577501	ENERGY NEIGHBOR FUND		542.00
105320-577503	DUKE ENERGY MERGER FUNDS	1,300.00	
105320-5778	TANF - TEMP AID FOR NEEDY FAMIL	5,800.00	
105320-577802	TANF - FEDERAL POVERTY LEVEL	200.00	
105330-5192	PROF SERV - LEGAL		20,000.00
105330-5252	TIRES	2,500.00	

105330-5311	TRAVEL/MILEAGE		2,000.00
105330-5312	TRAVEL EXPENSES		500.00
105330-5395	TRAINING		500.00
105330-5520	CAPITAL - COMPUTERS		1,200.00
105330-5780	ADULT DAY CARE	13,100.00	
105330-5783	ADOPTION - VENDOR PSYCH		15,000.00
105330-5789	ADOPTION ASST	13,000.00	
105330-5790	ADOPTIONS SPEC CHILD		10,000.00
105330-5793	HOME DAY CARES		200,000.00
105330-5798	FAMILY REUNIFICATION FUNDS	5,710.00	
105850-5121	SALARIES	15,000.00	
105850-5181	FICA/MEDICARE	1,148.00	
105850-5182	RETIREMENT	1,050.00	
105850-5220	FOOD & PROVISIONS	5,800.00	
105850-5260	OFFICE SUPPLIES	2,600.00	
105850-5299	MISC SUPPLIES	1,500.00	
105850-5331	ELECTRICITY	1,100.00	
105850-5395	TRAINING	100.00	
	TOTALS	144,080.00	307,942.00
	NET CHANGE		-163,862.00
	CURRENT APPROP		21,586,388.00
	TOTAL APPROP AMENDED		21,422,526.00

		INCREASE	DECREASE
104055-475002	ADMIN REIM	95,133.00	
104055-475005	IV-E ADOPTIONS		22,750.00
104055-475010	IV-E FOSTERCARE	17,193.00	
104055-475012	STATE FOSTERCARE		26,833.00
104055-475014	CIP CRISIS	32,568.00	
104055-475017	SUBSIDIZED CHILD CARE		200,000.00
104055-475018	LIEAP CRISIS	16,827.00	
104055-475050	MEDICAID TRANSPORT		20,000.00
104056-475106	HEALTHCHOICE		5,500.00
104056-475221	DISABILITY DETER		1,000.00
104057-475219	SPECIAL CHILD ADOPTIONS		49,500.00
104059-475301	CDC OPERATIONS	19,052.00	
104059-475302	DAY CARE FEES		19,052.00
	TOTALS	180,773.00	344,635.00
	NET CHANGE		-163,862.00
	CURRENT APPROP		21,586,388.00
	TOTAL APPROP AMENDED		21,422,526.00

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NATHAN BENNETT, COUNTY MANAGER/BUDGET OFFICER

\_\_\_\_\_  
DATE

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BRANDI BURLERSON, FINANCE OFFICER

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DATE



**DIXON HUGHES GOODMAN**<sup>LLP</sup>  
Certified Public Accountants and Advisors

Please Sign and Return

March 21, 2014

Board of Commissioners  
Yancey County  
Burnsville, North Carolina

We are pleased to confirm our understanding of the services we are to provide for Yancey County, (the "County") for the year ended June 30, 2014. This attachment to item 17, "Contract to Audit Accounts" (LGC-205) is intended to further clarify certain provisions of the Contract.

**AUDIT SERVICES**

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 the County as of and for the year ended June 30, 2014.

**AUDIT OBJECTIVES**

The objective of our audit is the expression of opinions as to whether the County's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with Single Audit Act Amendments of 1996 and Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* ("OMB Circular A-133") and the *State Single Audit Implementation Act*.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion



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on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance; and, OMB Circular A-133 and the *State Single Audit Implementation Act* in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the County 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 auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

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 provisions of OMB Circular A-133; and the *State Single Audit Implementation Act*, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133 and the *State Single Audit Implementation Act*, and other procedures we consider necessary to enable us to express such an opinion. If our opinions on the financial statements or the Single Audit compliance 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 to issue a report as a result of this engagement.

