



**Lewisville Town Council**  
**Regular Meeting Agenda**  
**May 9, 2024 – 6:00 PM**  
**Lewisville Town Hall 1<sup>st</sup> Floor Council Chambers**  
**6510 Shallowford Road**

**1. Call to Order:**

- A. Roll Call
- B. Invocation – Council Member Ken Sadler
- C. Pledge of Allegiance – Council Member Jane Welch
- D. Adoption of Agenda

**2. Consent Agenda**

- A. Resolution 2024-020– Financial statements for the nine months ended March 31, 2024 ([Attachment #1](#))
- B. Approval of Closed Session Minutes – April 3, 2024
- C. Approval of Agenda Briefing Minutes – April 4, 2024 ([Attachment #2](#))
- D. Approval of Closed Session Minutes – April 4, 2024
- E. Approval of Regular Meeting Minutes – April 11, 2024 ([Attachment #3](#))
- F. Approval of Closed Session Minutes – April 15, 2024

**3. Introductions, Recognitions, Presentations and/or Proclamations**

**4. Public Forum**

- A. Residents should register with the Town Clerk and limit their comments to three (3) minutes.
- B. Written comments are also available.

**5. Public Hearing**

- A. 2024-2025 Budget
  - i. Staff presentation
  - ii. Public hearing
  - iii. Council discussion

**6. New Business**

- A. Town Manager appointment and contract approval
- B. Resolution 2024-022 – Appointing Deputy Finance Officer ([Attachment #4](#))
- C. Resolution 2024-021 – 2023-2024 Audit services contract with Gibson & Company, PA ([Attachment #5](#))
- D. Ordinance 2024-008 – Amend the Jack Warren Park Improvements Capital Project Ordinance - \$151,404 ([Attachment #6](#))
- E. Ordinance 2024-009 – Amend Ordinance 2023-001 to transfer \$58,736 from the Parks & Recreation Capital Reserve Fund to the JWP Improvements Capital Projects Fund([Attachment #7](#))
- F. Ordinance 2024-010 – Amending Ordinance 2023-001 to transfer \$132,188 from the General Fund to the JWP Improvements Capital Projects Fund ([Attachment #8](#))
- G. Resolution 2024-023 – Approving contract with Garanco, Inc. – \$420,176.14 ([Attachment #9](#))
- H. Resolution 2024-024 – Approving contract with Johnson's Modern Electric, Inc. – \$57,910 ([Attachment #10](#))

## **7. Administrative Reports**

- A. Upcoming events and closings
  - i. Jurassic Park – May 17
  - ii. Memorial Day – May 27 – Town Offices Closed
  - iii. Military Appreciation Concert – The Embers – May 27, 6-8 PM
  - iv. Camel City Yacht Club – June 8, 7-9 PM
  - v. Blood Drive – June 12, MAWCC
- B. Clerk's Report
  - i. Budget Calendar
    - Workshops – May 13, 6PM
    - Budget ordinance final review – June 6, 6 PM
    - Budget approval – June 13, 6 PM
  - ii. Board & Committee Collaboration/Orientation Session – May 16, 5:30-6:30 PM, Town Hall
  - iii. Volunteer Appreciation Event – May 16, 6:30 PM, Town Hall

## **8. For the Good of the Order**

- A. Public Comments
  - i. Residents should limit their comments to three (3) minutes.
  - ii. Written comment forms are also available.
- B. Council Comments

## **9. Adjournment**

## **10. Reception**



**RESOLUTION 2024-020 OF THE LEWISVILLE TOWN COUNCIL  
ACCEPTANCE AND APPROVAL OF MONTHLY DISBURSEMENTS**

**WHEREAS**, the Finance Officer has presented the Town Council with the Revenue Statement Summary and the Encumbrances and Expenditure State Summary of figures for the nine months ended March 31, 2024; and

**WHEREAS**, the Finance Officer did not report any unusual expenditures.

**NOW, THEREFORE BE IT RESOLVED THAT** the Lewisville Town Council accepts the Revenue Statement Summary and the Encumbrances and Expenditure Statement Summary for the nine months ended March 31, 2024 and incorporated herein.

Adopted this the 9<sup>th</sup> day of May 2024 by the Lewisville Town Council.

ATTEST:

\_\_\_\_\_  
Mike Horn, Mayor

\_\_\_\_\_  
Dora K. Moore, Town Clerk

**Town of Lewisville**  
**Financial Budget to Actual Report - General Fund**  
**Nine Months Ended March 31, 2024**

**General Fund**

Revenues	Budget	Revenue Year to Date	Revenue Over (Under) Budget	Percentage Collected
Property Tax Collections	\$ 2,993,220.00	\$ 2,851,447.26	\$ (141,772.74)	95.26%
Sales Tax Revenue	1,272,770.00	743,164.92	(529,605.08)	58.39%
Other Revenues	1,515,280.00	1,139,451.47	(375,828.53)	75.20%
Transfer from ARPA Special Revenue Fund	-	1,028,650.76	1,028,650.76	-
<b>Subtotal</b>	5,781,270.00	<b>\$ 5,762,714.41</b>	<b>\$ (18,555.59)</b>	99.68%
Appropriation from Fund Balance	1,090,701.10			
<b>Total</b>	<b>\$ 6,871,971.10</b>			

Departments	Budget	Expenditures Year to Date	Encumbrances Year to Date	Unencumbered and Unspent Balance	Percentage of Budget Spent or Encumbered
Governing Body	\$ 355,216.00	\$ 159,427.94	\$ 6,497.80	\$ 189,290.26	46.71%
Administration	965,036.00	633,423.51	9,884.61	321,727.88	66.66%
Finance	292,977.00	215,097.58	-	77,879.42	73.42%
Debt Service	228,800.00	228,800.00	-	-	100.00%
Planning & Zoning	466,340.00	248,333.55	102,266.75	115,739.70	75.18%
Beautification	115,407.00	83,055.24	20,886.60	11,465.16	90.07%
Community Policing	824,750.00	413,081.63	393,955.00	17,713.37	97.85%
Public Safety	15,075.00	7,437.31	-	7,637.69	49.34%
Public Works	557,091.00	306,210.31	14,145.51	236,735.18	57.51%
Streets	302,100.20	186,087.73	-	116,012.47	61.60%
Powell Bill	386,550.00	325,274.51	9,750.00	51,525.49	86.67%
Storm Water	152,642.00	57,082.07	79,282.41	16,277.52	89.34%
Solid Waste	1,077,790.00	634,506.52	-	443,283.48	58.87%
Recycling	9,215.00	1,875.67	-	7,339.33	20.35%
Parks and Recreation	350,623.00	208,357.04	30,204.83	112,061.13	68.04%
Transfers to Capital Projects Funds	647,358.90	647,358.90	-	-	100.00%
Transfers to Capital Reserves	125,000.00	125,000.00	-	-	100.00%
<b>Total</b>	<b>\$ 6,871,971.10</b>	<b>\$ 4,480,409.51</b>	<b>\$ 666,873.51</b>	<b>\$ 1,724,688.08</b>	<b>74.90%</b>

General Fund Balance 7/1/2023	\$ 6,021,921.94
Year-to-Date Increase (Decrease) FY 2023-2024	1,282,304.90
General Fund Balance 3/31/2024	<u>\$ 7,304,226.84</u>

**Town of Lewisville  
Financial Budget to Actual Report - Willow Run Municipal Service District  
Nine Months Ended March 31, 2024**