#### **AUDIT PROCEDURES – GENERAL**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. 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 an unavoidable 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 auditing standards generally accepted in the United States of America 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 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. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the County's attorneys as part of the engagement, and they may bill the County for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters. Because of the importance of management's written or verbal representations to an effective audit, you agree to release Dixon Hughes Goodman LLP and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

#### **AUDIT PROCEDURES – INTERNAL CONTROLS**

Our audit includes obtaining an understanding of the entity 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, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, OMB Circular A-133 and the *State Single Audit Implementation Act*.

As required by OMB Circular A-133 and the *State Single Audit Implementation Act*, 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 and state 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 OMB Circular A-133 and the *State Single Audit Implementation Act*.

#### **AUDIT PROCEDURES – COMPLIANCE**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the 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*.

OMB Circular A-133 and the *State Single Audit Implementation Act* require that we also plan and perform the audit to obtain reasonable assurance about whether the County has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 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 the County's major programs. The purpose of these procedures will be to express an opinion on the County's compliance with requirements applicable to each of its major programs in our reports on compliance issued pursuant to OMB Circular A-133 and the *State Single Audit Implementation Act*.

#### **MANAGEMENT'S RESPONSIBILITIES**

Management is responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, , each major fund, and the aggregate remaining fund information of the County and the respective changes in financial position and, where applicable, cash flows in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. The responsibility for the financial statements and all representations contained therein remains with management and those charged with governance, which includes officers and directors of the County. Management is also responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters. You also agree to provide us with any additional information that we may request from management for the purpose of the audit as well as unrestricted access to any person within the County from whom we determine it necessary to obtain audit evidence. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. 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.

Management is responsible for the design, implementation and maintenance of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the County involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts 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 County received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the County complies with applicable laws and regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. As required by OMB Circular A-133 and the *State Single Audit Implementation Act*, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a Summary Schedule of Prior Audit Findings and a Corrective Action Plan if necessary.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us 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.

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

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Our audit is for the purpose of forming an opinion on the financial statements taken as a whole. Accounting principles generally accepted in the United States ("GAAP") provide for certain required supplementary information ("RSI") to accompany the basic financial statements. We understand the following RSI will accompany the basic financial statements:

1. Management's Discussion and Analysis ("MD&A")
2. Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress
3. Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions
4. Other Postemployment Benefits – Schedule of Funding Progress
5. Other Postemployment Benefits – Schedule of Employer Contributions

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.

The County's management is responsible for the fair presentation of the RSI. As part of our engagement, we will apply certain limited procedures to the 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.

#### **SUPPLEMENTARY INFORMATION**

We understand that the following supplementary information other than RSI will accompany the basic financial statements:

1. Combining non-major and fiduciary fund statements
2. Budgetary schedules for all funds required to adopt a budget other than the General Fund and annually adopted major special revenue funds
3. Schedule of Ad Valorem Taxes Receivable
4. Analysis of Current Tax Levy – County-Wide Levy
5. Schedule of Expenditures of Federal and State Awards

Such information is presented for the purpose of additional analysis of the financial statements and is not a required part of the basic financial statements. The County's management is responsible for the fair presentation of the supplementary information. We will subject the supplementary information to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America.

Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that 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 (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Our responsibility is to report whether such information is fairly stated in all material aspects in relation to the basic financial statements taken as a whole. You agree to include our report on the supplementary information other than RSI in any document that contains, and indicates that we have reported on, the supplementary information other than RSI. You also agree to include the audited financial statements with any presentation of the supplementary information other than RSI that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information other than RSI no later than the date the supplementary information other than RSI is issued with our report thereon.

#### **MANAGEMENT'S RESPONSIBILITY FOR NONATTEST SERVICES**

You agree to assume all management responsibilities and to oversee the nonattest services we will provide by designating an individual possessing suitable skill, knowledge and/or experience. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services. You are responsible for designing, implementing, and maintaining internal controls.