***Willow Run Municipal Service District***

Revenues	Budget	Revenue Year to Date	Revenue Over (Under) Budget	Percentage Collected
Revenues	\$ 39,352.00	\$ 42,022.00	\$ 2,670.00	106.78%
<b>Subtotal</b>	39,352.00	<b>\$ 42,022.00</b>	<b>\$ 2,670.00</b>	<b>106.78%</b>
Appropriation from Fund Balance	-			
<b>Total</b>	<b>\$ 39,352.00</b>			

	Budget	Expenditures Year to Date	Encumbrances Year to Date	Unencumbered and Unspent Balance	Percentage of Budget Spent or Encumbered
Expenditures	\$ 39,352.00	\$ 22,975.25	\$ 6,450.00	\$ 9,926.75	74.77%
<b>Total</b>	<b>\$ 39,352.00</b>	<b>\$ 22,975.25</b>	<b>\$ 6,450.00</b>	<b>\$ 9,926.75</b>	<b>74.77%</b>

MSD Fund Balance 7/1/2023	\$ 233,234.96
Year-to-Date Increase (Decrease) FY 2023-2024	19,046.75
MSD Fund Balance 3/31/2024	<u><u>\$ 252,281.71</u></u>

**Town of Lewisville  
March 31, 2024**

<b>Capital Reserve Funds</b>					
	Fund Balance <b>7/1/2023</b>	Transfers In	Transfers Out	Investment Earnings	Fund Balance <b>3/31/2024</b>
GWR ROW/Construction Capital Reserve	\$ 1,090,536.88	\$ -	\$ -	\$ 41,416.09	\$ 1,131,952.97
Sidewalks, Bike Paths, and Greenways Capital Reserve	163,166.47	25,000.00	(188,100.00)	1,303.76	1,370.23
Municipal Buildings/Land Capital Reserve	135,263.38	-	-	5,418.33	140,681.71
Public Works Facility Capital Reserve	855,960.81	-	-	34,287.79	890,248.60
Parks & Recreation Capital Reserve	414,845.38	100,000.00	(459,854.22)	3,745.45	58,736.61
<b>Total</b>	<b>\$ 2,659,772.92</b>	<b>\$ 125,000.00</b>	<b>\$ (647,954.22)</b>	<b>\$ 86,171.42</b>	<b>\$ 2,222,990.12</b>

<b>American Rescue Plan Act Special Revenue Fund</b>	
American Rescue Plan Act funding received	\$ 4,024,471.50
Transferred to General Fund to reimburse for general government services - revenue replacement - FY 2021-2022	(1,208,168.14)
Transferred to General Fund to reimburse for general government services - revenue replacement - FY 2022-2023	(1,105,602.57)
Transferred to General Fund to reimburse for general government services - revenue replacement - July 1, 2023 through March 31, 2024	(1,028,650.76)
Investment earnings	153,729.27
<b>American Rescue Plan Act Special Revenue Fund - Cash Balance 3/31/2024</b>	<b>\$ 835,779.30</b>

**Town of Lewisville  
March 31, 2024**

**Capital Projects Funds - Since Inception**

Project	Revenue	Expenditures	Transfers In	Transfers Out	Investment Earnings	Loan Proceeds	Fund Balance 3/31/2024	Budget
GWR ROW/Construction Capital Project	\$ 221,684.95	\$(1,093,360.03)	\$ 1,563,000.00	\$ -	\$ 101,267.73	\$ -	\$ 792,592.65	\$ 1,563,800.00
JWP Maintenance Facility/Playground Expansion Capital Project	-	(35,481.33)	55,000.00	(21,270.78)	1,752.11	-	(0.00)	\$ 55,000.00
Gateway Project Capital Project	2,572,518.96	(3,253,489.87)	1,810,901.90	-	90,819.97	-	1,220,750.96	\$ 4,094,108.90
Community Center Capital Project	100,000.00	(4,795,266.19)	2,947,137.00	-	16,228.89	2,000,000.00	268,099.70	\$ 4,947,137.00
Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Project	515,369.57	(678,735.84)	560,297.00	-	39,930.91	-	436,861.64	\$ 2,801,485.00
Jack Warren Park Improvements	-	(44,624.23)	481,125.00	-	16,849.62	-	453,350.39	\$ 520,645.00
Lewisville-Vienna Multipurpose Path	-	-	353,291.00	-	11,694.94	-	364,985.94	\$ 1,766,453.00
Shallowford Road CMAQ Sidewalk	-	-	262,933.00	-	5,334.30	-	268,267.30	\$ 1,446,134.00
Great Wagon Road Improvements	-	-	-	-	-	-	-	\$ -
<b>Total</b>	<b>\$ 3,409,573.48</b>	<b>\$(9,900,957.49)</b>	<b>\$ 8,033,684.90</b>	<b>\$ (21,270.78)</b>	<b>\$ 283,878.47</b>	<b>\$2,000,000.00</b>	<b>\$ 3,804,908.58</b>	<b>\$ 17,194,762.90</b>

**Lewisville Town Council**  
**Briefing and Action Meeting Minutes**  
**April 4, 2024 – 6:00 PM**  
**Lewisville Town Hall 2<sup>nd</sup> Floor Conference Room**  
**6510 Shallowford Road**

**1. Call to Order:**

- A. Mayor Horn opened the meeting at 6:00 PM. In attendance were Mayor Mike Horn, Mayor Pro Tem Melissa Hunt, and Council Members Ivan Huffman, Monte Long, Julia Puckett, Ken Sadler and Jane Welch. Also attending were Interim Town Manager/Planning Director Stacy Tolbert, Town Clerk Dora Moore, Finance Director Pam Orrell, Public Works Director Jon Hanna, Community Center Operations Manager Brian Moore, and Town Attorney Elliot Fus.
- B. Mayor Horn recognized guests from the Nissen House Steering Committee.
- C. Adoption of Agenda – Council Member Huffman moved to approve the agenda. The motion was seconded by Council Member Long and approved unanimously.

**2. Items Requiring Council Direction**

- A. Summerfield Deannexation – A few years ago, the Town passed a resolution supporting the Village of Clemmons in opposition of a deannexation request to the North Carolina General Assembly (NCGA). The Town of Summerfield is requesting similar support because a developer is requesting the NCGA to permit deannexation of 1,000 acres. Mayor Horn noted the concern is legislature impinging local planning and zoning authority which threatens a town’s ability to determine its unique identity and future. Council consensus was to place this item on the April 11 agenda for consideration.

**3. Items Requiring Action at Briefing**

In 2005, the Lewisville Town Council established the GWR ROW/Construction Capital Reserve Fund to begin saving for the purchase of ROW for the Great Wagon Road. In 2009, the Lewisville Town Council established the GWR ROW/Construction Capital Projects Fund to acquire right-of-way and to contract for design services for the Great Wagon Road. Right-of way was acquired and a design firm was engaged by the Town. In 2017, the NC Department of Transportation determined that it was in the best interests of all concerned that it assumes financial responsibility for the remaining work to be done on the GWR to include design, right-of-way acquisition, and construction. As construction progresses, it is anticipated that the Town will participate financially with the NCDOT on improvements including but not limited to street trees, streetlights, and sidewalk expansion. The Town’s participation in these improvements will begin in the next few months. Staff recommends that the GWR ROW/Construction Capital Projects Fund and GWR ROW/Construction Capital Reserve Fund be closed and their balances transferred to a newly created capital projects fund titled Great Wagon Road Improvements Capital Projects Fund. The balances to be transferred are as follows:

GWR ROW/Construction Capital Projects Fund	\$ 792,592.65
GWR ROW/Construction Capital Reserve Fund	\$ 1,131,952.97
Total	\$ 1,924,545.62



- A. Ordinance 2024-004 – Establishing the Great Wagon Road Improvements Capital Projects Fund with an initial budget of \$1,924,545.62 – Council Member Welch moved to approve Ordinance 2024-004. The motion was seconded by Council Member Puckett and approved unanimously. *(Ordinance 2024-004 is herein incorporated by reference into the minutes.)*
- B. Ordinance 2024-005 – Close the Great Wagon Road ROW/Construction Capital Projects Fund - \$792,592.65 – Council Member Long moved to approve Ordinance 2024-005. The motion was seconded by Council Member Huffman and approved unanimously. *(Ordinance 2024-005 is herein incorporated by reference into the minutes.)*
- C. Ordinance 2024-006 – Close the Great Wagon Road ROW/Construction Capital Reserve Fund - #1,131,952.97 – Council Member Huffman moved to approve Ordinance 2024-006. The motion was seconded by Council Member Long and approved unanimously. *(Ordinance 2024-006 is herein incorporated by reference into the minutes.)*
- D. Ordinance 2024-007 – Amending Budget Ordinance 2023-001 – Transfer balance of \$1,131,952.97 in the Great Wagon Road ROW/Construction Capital Reserve Fund to the Great Wagon Road Improvements Capital Projects Fund – Council Member Puckett moved to approve Ordinance 2024-007. The motion was seconded by Council Member Huffman and approved unanimously. *(Ordinance 2024-007 is herein incorporated by reference into the minutes.)*

#### 4. Administrative Reports

- A. Interim Town Manager
  - i. Willow Run Municipal Service District (WRMSD) update – The Marblehead Dam in the WRMSD has some seepage and needs repairs. Staff has been working with JT Grimes to obtain preliminary cost estimate on repairs, consulting and engineering. Due to the projected amount, an actual bid process would be required. Mr. Hanna explained and showed the issues on a map. The seepage is not ideal but it is best-case scenario. This would be an early project that, ideally, should begin early summer. Four to six feet of the lake will need to be drained in order to complete the work. The WRMSD fund balance is currently insufficient to pay for the repairs and the Town would need to loan \$263,827 from the general fund. Mrs. Tolbert stated the WRMSD charter permits a tax increase when expenditures exceed revenues. Mrs. Orrell shared loan repayment options with Council. It was noted the WRMSD Board knows repairs are needed and they will need to reimburse the Town; however, they do not know specific numbers. Council noted this is a large contribution and the Town would lose interest on the amount loaned to WRMSD. To know the full impact, Mrs. Tolbert shared the Town will also propose a regular tax rate increase of four cents. This increase is a result of increases in community policing, solid waste and recycling contracts. After a great deal of discussion, Council consensus was to recommend the WRMSD tax rate be increased from five cents to ten cents for eight years so WRMSD can reimburse the Town interest free. Staff will meet with the WRMSD chair and vice chair to determine the best way to communicate this information with WRMSD residents. *(Projected funding documents is herein incorporated into the minutes.)*
- B. Clerk
  - i. Blood Drive – April 10
  - ii. Lewisville Earth Day (LED) – April 13
  - iii. Bulky Pickup – April 15
  - iv. Budget Workshops – April 18 and 29
  - v. CityVision – April 23-25, Benton Convention Center, Winston-Salem
  - vi. CPR Class – April 27
  - vii. Board & Committee Collaboration Session – May 16, 5:30-6:30 PM, Town Hall
  - viii. Volunteer Appreciation Event – May 16, 6:30 PM, Town Hall

- C. Community Center Operations Manager – Mr. Moore shared the quarterly report for usage at Mary Alice Warren Community Center. Mayor Horn noted the Town may see a significant drop in program funding in future years. *(Mr. Moore’s presentation is herein incorporated into the minutes.)*

**5. Tentative Agenda Items for Regular Meeting on April 11, 2024**

- A. Consent Agenda
  - i. Resolution 2024-015 – Financial statements for the eight months ended February 29, 2024
  - ii. Approval of Council Retreat Minutes – February 16-17, 2024
  - iii. Approval of Agenda Briefing Minutes – March 7, 2024
  - iv. Approval of Closed Session Minutes – March 7, 2024
  - v. Approval of Regular Meeting Minutes – March 14, 2024
  - vi. Approval of Closed Session Minutes – March 14, 2024
- B. Introductions, Recognitions, Presentations and/or Proclamations
  - i. Recognitions
    - a. Robert Ogden, Parks & Recreation Board
    - b. David Geary, Planning Board
    - c. Scott Norman, Planning Board
  - ii. Proclamation
    - a. Proclamation 2024-002 - Historic Preservation Month
      - 1. Historic Commission Annual Report – Michelle McCullough, Historic Resources Officer
  - iii. Presentations
    - a. Sheriff’s Office
      - 1. Introduction of Deputy Hammond
    - b. 2024-2025 budget message – Interim Town Manager Tolbert
- C. New Business
  - i. Resolution 2024-013 – Nissen House property conveyance
    - a. Mrs. Tolbert reported the Nissen House deed had a provision that if the Lewisville Historical Society (LHS) ceased to operate the Nissen House, the house would revert to the Town. LHS would like to convey the property to the newly formed non-profit organization, Historic Nissen House (HNN). The proposed deed would return ownership to LHS should HNN cease to operate the property. Mrs. Tolbert also reported it was recently discovered LHS placed a ‘preservation easement’ on the property several months ago in connection with an agreement with Preservation Forsyth. This easement further restricts the land to be maintained as a historic property and seems consistent with the Town’s desire for the property to remain preserved. *(NOTE: This item was discussed early in the meeting to accommodate the Nissen House Steering Committee members.)*
  - ii. Certificate of Sufficiency – 2065 Glenn Ferry Court
  - iii. Resolution 2024-016 – Set public hearing for rezoning request – 2065 Glenn Ferry Court
    - a. The applicant has requested the rezoning public hearing be held June 13. Council consensus was given.
  - iv. Resolution 2024-017– Set public hearing for annexation request – 2065 Glenn Ferry Court
    - a. The applicant has also requested the annexation public hearing be held June 13. Council consensus was given.
  - v. Ordinance 2024-008 – Amending Budget Ordinance 2023-001 – Increase estimated Powell Bill revenues and increase appropriations for street repairs/maintenance - \$41,008
    - a. Mrs. Orrell noted the state had not prepared the Powell Bill allocations when the Town’s 2023-2024 budget was compiled; therefore, the prior fiscal year’s projected revenue number was used. Additional funds have been received and the budget needs to be amended to reflect such.

- vi. Resolution 2024-018 – Paving contract with Hill’s Paving & Construction, Inc. – Repairs to Ridge Gate Drive - \$55,640
  - a. With the additional Powell Bill funds, staff recommends repairs be done to Ridge Gate Drive which is the highest need area since it is declining most in terms of condition.

6. **For the Good of the Order**

- A. Mayor Pro Tem Hunt requested that Winston-Salem/Forsyth County School Superintendent Trisha McInnis be invited to give a presentation at a future Council meeting.
- B. Council Member Long shared a resident’s concern about an increased number of accidents at Conrad Road and Shallowford Road.