We will provide the following nonattest services:

- We will advise management about appropriate accounting principles and their application and will assist in preparation of the County's basic financial statements. The responsibility for the basic financial statements and all representations contained therein remains with management, which includes members of the governing board.
- At the conclusion of the engagement, we will compile financial statement data to assist the County in preparing the LGC Annual Financial Information Report ("AFIR").

You are responsible for evaluating the adequacy and results of the above nonattest services performed and accepting responsibility for the results of such services. This includes your review and approval of all adjustments we may propose to the accounting records of the County or its financial statements as a result of these services.

#### **USE OF FINANCIAL STATEMENTS**

If the County's financial statements are to be included in a client prepared document, which includes other information, the County should notify us of the nature of the document and allow us to read such document prior to submitting the document to others. An example of another document would be an official statement in connection with a public debt offering.

#### **AUDIT ADMINISTRATION, FEES AND OTHER**

In connection with providing our professional services, we may engage the assistance of outside service providers. 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 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 are responsible for the adequate oversight of all services provided by the third-party service provider and for ensuring that all services are performed with competence and due professional care.

The audit documentation for this engagement is the property of Dixon Hughes Goodman LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to the U.S. Department of Health and Human Services or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office or the North Carolina Office of the State Auditor pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Dixon Hughes Goodman LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

This engagement is limited to the services outlined above. We will perform all services in accordance with applicable professional standards.

Brian Broom is the engagement director and is responsible for supervising the engagement and signing the report or authorizing another individual to sign. We will issue a separate planning letter to you outlining the expected timing and completion of fieldwork when those dates have been agreed to by management.

We estimate our fee for these services will be approximately \$48,500. This estimate is based on the assumption there will be no significant bookkeeping assistance required or significant changes in the County's operations including (but not limited to): issuance of new debt; new construction projects; creation of new funds; new or "State Mandated" major programs required to be tested for Single Audit; or additional procedures required in response to the discovery of fraud. We will issue contract addendums for additional fees related to any bookkeeping or changes mentioned above. The additional fees will be billed at our standard hourly rates which range from \$100 to \$400 per hour depending on the experience level of the individuals performing the work.

Many of our clients choose to communicate with us by email, and we may use email in connection with this engagement unless you direct us otherwise. We will use reasonable precautions to protect your confidential information, but we have no obligation to employ any measures that you do not regularly employ in protecting your confidential information. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed, we cannot guarantee or warrant that e-mail from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim any liability or responsibility whatsoever for interception or unintentional

disclosure or communication of e-mail transmissions, or for the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement or the disclosure or communication of confidential or proprietary information arising therefrom (hereinafter collectively referred to as "Email Interruption"). You agree that we shall have no liability for any loss or damage to any person or entity resulting from related to any Email Interruption, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues of anticipated profits, and you hereby forever release us from any such liability and shall indemnify us from any claim related thereto.

This agreement and any claim arising out of the services provided shall be governed by the laws of the state of North Carolina, exclusive of its conflict of laws rules. The parties agree that any action between them related to or arising out of this engagement shall be brought only in the state or federal courts of North Carolina.

Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof shall be ineffective, or invalid, such ineffectiveness or invalidity shall be only to the extent of such prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this agreement, which shall otherwise remain in full force and effect. The agreements of the County and Dixon Hughes Goodman LLP contained in the Contract to Audit Accounts and this attachment shall survive the completion or termination of this engagement.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2011 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the County 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 the Contract to Audit Accounts and return it to us.

Very truly yours,

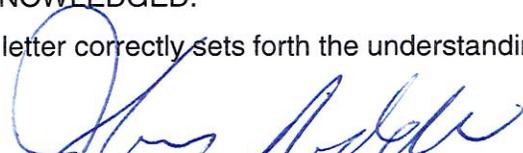
DIXON HUGHES GOODMAN LLP

*Dixon Hughes Goodman LLP*

ACKNOWLEDGED:

This letter correctly sets forth the understanding of Yancey County.

By:

  
\_\_\_\_\_  
Johnny Riddle, Chairman

Date:

5-5-14

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

  
\_\_\_\_\_  
Brandi Burleson, Finance Officer

System Review Report

To the Partners of Dixon Hughes Goodman LLP  
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP (the firm) applicable to non-SEC issuers in effect for the year ended February 28, 2011. 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. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Dixon Hughes Goodman LLP in effect for the year ended February 28, 2011, 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*. Dixon Hughes Goodman LLP has received a rating of *pass*.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
October 6, 2011

**CONTRACT TO AUDIT ACCOUNTS**  
**Of Yancey County**  
 Governmental Unit

On this 21st day of March, 2014, Dixon Hughes Goodman LLP  
 Auditor

500 Ridgefield Court

Mailing Address

Asheville, NC 28806, hereinafter referred to as

the Auditor, and Board of Commissioners of Yancey County, hereinafter referred  
 Governing Board Governmental Unit

to as the Governmental Unit, agree as follows:

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 for the period beginning July 1, 2013, and ending June 30, 2014. 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 discretely presented component units, 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 Circular A-133 and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated workpapers 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 workpapers 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).
3. This contract contemplates an unqualified opinion being rendered. If financial statements are not prepared in accordance with GAAP, or the statements fail to include all disclosures required by GAAP, please provide an explanation for that departure from GAAP in an attachment.
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 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*, 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, 2014. 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 relates 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] The process for

Contract to Audit Accounts (cont.) Yancey County  
(Name of Governmental Unit)

invoice approval has changed. 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 through the portal at: <http://nctreasurer.slgfd.leapfile.net>. Subject line should read "Invoice - only. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor for them 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 Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the following 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:

**Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards]** None anticipated  
Audit \$40,000

**Preparation of the annual financial statements** \$8,500  
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 \$36,000**

- 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.
- 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 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 are used in the preparation of official statements for debt offerings (the Auditors' opinion is not included), 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.

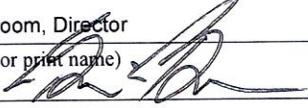
The LGC's process for submitting contracts, audit reports and Invoices are subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

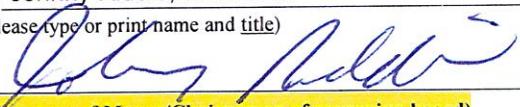
In addition, if the OSA designates certain programs to be audited as major programs, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

- 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, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the LGC for approval. The portal address to upload your amended contract and letter of explanation documents 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.

**Contract to Audit Accounts (cont.)** Yancey County  
 (Name of Governmental Unit)

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 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 23 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.  
The attached engagement letter is a part of this contract.
18. A separate contract should not be made for each division to be audited or report to be submitted. A separate contract must be executed for each component unit which is a local government and for which a separate audit report is issued.
19. The contract must be executed, pre-audited, physically signed by all parties and submitted in PDF format including Governmental Unit and Auditor signatures to the Secretary of the LGC. The current portal address to upload your contractual documents is <http://nctreasurer.slgfd.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 September 4, 2013. 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. The Auditor acknowledges that any private employer transacting business in this State who employs 25 or more employees in this State must, when hiring an employee to work in the United States, use E Verify to verify the work authorization of the employee in accordance with N.C.G.S. §64 26(a). The Auditor acknowledges further that any such private employer and its subcontractors must comply with all of the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (North Carolina's E-verify law), and that such private employer has a duty under the law to ensure compliance by its subcontractors. The Auditor further acknowledges that this contract is of the type governed by S.L. 2013-418, which makes it unlawful for a local government to enter into certain types of contracts unless the contractor and its subcontractors comply with North Carolina's E-verify law, and that failure to comply with such law could render this contract void. The Auditor hereby covenants, warrants and represents for itself and its subcontractors that with respect to this contract the Auditor and its subcontractors shall comply with the provisions of North Carolina's E-verify law and that failure to comply with such law shall be deemed a breach of this contract and may render this contract void.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16.)
24. **All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.**