A break was taken at 8:09 PM.

7. **Closed Session – NCGS 143-318.11(a)(6)**

- A. Council Member Huffman moved to enter into closed session for personnel pursuant to NCGS 143-318.11(a)(6) at 8:13 PM. The motion was seconded by Council Member Puckett and approved unanimously.
- B. Council returned from closed session at 8:45 PM.

Mayor Horn circulated a list of Town projects.

Council Member Sadler asked to be excused from the next council meeting. Council consensus was given.

- 8. **Adjournment** – Council Member Huffman moved to adjourn the meeting at 8:47 PM. The motion was seconded by Council Member Puckett and approved unanimously.

ATTEST:

\_\_\_\_\_  
Mike Horn, Mayor

\_\_\_\_\_  
Dora K. Moore, Town Clerk

**Lewisville Town Council**  
**Regular Meeting Minutes**  
**April 11, 2024 – 6:00 PM**  
**Lewisville Town Hall Council Chambers**  
**6510 Shallowford Road**

**1. Call to Order:**

- A. Mayor Horn opened the meeting at 6:00 PM. In attendance were Mayor Mike Horn, Mayor Pro Tem Melissa Hunt, and Council Members Ivan Huffman, Monte Long, Julie Puckett, and Jane Welch. Also attending were Interim Town Manager Stacy Tolbert, Town Clerk Dora Moore, Finance Director Pam Orrell, Public Works Director Jon Hanna, and Town Attorney Elliot Fus. Council Member Ken Sadler was absent.
- B. Invocation – Council Member Monte Long
- C. Pledge of Allegiance – Council Member Julie Puckett
- D. Adoption of Agenda – Council Member Welch moved to approve the agenda. The motion was seconded by Council Member Huffman and approved unanimously.
- E. Mayor Horn encouraged everyone to view the Lewisville Historical Society’s history mural on display in the back of the Council Chambers. The board designed by Zeb Williams will be housed at the Historic Nissen House but can easily be displayed at community events. Mr. Williams donated the design work and Andy Kelly donated the printing.

**2. Consent Agenda**

- A. Resolution 2024-015 – Financial statements for eight months ended February 29, 2024
- B. Approval of Council Retreat Minutes – February 16-17, 2024
- C. Approval of Agenda Briefing Minutes – March 7, 2024
- D. Approval of Closed Session Minutes – March 7, 2024
- E. Approval of Regular Meeting Minutes – March 14, 2024
- F. Approval of Closed Session Minutes – March 14, 2024

Council Member Puckett moved to approve the consent agenda items. The motion was seconded by Council Member Long and approved unanimously. *(Resolution 2024-015 is herein incorporated by reference into the minutes.)*

**3. Presentations, Introductions and/or Proclamations**

- A. Recognitions *(Certificates are incorporated into the minutes.)*
  - i. Robert Ogden, Parks & Recreation Board
  - ii. David Geary, Planning Board
  - iii. Scott Norman, Planning Board
- B. Proclamation
  - i. Proclamation 2024-002 - Historic Preservation Month – Mayor Pro Tem Hunt moved to approve Proclamation 2024-002. The motion was seconded by Council Member Puckett and approved unanimously. *(Proclamation 2024-002 is herein incorporated by reference into the minutes.)*
    - a. Historic Commission Annual Report – Michelle McCullough, Historic Resources Officer
      - i. Ms. McCullough shared the Historic Commission’s annual report noting Lewisville celebrates history year-round. Heather Bratland, Historic Commission Board Member, requested a Town representative serve on Forsyth 250, Forsyth County’s official America 250 NC committee.

C. Presentations

i. Sheriff's Office – Sergeant PJ Stringer

- a. Monthly report – Sergeant Stringer shared recent call information as well as information related to officer coverage in Lewisville. He explained Lewisville has 24-hour coverage. If fully staffed, two officers work 11 AM-11 PM, which is peak call time in Lewisville.

2024													
TYPE OF INCIDENT	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Total calls for service	575	657	715										
Security Check	277	347	408										
Traffic Arrest / Violation	34	38	24										96
Alarm	11	1	19										31
Priority Call Response Time	5.9	5	5										15.9

2023													
TYPE OF INCIDENT	JAN	FEB	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Total calls for service	872	676	751										575
Security Check	570	396	136										
Traffic Arrest / Violation	49	47	51										
Alarm	17	23	23										
Priority Call Response Time	5.2	3.6	5.2										

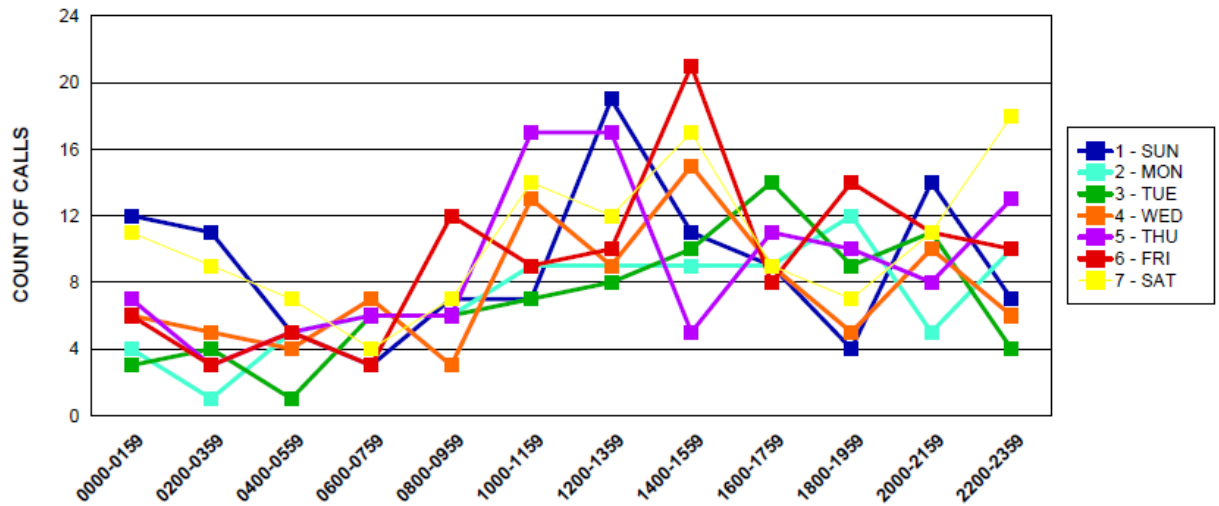
**FORSYTH COUNTY SHERIFF'S OFFICE**

**CALLS FOR SERVICE**

3/1/2024 - 3/31/2024

**LEWISVILLE**

**CALLS FOR SERVICE BY HOUR AND DOW**



- b. Introduction of Deputy Hammond – Sergeant Stringer introduced Deputy Eric Hammonds as the Town's newest officer. Mr. Hammonds is a Lewisville native and worked here about eight years ago. Officer Hammonds has some investigative background.
- c. Lieutenant Butch Moore, Community Services and Outreach, was also in attendance. He stated Lewisville helps the outreach program by sponsoring the annual bike ride which will be held this year on September 7 at Shallowford Square. Funds raised helps provide beds for children, sends 45-50 children to Camp Hanes each year, and more.

- B. 2024-2025 budget message – Interim Manager Tolbert shared her 2024-2025 Budget message. The message recommends a proposed tax increase from \$0.177/\$100 valuation to \$0.217/\$100 valuation due to significant increases in community policing, solid waste and recycling. The message also recommends the property tax rate in the Willow Run Municipal Service District be increased from \$0.05/\$100 valuation to \$0.10/\$100 valuation due to significant repair work needed at Lake Marblehead. (*Budget message is incorporated into the minutes.*)

4. **Public Forum** – No comments

5. **Old Business** – None

6. **New Business**

- A. Resolution 2024-013 – Nissen House property conveyance – Council Member Welch moved to approve Resolution 2024-013. The motion was seconded by Council Member Puckett and approved unanimously. (*Resolution 2024-013 is herein incorporated by reference into the minutes.*)
- B. Certificate of Sufficiency – 2065 Glenn Ferry Court – Mrs. Moore reported the annexation petition request for 2065 Glenn Ferry Court is sufficient with no known issues noted. (*Certificate is incorporated into the minutes.*)
- C. Resolution 2024-016 – Set public hearing for rezoning request – 2065 Glenn Ferry Court – The rezoning public hearing for 2065 Glenn Ferry Court is requested for June 13, 2024. Council Member Long moved to approve Resolution 2024-016. The motion was seconded by Mayor Pro Tem Hunt and approved unanimously. (*Resolution 2024-016 is herein incorporated by reference into the minutes.*)
- D. Resolution 2024-017 – Set public hearing for annexation request – 2065 Glenn Ferry Court – The annexation public hearing for 2065 Glenn Ferry Court is requested for June 13, 2024. Mayor Pro Tem Hunt moved to approve Resolution 2024-017. The motion was seconded by Council Member Long and approved unanimously. (*Resolution 2024-017 is herein incorporated by reference into the minutes.*)
- E. Ordinance 2024-008 – Amending Budget Ordinance 2023-001 – Increase estimated Powell Bill revenues and increase appropriations for street repairs/maintenance - \$41,008 – Council Member Welch moved to approve Ordinance 2024-008. The motion was seconded by Council Member Puckett and approved unanimously. (*Ordinance 2024-008 is herein incorporated by reference into the minutes.*)
- F. Resolution 2024-018 – Paving contract with Hill’s Paving & Construction, Inc. – Repairs to Ridge Gate Drive - \$55,640 – Council Member Puckett moved to approve Resolution 2024-018. The motion was seconded by Council Member Long and approved unanimously. (*Resolution 2024-018 is herein incorporated by reference into the minutes.*)
- G. Resolution 2024-019 – Preserve local authority for planning and zoning – Mayor Horn shared there is current legislation being considered by legislators whereby 1,000 acres would be deannexed from the Town of Summerfield. Council expressed concern about the precedence that would be set if enacted and the resulting intrusion on a local municipality’s planning and zoning abilities. Mayor Horn moved to approve Resolution 2024-019. The motion was seconded by Council Member Welch and approved unanimously. (*Resolution 2024-019 is herein incorporated by reference into the minutes.*)

7. **Administrative Reports**

- A. Upcoming events and closings
- i. Blood Drive – April 10, 1-5 PM, MAWCC
    - a. Twenty-nine donors contributed thirty-two units. The next blood drive will be June 21.

- ii. Lewisville Earth Day and Special Recycling event– April 13, Shallowford Square
  - iii. Bulky Pickup – April 15
  - iv. CPR Class – April 27, 8 AM-12 PM, MAWCC
    - a. This class is full and residents were encouraged to register for the August 10 class.
  - v. Youth Art Show Reception – May 8, 4:30-7:00 PM, MAWCC
- B. Clerk’s Report
- i. Budget Calendar
    - Workshops – April 18, 6 PM; April 29, 6 PM; May 2, 6 PM (if needed)
    - Public Hearing – May 9, 6 PM
    - Budget ordinance final review – June 6, 6 PM
    - Budget approval – June 13, 6 PM
  - ii. CityVision – April 23-25, Benton Convention Center, Winston-Salem
  - iii. Board & Committee Collaboration/Orientation Session – May 16, 5:30-6:30 PM, Town Hall
  - iv. Volunteer Appreciation Event – May 16, 6:30 PM, Town Hall
- C. Approvals at the Briefing and Action Meeting on April 4, 2024
- i. Ordinance 2024-004 – Establishing the Great Wagon Road Improvements Capital Projects Fund with an initial budget of \$1,924,545.62
  - ii. Ordinance 2024-005 – Close the Great Wagon Road ROW/Construction Capital Projects Fund - \$792,592.65
  - iii. Ordinance 2024-006 – Close the Great Wagon Road ROW/Construction Capital Reserve Fund - #1,131,952.97
  - iv. Ordinance 2024-007 – Amending Budget Ordinance 2023-001 – Transfer balance of \$1,131,952.97 in the Great Wagon Road ROW/Construction Capital Reserve Fund to the Great Wagon Road Improvements Capital Projects Fund

8. **For the Good of the Order**

A. Public comments

- i. Susan Frey, 165 Will Austin Court, shared comments related to the Historic Nissen House.  
*(Mrs. Frey’s comments are incorporated into the minutes.)*

B. Council comments

- i. Council Member Puckett noted the importance of history.

9. **Adjournment** – Council Member Long moved to adjourn the meeting at 6:58 PM. The motion was seconded by Council Member Puckett and approved unanimously.

ATTEST:

\_\_\_\_\_  
Mike Horn, Mayor

\_\_\_\_\_  
Dora K. Moore, Town Clerk



**RESOLUTION 2024-022 OF THE LEWISVILLE TOWN COUNCIL  
APPOINTING DEPUTY FINANCE OFFICER**

**WHEREAS**, budgets and fiscal control are governed by NCGS 159; and

**WHEREAS**, the governing board of the Town of Lewisville has appointed a Finance Officer as required by NCGS 159-24; and

**WHEREAS**, the duties of the Finance Officer are identified in NCGS 159-25; and

**WHEREAS**, the Budget Officer may act in the absence of the Finance Officer.

**NOW, THEREFORE, BE IT RESOLVED BY THE LEWISVILLE TOWN COUNCIL** that Town Manager Stacy Tolbert is named as the Town of Lewisville's Deputy Finance Officer to satisfy the Local Government Budget and Fiscal Control Act.

Adopted this the 9<sup>th</sup> day of May 2024 by the Lewisville Town Council.

ATTEST:

\_\_\_\_\_  
Mike Horn, Mayor

\_\_\_\_\_  
Dora K. Moore, Town Clerk





## STAFF REPORT

ITEM:	RESOLUTION 2024-021
SUBJECT:	CONTRACT WITH GIBSON & COMPANY, P.A. FOR AUDIT SERVICES
PREPARED BY:	PAM ORRELL, FINANCE DIRECTOR
DATE SUBMITTED:	5/2/2024

### BACKGROUND/SUMMARY:

The Town of Lewisville issued a "Request for Proposals" or "RFP" for audit services for the fiscal year 2022-2023. In addition to the 2022-2023 fiscal year, we requested estimates for fiscal years 2023-2024 and 2024-2025 as well. Gibson & Company, P.A. was the winning bidder. The audit contract for the fiscal year ended June 30, 2024 is attached to this staff report and requires council approval.