**Audit Firm Signature:**  
 Firm Dixon Hughes Goodman LLP  
 By Brian Broom, Director  
 (Please type or print name)  
  
 (Signature of authorized audit firm representative)  
brian.broom@dhgllp.com  
 Email Address of Audit Firm:  
 Date 3/21/14

**Governmental Unit Signatures:**  
 By Johnny Riddle, Chairman  
 (Please type or print name and title)  
  
 (Signature of Mayor/Chairperson of governing board)  
 Date 5-5-14  
**Date Governing Body Approved Audit Contract - G.S. 159-34(a)**  
 Date: \_\_\_\_\_

**Unit Signatures (continued):**  
 By N/A  
 (Chair of Audit Committee- please type or print name)  
 \_\_\_\_\_  
 (Signature of Audit Committee Chairperson)  
 Date \_\_\_\_\_  
 (If Governmental Unit has no audit committee, this section should be marked "N/A.")  
 This instrument has been preaudited 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.  
**Brandi Burleson, Finance Officer**  
 Governmental Unit Finance Officer (Please type or print name)  
  
 (Signature)  
 Email Address of Finance Officer  
bburleson@yanceycountync.gov  
 Date 5/5/14  
**(Preaudit Certificate must be dated.)**

*Attachment D*

**YANCEY COUNTY COMMISSIONERS**

BUDGET AMENDMENT # 8 (DSS)

FUND: GENERAL

EXPEND. CODE	ACCOUNT	INCREASE	DECREASE
105310-5199	PROFESSIONAL SERVICES		500.00
105310-5334	WATER		400.00
105310-5431	COPIER LEASE		7,500.00
105310-5510	CAPITAL - FURNITURE		1,000.00
105320-5311	TRAVEL/MILEAGE		500.00
105320-5774	MEDICAID TRANSPORT	2,000.00	
105320-5775	CRISIS INTERVENTION	8,135.00	
105330-5783	ADOPTION - VENDOR PSYCH		18,000.00
105330-5784	STATE FOSTERCARE		83,000.00
105330-5790	ADOPTIONS SPECIAL CHILD		40,000.00
105330-5785	FOSTERCARE PROGRAM		60,000.00
107000-600009	CONTRIBUTION TO FUND BALANCE		104,276.00
TOTALS		10,135.00	315,176.00
NET CHANGE			-305,041.00
CURRENT APPROP			21,422,526.00
TOTAL APPROP AMENDED			21,117,485.00

EXPEND. CODE	ACCOUNT	INCREASE	DECREASE
104055-475002	ADMIN REIM		257,658.00
104055-475005	IV-E ADOPTION	9,178.00	
104055-475010	IV-E FOSTERCARE		100,687.00
104055-475012	STATE FOSTERCARE	17,937.00	
104055-475014	CRISIS INTERVENTION	4,958.00	
104055-475017	SUBSIDIZED CHILD CARE	67,219.00	
104055-475018	LIEAP		43,054.00
104055-475038	IV-D SERVICE CHG	60.00	
104055-475050	MEDICAID TRANSPORT	5,060.00	
104056-475103	MEDICAID REIM		2,480.00
104056-475106	HEALTHCHOICE		30.00
104056-475221	DISABILITY DETERMINATION	200.00	
104059-475301	CDC OPERATIONS (SUBSIDIES)		34,824.00
104059-475302	DAY CARE PARENT FEES	29,080.00	
TOTALS		133,692.00	438,733.00
NET CHANGE			-305,041.00
CURRENT APPROP			21,422,526.00
TOTAL APPROP AMENDED			21,117,485.00

\_\_\_\_\_  
NATHAN BENNETT, COUNTY MANAGER/BUDGET OFFICER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
BRANDI BURLESON, FINANCE OFFICER