The fee for the audit in accordance with Governmental Auditing Standards (GAGAS) is \$21,370. If expenditures of federal funds exceed \$750,000 and/or if expenditures of State funds exceed \$500,000, then a single audit will be required. The fee for the first major program will be \$4,000 and the fee for each major program beyond that will be \$2,500 per major program. In the event that the sum of all federal and State expenditures exceeds \$4,000,000, then there will be an additional fee of \$1,000 per each additional \$1,000,000 in excess. Based on the amount of federal and State funds spent so far this year, we anticipate a single audit for federal and State purposes. We estimate that the audit fee will be \$33,870.

### STAFF RECOMMENDATION AND REQUESTED ACTION:

Staff is requesting that Council approve Resolution 2024-021 to approve the contract with Gibson & Company, P.A. to provide audit services for the fiscal year ended June 30, 2024.

### FISCAL IMPACT:

See Background/Summary Section above.

### ATTACHMENT(S):

- (1) Contract with Gibson & Company, P.A.
- (2) Resolution 2024-021 approving the audit contract with Gibson & Company, P.A. for FY 2023-2024 audit services.



**RESOLUTION 2024-021 OF THE LEWISVILLE TOWN COUNCIL  
AUTHORIZING CONTRACT FOR FISCAL YEAR 2023-2024 AUDIT SERVICES**

**WHEREAS**, Gibson & Company, P.A. has provided auditing services since 2001; and

**WHEREAS**, Gibson & Company, P.A. has submitted its contract and engagement letter for services for the annual independent audit of the Town for Fiscal Year 2023-2024; and

**WHEREAS**, the audit is a budgeted line item; and

**WHEREAS**, the cost of the audit is greater than \$10,000.00 (ten thousand dollars) and requires formal approval.

**NOW, THEREFORE BE IT RESOLVED THAT THE LEWISVILLE TOWN COUNCIL** approves the contract for the firm of Gibson & Company, P.A. to perform the annual independent audit of the Town's financial statement for Fiscal Year 2023-2024. The amount for the audit of the financial statements is \$21,370.00. An additional charge of \$4,000.00 is required if a single audit is required with one major program, and there will be a charge of \$2,500 for each additional major program. There will also be a charge of \$1,000 for every \$1,000,000 in excess of \$4,000,000 of federal and state expenditures.

Adopted this the 9<sup>th</sup> day of May 2024 by the Lewisville Town Council.

ATTEST:

\_\_\_\_\_  
Mike Horn, Mayor

\_\_\_\_\_  
Dora K. Moore, Town Clerk

The	Governing Board Town Council
of	Primary Government Unit Town of Lewisville
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

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

and	Auditor Name Gibson & Company, P.A.
	Auditor Address 1411 Old Mill Circle Winston-Salem, NC 27103

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
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*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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

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

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

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

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

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

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

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

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. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

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

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

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

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

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

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

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

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

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

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

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

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

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

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

DRAFT



**FEES FOR AUDIT SERVICES**

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

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

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

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
Pam A. Orrell	Finance Officer/Town of Lewisville	finance@lewisvillenc.net

OR Not Applicable  (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

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

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

<b>Primary Government Unit</b>	Town of Lewisville
Audit Fee (financial and compliance if applicable)	\$ 21,370
Fee per Major Program (if not included above)	\$ 4,000
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 33,870</b>

<b>Discretely Presented Component Unit</b>	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Gibson & Company, P.A.	
Authorized Firm Representative (typed or printed)* Monty R. Pendry, Partner	Signature* <i>Monty R. Pendry</i>
Date* 4-19-24	Email Address* monty@gibcocpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Lewisville	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* Mike Horn, Mayor	Signature*
Date	Email Address* mayor@lewisvillenc.net

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Sum Obligated by This Transaction:	\$ 33,870
Primary Governmental Unit Finance Officer* (typed or printed) Pam A. Orrell	Signature*
Date of Pre-Audit Certificate*	Email Address* finance@lewisvillenc.net

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

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

**DPCU – PRE-AUDIT CERTIFICATE**

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

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

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

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

**PRINT**



Ray,  
Bumgarner,  
Kingshill,

& Assoc., P.A.

Certified Public Accountants

385 N. Haywood St., Suite 3  
Waynesville, NC 28786

(828) 452-4734  
Fax (828) 452-4733

## Report on the Firm's System of Quality Control

November 30, 2023

*To the Shareholders of Gibson & Company, P.A. and the Peer Review Committee of Coastal Peer Review, Inc.*

We have reviewed the system of quality control for the accounting and auditing practice of **Gibson & Company, P.A.** in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

### **Firm's Responsibility**

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

### **Peer Reviewer's Responsibility**

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

### **Required Selections and Considerations**

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

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

## Deficiency Identified in the Firm's System of Quality Control

We noted the following deficiency during our review:

1. The firm's quality control policies and procedures regarding relevant ethical requirements (independence) and engagement performance (engagement quality control review) are not appropriately designed to allow someone independent of the engagement team to be the safeguard to mitigate the significant threat of preparing the client's financial statements and also to conduct engagement quality control reviews.

On six out of twelve of the yellow-book engagements and three out of 4 of the single audit engagements, the engagement partner of those jobs is designated as the safeguard person to mitigate the significant self-review threat of preparing the client's financial statements.

The engagement partner on those jobs does not go to the field, review workpapers, or write financial statements. However, the firm's engagement letter indicates this partner is the engagement partner. This engagement partner reviews the financial statements, signs the report, and reviews the client representation letter.

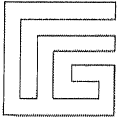
Therefore, the engagement partner does not meet the yellow-book requirements that the safeguard has to be someone who was not a member of the engagement team to review the work performed. The firm's managing partner is also the engagement quality control reviewer of all engagements that meet the firm's criteria for engagement quality control review, including engagements where the managing partner is also the engagement partner. The managing partner does not meet the quality control standards where the engagement quality control reviewer is independent of the engagement team, where the managing partner is also the engagement partner. In addition, the engagement quality control reviewer only reviews the financial statements and report and is not required to review select workpaper documentation as required by quality control standards.

As a result, the above engagements do not conform to professional standards in all material respects because the firm is not independent based on the yellow-book requirements.

### Opinion

In our opinion, except for the deficiency previously described, the system of quality control for the accounting and auditing practice of **Gibson & Company, P.A.** in effect for the year ended March 31, 2023, 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. **Gibson & Company, P.A.** has received a peer review rating of *pass with deficiency*.

*Ray, Bumgarner, Kingshill & Assoc., P.A.*



**Addendum to Contract to Audit Accounts of**

Town of Lewisville

The current Peer Review Report dated November 30, 2023, for the firm of Gibson & Company, P.A. was provided to our Local Government and was an attachment to the 2024 Audit Contract/Engagement Letter submitted to the Local Government Commission. The report contained a pass with deficiency rating concerning the Independent Quality Reviewer also signed the engagement letter and was named as engagement partner which is now considered an impairment of the Quality Reviewer's independence under the current yellow book requirements. Engagement contracts and letters will now name someone other than the Quality Reviewer as the engagement partner.

We do not believe this will affect the quality of audit we receive from Gibson & Company, P.A..