\_\_\_\_\_  
DATE

*Attachment E*  
YANCEY COUNTY

**CAPITAL PROJECT ORDINANCE FOR THE  
EAST YANCEY RECYCLING CENTER PROJECT**

**BE IT HEREBY ORDAINED** by the Yancey County Board of Commissioners that, pursuant to Section 13.2 of Chapter 159 of the North Carolina General Statutes, the following capital project ordinance is hereby adopted:

**Section 1:** That the project authorized hereby is the repair and renovation of the East Yancey Recycling Center, including without limitation, building stabilization, interior and mechanical and electrical renovations, and exterior renovations to provide an appropriate and regulatory compliant space for East Yancey Recycling Center staff and the citizens of Yancey County.

**Section 2:** Yancey County staff is hereby directed to proceed with the capital project within the terms and provisions of Chapter 159 of the North Carolina General Statutes and the budget contained herein.

**Section 3:** The following revenues and resources are anticipated to be available to complete the project activities:

**Revenues:**

From:	Amount:
<ul style="list-style-type: none"><li>• Appropriation from General Fund for Engineering and Construction Costs</li></ul>	\$ 151,500
<b>TOTAL</b>	<b><u>\$ 151,500</u></b>

**Section 4:** The following expenditures are hereby appropriated for the project activities:

**Expenditures:**

For:	Amount:
<ul style="list-style-type: none"><li>• Design and Engineering</li></ul>	\$ 6,500
<ul style="list-style-type: none"><li>• NC Dept of Transportation Building Buyback</li></ul>	\$ 35,000
<ul style="list-style-type: none"><li>• Construction</li></ul>	\$ 110,000
<b>TOTAL</b>	<b><u>\$ 151,500</u></b>

**Section 5:** The Yancey County Finance Office is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to provide accounting information as required by Chapter 159 of the North Carolina General Statutes. Further that Finance Office staff is directed to include a detailed analysis of past and future costs and revenues of this capital project in every budget submission made to the Board of County Commissioners.

**Section 6:** The Yancey County Manager is hereby authorized and empowered to execute any and all documents necessary to commence, carry out, and complete the capital project set forth herein without any further direction, authorization, or consent, including without limitation any and all contract documents, change orders, and any other such documents as may be necessary to give direction to architects, contractors, and others in completing this capital project. Further that the County manager is authorized to transfer appropriations within the various line items of this capital project ordinance as he shall in his discretion deem necessary, according to law. Further that the County Manager shall from time to time report to the Board of Commissioners as they shall direct as to the status of completion of the capital project and/or the status of the budget for the capital project.

**Section 7:** Copies of this capital project ordinance shall be made available to all Yancey County staff for the purposes of direction in carrying out the completion of this capital project.

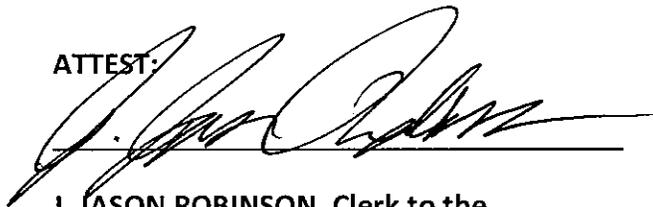
**Section 8:** This project ordinance is adopted on this the 19<sup>th</sup> day of May, 2014 for the purpose of budgeting revenue and expenditures per North Carolina General Statute 159-13.2(c).