\_\_\_\_\_  
Mayor/Chairperson of the governing board

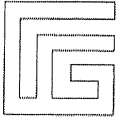
\_\_\_\_\_  
Date

\_\_\_\_\_  
Chair of Audit committee (if applicable)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governmental Unit Finance Officer

\_\_\_\_\_  
Date



April 19, 2024

To the Council Members  
Town of Lewisville  
PO Box 547  
Lewisville, NC 27023-0547

We are pleased to confirm our understanding of the services we are to provide for the Town of Lewisville for the year ended June 30, 2024.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the Town of Lewisville as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Lewisville 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 the Town of Lewisville's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Required Supplementary Information.

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Lewisville 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 GAAS, and we will provide an opinion on it in relation to the financial statements as a whole.

- 1) Schedule of expenditures of federal awards.
- 2) Combining and individual non-major or fund financial statements.
- 3) Other schedules.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

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

### **Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or 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 some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

Our audit of financial statements does not relieve you of your responsibilities.

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

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,



misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures—Compliance**

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town of Lewisville major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Town of Lewisville compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Responsibilities of Management for the Financial Statements and Single Audit**

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

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting

documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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 of each opinion unit 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. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and 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.

### **Other Services**

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

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit 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 understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Town of Lewisville; 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 Gibson & Company, 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 North Carolina 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 Gibson & Company, 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 North Carolina Local Government Commission. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Monty R. Pendry is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit at your earliest convenience.

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, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will not exceed \$21,370 (this fee is for a GAAS or GAGAS audit only. An additional fee of \$4,000 will be added if a Single Audit is necessary). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance

with our firm policies, work may be suspended if your account becomes significantly overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. The cost included for the basic audit services are "not-to-exceed."

Our fees for other services, if any, (reconciliations, consultation, etc that are not related to or required by the basic audit) tend to be on an "as needed" basis and are therefore not subject to a fixed fee. We propose that these services, if any, be billed at our standard rate based on the actual time spent as needed or requested by you and your staff. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. These standard rates range from \$72 to \$256 which includes a 20% discount that we offer to municipalities. (Please note that this paragraph will not be imposed for "routine questions" with a duration of 30 minutes or less.) This paragraph is intended to apply to "special projects" or requests by you that would require significant time and involvement by us. Further we would advise you of any potential additional fees before they were incurred.

This service engagement arrangement may be terminated by you or by Gibson & Company, P.A. upon written notification.

### **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Town Council of the Town of Lewisville. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

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

We appreciate the opportunity to be of service to the Town of Lewisville 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 attached copy and return it to us.

Very truly yours,

Gibson & Company, P.A.



Monty R. Pendry  
Partner.

RESPONSE:

This letter correctly sets forth the understanding of the Town of Lewisville.

Management signature: \_\_\_\_\_

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

Date: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

DRAFT



## STAFF REPORT

<b>ITEM:</b>	<ol style="list-style-type: none"><li>1. ORDINANCE 2024-008</li><li>2. ORDINANCE 2024-009</li><li>3. ORDINANCE 2024-010</li><li>4. RESOLUTION 2024-023</li><li>5. RESOLUTION 2024-024</li></ol>
<b>SUBJECT:</b>	<ol style="list-style-type: none"><li>1. AMENDMENT TO CAPITAL PROJECT ORDINANCE – JACK WARREN PARK IMPROVEMENTS</li><li>2. AMENDMENT TO BUDGET ORDINANCE 2023-001 – TRANSFER FROM PARKS &amp; RECREATION CAPITAL RESERVE FUND TO JWP IMPROVEMENTS CAPITAL PROJECTS FUND</li><li>3. AMENDMENT TO BUDGET ORDINANCE 2023-001 – TRANSFER FROM GENERAL FUND TO JWP IMPROVEMENTS CAPITAL PROJECTS FUND</li><li>4. RESOLUTION TO APPROVE THE CONSTRUCTION CONTRACT WITH GARANCO, INC.</li><li>5. RESOLUTION TO APPROVE THE CONTRACT WITH JOHNSON’S MODERN ELECTRIC COMPANY, INC.</li></ol>
<b>PREPARED BY:</b>	PAM ORRELL, FINANCE DIRECTOR
<b>DATE SUBMITTED:</b>	5/9/2024

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### BACKGROUND/SUMMARY:

On July 13, 2023, the Lewisville Town Council established the Jack Warren Park Improvements Capital Project Ordinance. The Town was awarded a PARTF grant as follows for the project:

PARTF Grant	\$ 230,940
Town Match	\$ 250,185
Total	\$ 481,125

The Town has contracted with McGill Associates, P.A. for the following design services:

Task 1	Surveying and Construction Document Phase	\$ 76,300
Task 2	Bidding and Award Assistance	\$ 9,000
Task 3	Construction Phase Services	\$ 31,200
	Total	\$ 116,500

The Town went out for bids for the construction phase of the contract and the general contracting firm of Garanco, Inc. was chosen as the firm to be awarded the contract. Following is an estimate of the remaining costs to complete the project:

Construction Contract - Garanco, Inc.	\$ 420,176
Electrical - Johnson's Modern Electric Company, Inc.	\$ 57,910
Landscaping - Town Staff to Perform	\$ 5,000
Contingency - 15%	\$ 72,463
Total	\$ 555,549

Due to rising costs, the current budget is not adequate to complete the project. Thus, staff is proposing the following amendment to the Jack Warren Park Improvements Capital Project Ordinance to complete the project:

	Current Budget	Amendment	Amended Budget
<b>EXPENDITURES:</b>			
Design/Engineering	\$ 116,500.00	\$ -	\$ 116,500.00
Nature Trail	\$ 124,900.00	\$ (7,425.00)	\$ 117,475.00
18-Hole Disc Golf Course	\$ 60,000.00	\$ (12,262.00)	\$ 47,738.00
Outdoor Event Space	\$ 200,000.00	\$ 42,725.00	\$ 242,725.00
Other Construction Costs	\$ -	\$ 75,148.00	\$ 75,148.00
Contingency	\$ 19,245.00	\$ 53,218.00	\$ 72,463.00
<b>Total Expenditures</b>	<b>\$ 520,645.00</b>	<b>\$ 151,404.00</b>	<b>\$ 672,049.00</b>

<b>REVENUES:</b>			
Transfer from Parks & Recreation Capital Reserve Fund	\$ 499,374.22	\$ 19,216.00	\$ 518,590.22
Transfer from JWP Maintenance Facility/Playground Expansion Capital Projects Fund	\$ 21,270.78	\$ -	\$ 21,270.78
General Fund	\$ -	\$ 132,188.00	\$ 132,188.00
<b>Total Revenues</b>	<b>\$ 520,645.00</b>	<b>\$ 151,404.00</b>	<b>\$ 672,049.00</b>

**STAFF RECOMMENDATION AND REQUESTED ACTION:**

1. Staff is requesting that Council approve Ordinance 2024-008 to amend the Jack Warren Park Improvements Capital Project Ordinance in the amount of \$151,404.
2. Staff is requesting that Council approve Ordinance 2024-009 amending Ordinance 2023-001 to transfer \$58,736 from the Parks & Recreation Capital Reserve Fund to the JWP Improvements Capital Projects Fund.
3. Staff is requesting that Council approve Ordinance 2024-010 amending Ordinance 2023-001 to transfer \$132,188 from the General Fund to the JWP Improvements Capital Projects Fund.
4. Staff is requesting that Council approve Resolution 2024-023 awarding the construction contract to Garanco, Inc. in the amount of \$420,176.14.
5. Staff is requesting that Council approve Resolution 2024-024 awarding the contract for electrical work to Johnson's Modern Electric, Inc. in the amount of \$57,910.