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Hon. JOHNNY RIDDLE, Chairman

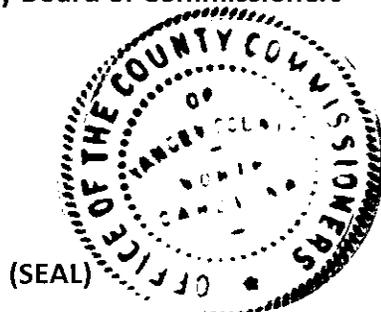
Yancey County Board of Commissioners

ATTEST:



J. JASON ROBINSON, Clerk to the

Yancey County Board of Commissioners



*Attachment F*  
**YANCEY COUNTY**

**CAPITAL PROJECT ORDINANCE FOR THE  
SENIOR CENTER FACILITY PROJECT**

**BE IT HEREBY ORDAINED** by the Yancey County Board of Commissioners that, pursuant to Section 13.2 of Chapter 159 of the North Carolina General Statutes, the following capital project ordinance is hereby adopted:

**SECTION 1:** That the project authorized hereby is the Planning, Administration and Construction of a new Yancey County Senior Center, including, without limitation, grading, earth work, and site preparation, general construction, and the installation of heating, electric and other mechanical installations and construction to provide an appropriate and regulatory compliant space for the Yancey County Senior Center staff and the citizens of Yancey County.

**Section 2:** Yancey County staff is hereby directed to proceed with the capital project within the terms and provisions of Chapter 159 of the North Carolina General Statutes and the budget contained herein.

**Section 3:** The following revenues and resources are anticipated to be available to complete the project activities:

**Revenues:**

From:	Amount:
• USDA Loan Proceeds	\$ 930,000
• NC CDBG Catalyst Grant Proceeds	\$ 500,000
• Yancey County Senior Center Fundraising Efforts	\$ 218,242
• Yancey County General Fund Contribution	\$ 200,000
 <b>TOTAL</b>	 <b><u>\$1,848,242</u></b>

**Section 4:** The following expenditures are hereby appropriated for the project activities:

**Expenditures:**

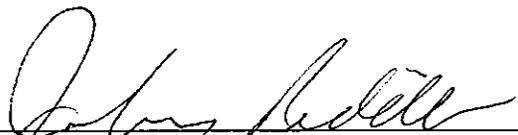
For:	Amount:
• Construction	\$ 1,698,550
• Design and Engineering	\$ 124,692
• Equipment	\$ 5,000
• Legal Fees	\$ 20,000
 <b>TOTAL</b>	 <b><u>\$1,848,242</u></b>

**Section 5:** The Yancey County Finance Office is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to provide accounting information as required by Chapter 159 of the North Carolina General Statutes. Further that Finance Office staff is directed to include a detailed analysis of past and future costs and revenues of this capital project in every budget submission made to the Board of County Commissioners.

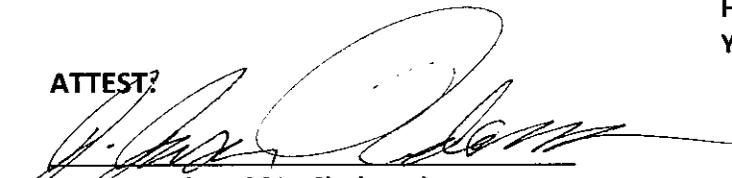
**Section 6:** The Yancey County Manager is hereby authorized and empowered to execute any and all documents necessary to commence, carry out, and complete the capital project set forth herein without any further direction, authorization, or consent, including without limitation any and all contract documents, change orders, and any other such documents as may be necessary to give direction to architects, contractors, and others in completing this capital project. Further that the County manager is authorized to transfer appropriations within the various line items of this capital project ordinance as he shall in his discretion deem necessary, according to law. Further that the County Manager shall from time to time report to the Board of Commissioners as they shall direct as to the status of completion of the capital project and/or the status of the budget for the capital project.

**Section 7:** Copies of this capital project ordinance shall be made available to all Yancey County staff for the purposes of direction in carrying out the completion of this capital project.

**Section 8:** This project ordinance is adopted on this the 19 day of May, 2014 for the purpose of budgeting revenue and expenditures per North Carolina General Statute 159-13.2(c).

  
Hon. JOHNNY RIDDLE, Chairman  
Yancey County Board of Commissioners

ATTEST:

  
J. JASON ROBINSON, Clerk to the  
Yancey County Board of Commissioners

(SEAL)