**FISCAL IMPACT:**



See Background/Summary Section Above.

## **ATTACHMENTS:**

1. Ordinance 2024-008
2. Ordinance 2024-009
3. Ordinance 2024-010
4. Resolution 2024-023
5. Resolution 2024-024



TOWN OF LEWISVILLE  
 Budget Amendment Ordinance 2024-008  
 Amending Budget Ordinance 2023-001

FINANCE DEPARTMENT USE ONLY
Budget Amendment # 14
Pam Orrell, Finance Director

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>AMOUNT</u>	<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>AMOUNT</u>
26-00-3980-0001	Parks & Recreation Capital Reserve Fund - Transfer to Jack Warren Park Improvements Capital Projects Fund	\$ 58,736.00	26-00-3990-9000	Parks & Recreation Capital Reserve Fund - Fund Balance Appropriated	\$ 58,736.00
		\$ 58,736.00			\$ 58,736.00

EXPLANATION: To transfer \$58,736 from the Parks & Recreation Capital Reserve Fund to the Jack Warren Park Improvements Capital Projects Fund.

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RECOMMENDED BY: Pam Orrell, Town Finance Director

Approved and effective upon adoption this the 9th day of May 2024 by the Lewisville Town Council.

ATTEST:

\_\_\_\_\_  
 Mike Horn, Mayor

\_\_\_\_\_  
 Dora K. Moore, Town Clerk



**ORDINANCE 2024-009 OF THE TOWN OF LEWISVILLE  
AMENDING CAPITAL PROJECT ORDINANCE  
JACK WARREN PARK IMPROVEMENTS**

**WHEREAS**, the Lewisville Town Council established the Capital Project Ordinance 2023-024 for the addition of amenities to the existing Jack Warren Park; and

**WHEREAS**, appropriations were made in the amount of \$481,125 for this project; and

**WHEREAS**, the Town desired to enter into a contract with McGill Associates, P.A. for surveying and construction document phase services, bidding and award assistance, and construction phase services; and

**WHEREAS**, due to rising costs, the amount budgeted for these services was not adequate and the budget was amended in the amount of \$39,520; and

**WHEREAS**, the Town desires to enter into a contract for construction services and to enter into a contract for electrical services; and

**WHEREAS**, due to rising costs, the amount budgeted for the construction phase is not adequate and there is a need to amend the budget.

**NOW THEREFORE BE IT ORDAINED** that the Town of Lewisville desires to amend Sections 3 and 4 of Ordinance 2023-024 and the following amounts are appropriated by amendment to Ordinance 2023-024 to complete this project:

**Section 3.** The following amounts are appropriated to complete this project:

Design/Engineering	54-00-6120-6000	\$ -
Nature Trail	54-00-6120-6001	\$ (7,425.00)
18-Hole Disc Golf Course	54-00-6120-6002	\$ (12,262.00)
Outdoor Event Space	54-00-6120-6003	\$ 42,725.00
Other Construction Costs	54-00-6120-6005	\$ 75,148.00
Contingency	54-00-6120-6004	\$ 53,218.00
<b>Total Expenditures</b>		<b>\$ 151,404.00</b>

**Section 4.** The following revenues are anticipated to be available to complete this project:

Transfer from Parks & Recreation Capital Reserve Fund	54-00-3980-0004	\$ 19,216.00
Transfer from General Fund	54-00-3980-0000	\$ 132,188.00
<b>Total Revenues</b>		<b>\$ 151,404.00</b>

**Section 5.** The Finance Director is hereby directed to maintain within the Capital Projects Fund sufficient detailed accounting records to satisfy the requirements of the contract agreements and state regulations.

**Section 6.** The Town Manager shall have the authority per G.S. 159-15 to transfer appropriations from one line item to another line item within the capital project ordinance. The Town Manager shall have the authority to approve and execute contracts and contract amendments in amounts not to exceed \$50,000.

**Section 7.** The Finance Director is directed to report, on a monthly basis, on the financial status of this project.

**Section 8.** Copies of this capital project ordinance shall be furnished to the Town Clerk, Budget Officer and Finance Director for direction in carrying out this project.

Adopted this the 9<sup>th</sup> day of May 2024 by the Lewisville Town Council.

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Mike Horn, Mayor

ATTEST:

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Dora K. Moore, Town Clerk

DRAFT



TOWN OF LEWISVILLE  
 Budget Amendment Ordinance 2024-010  
 Amending Budget Ordinance 2023-001

FINANCE DEPARTMENT USE ONLY
Budget Amendment # 15
Pam Orrell, Finance Director

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>AMOUNT</u>	<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>AMOUNT</u>
10-80-6120-4993	General Fund - Parks & Recreation - Transfer to Jack Warren Park Improvements Capital Projects Fund	\$ 132,188.00	10-00-3990-9000	General Fund - Fund Balance Appropriated	\$ 132,188.00
		\$ 132,188.00			\$ 132,188.00

EXPLANATION: To transfer \$132,188 from the General Fund to the Jack Warren Park Improvements Capital Projects Fund.

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RECOMMENDED BY: Pam Orrell, Town Finance Director

Approved and effective upon adoption this the 9th day of May 2024 by the Lewisville Town Council.

ATTEST:

\_\_\_\_\_  
 Mike Horn, Mayor

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 Dora K. Moore, Town Clerk



**RESOLUTION 2024-023 OF THE TOWN OF LEWISVILLE  
AUTHORIZING CONTRACT FOR JACK WARREN PARK IMPROVEMENTS (PARTF)**

**WHEREAS**, the Town of Lewisville was awarded a Parks and Recreation Trust Fund (PARTF) for improvements at Jack Warren Park; and,

**WHEREAS**, the Town of Lewisville procured bids for the construction phase of the contract; and,

**WHEREAS**, Garanco, Inc. was chosen as the firm to be awarded the contract.

**NOW THEREFORE BE IT RESOLVED BY THE LEWISVILLE TOWN COUNCIL** that the Town Manager is authorized to sign a contract and other related documents with Garanco, Inc. for the Jack Warren Park Improvements project (PARTF) in an amount not to exceed \$420,176.14.

Adopted this the 9<sup>th</sup> day of May 2024 by the Lewisville Town Council.

\_\_\_\_\_  
Mike Horn, Mayor

ATTEST:

\_\_\_\_\_  
Dora K. Moore, Town Clerk



**RESOLUTION 2024-024 OF THE TOWN OF LEWISVILLE  
AUTHORIZING CONTRACT FOR JACK WARREN PARK IMPROVEMENTS (PARTF)**

**WHEREAS**, the Town of Lewisville was awarded a Parks and Recreation Trust Fund (PARTF) for improvements at Jack Warren Park; and,

**WHEREAS**, the Town of Lewisville has received quotes related to the electrical portion of the project; and,

**WHEREAS**, Johnson's Modern Electric Company, Inc. has been selected.

**NOW THEREFORE BE IT RESOLVED BY THE LEWISVILLE TOWN COUNCIL** that the Town Manager is authorized to sign a contract and other related documents with Johnson's Modern Electric Company, Inc. for the Jack Warren Park Improvements project (PARTF) in an amount not to exceed \$57,910.

Adopted this the 9<sup>th</sup> day of May 2024 by the Lewisville Town Council.

\_\_\_\_\_  
Mike Horn, Mayor

ATTEST:

\_\_\_\_\_  
Dora K. Moore, Town Clerk