AGENDA

CITY OF LENOIR
CITY COUNCIL MEETING
905 WEST AVENUE
TUESDAY, FEBRUARY 1, 2022
6:00 P.M.

I. CALL TO ORDER

A. Moment of Silence & Pledge of Allegiance

II. MATTERS SCHEDULED FOR PUBLIC HEARINGS

III. CONSENT AGENDA ITEMS

A. Minutes: Approval of the minutes of the City Council meeting of Tuesday, January 18, 2022 as submitted.
B. Minutes: Approval of the closed session minutes of the City Council meeting of Tuesday, January 18, 2022 as reviewed by the City Attorney, City Council and City Manager.
C. Lease Extension; Bernhardt Transportation, LLC: Approval of an Authorizing Resolution Lease of City Property for a Term of One Year to Bernhardt Transportation, LLC as submitted.
D. Budget Amendment: Approval of a Budget Amendment to amend the fiscal year budget ending June 20, 2022 in the amount of $692,200.00 in order to transfer American Rescue Plan (ARP) funds from liability to revenue in order to allocate funding for the ARP Premium Pay as submitted.
E. Amendment; American Recovery Plan Capital Project Budget Ordinance: Staff requests approval to amend the Capital Project Budget Ordinance for the American Recovery Plan Capital Project as submitted.

IV. REQUESTS AND PETITIONS OF CITIZENS

V. REPORTS OF BOARDS AND COMMISSIONS

VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER

A. Items of Information

1. The Caldwell County Economic Development Commission will meet on Tuesday, February 8 at 8:00 a.m.
2. The Lenoir Business Advisory Board will meet on Thursday, February 10 at 6:00 p.m.
3. City Council will hold their annual Strategic Planning Retreat on Friday, February 11 from 8:30 a.m. until 3:00 p.m. at the Community Room of Blue Ridge Energies located at 100 Cooperative Way.
4. The City/County Services Committee will meet on Monday, February 14 at noon.

B. Items for Council Action

1. Selection of Auditor and Consideration of FY2021-22 Audit Contract with C. Randolph CPA, PLLC: With the pending retirement of current City Auditor S. Eric Bowman, CPA, from governmental auditing, City Council will consider selection of C. Randolph, CPA, PLLC, as City Auditor and further consider approval of an Audit Contract for fiscal year ending June 30, 2022 with C. Randolph, CPA PLLC, in the amount of $14,000.00.

   During the transition, S. Eric Bowman, CPA, will continue to make year-end entries, adjust balance sheet accounts, provide all word papers to the new auditor, and prepare draft financial reports including grant schedules, with a fee of $34,000.00. City Staff recommends approval of the above listed recommendations as submitted.

VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY

VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR

A. Board Re-Appointments; Caldwell Railroad Commission: Mayor Gibbons will recommend the re-appointment of Councilmembers Todd Perdue and David Stevens to serve a two-year term on the Caldwell Railroad Commission. Note: According to the bylaws of the Caldwell Railroad Commission, the City of Lenoir shall appoint two (2) representatives to represent the City of Lenoir on the Corporation's Board of Directors.

B. Board Announcement; LBAB: Mayor Gibbons will announce the following individual for consideration of appointment to the City's Authorities/Boards/Commissions. Note: This individual will be voted on at the February 15 City Council Meeting.

<u>Lenoir Business Advisory Board (LBAB)</u>
Tyler Reese, District Manager, Blue Ridge Energies 4-year Term

IX. REPORT AND RECOMMENDATIONS OF COUNCIL MEMBERS

1. City Council will select and appoint an individual to fill the vacancy created by the resignation of former Councilman Ben Willis and serve the balance of the term. The oath of office will be administered to the successful individual at the February 11 Strategic Planning Retreat.

X. ADJOURNMENT

LENOIR CITY COUNCIL
TUESDAY, JANUARY 18, 2022
6:00 P.M.

PRESENT: Mayor Joe Gibbons presiding. Councilmembers present were Mayor Pro-Tem Crissy Thomas, Jonathan Beal, Todd Perdue, Ike Perkins, Ralph Prestwood, David Stevens and Ben Willis. City Manager Scott Hildebran, City Clerk Shirley Cannon, and Communications Director Joshua Harris

ZOOM: City Attorney T. J. Rohr, Fire Chief Ken Hair, Police Chief Brent Phelps, Recreation Director Kenny Story, Economic Development Director Kaylynn Horn, Finance Director Donna Bean, Public Works Director Jared Wright, Public Utilities Director Radford Thomas, Planning Director Jenny Wheelock participated via Zoom.

I. CALL TO ORDER

A. The meeting was opened by a moment of silence followed by the Pledge of Allegiance as led by Mayor Gibbons.

B. On behalf of City Council, Mayor Gibbons thanked all of the doctors, healthcare workers and those on the frontlines caring for people that have the COVID-19 virus and asked everyone to continue to keep them in their thoughts and prayers. Mayor Gibbons also shared that 26 individuals were currently hospitalized and encouraged everyone to wear a mask and stay as safe as possible.

SPECIAL RECOGNITION;
SERGEANT, JAMES E. MOORE:

C. On behalf of City Council, Mayor Gibbons presented a resolution and a key to the City to Sergeant James E. Moore in honor and recognition of his thirty years of dedicated and outstanding service to the Lenoir Police Department, City of Lenoir, and its citizens. Mayor Gibbons commended him for his years of service, his leadership and for what he means to the community.

In addition, Mayor Gibbons remarked that everyone hates to see Sergeant Moore retire, but emphasized he has done a wonderful job along with being a great friend.

Sergeant Moore stated he first wanted to give honor to God, his Lord and Savior Jesus Christ, and thanked Mayor Gibbons and City Councilmembers for all of their support over the years. He introduced his wife, Sarah Moore, who was also present at the meeting.

Chief Phelps commented that Sergeant Moore is an outstanding role model and example of what a community Police Officer should be. Chief Phelps shared that Sergeant Moore was born in Lenoir and has worked in the community his entire career. "We are excited for the next phase and the next season in his life, and we're happy for him. Retirement for law enforcement is not given, it's earned, and he's definitely earned it."

Chief Phelps further shared that Sergeant Moore will continue to serve the community as Pastor of West End Mennonite Church.

SPECIAL RECOGNITION; BEN K. WILLIS:

D. On behalf of City Council, Mayor Gibbons presented a resolution and a key to the City to Councilman Ben Willis in honor and recognition of his ten+ years of dedicated service to the City Council, City of Lenoir, and its citizens. Councilman Willis has accepted a position as Community & Economic Development Director with the Western Piedmont Council of Governments (WPCOG.)

Mayor Gibbons commended Councilman Willis for all of his accomplishments and for being so involved in the community. Mayor Gibbons shared that Mr. Willis has not only served the citizens of Lenoir well, but has also been involved with organizations across the state. Mayor Gibbons remarked that Councilman Willis will be missed, but pointed out he will still be doing great work for the City and Caldwell County through his duties at the Western Piedmont Council of Governments.

Councilman Willis thanked City Council along with his wife Jamie and children Jay and Elizabeth for all of their support during his tenure on Council. He also expressed appreciation to his parents and grandparents for teaching him how to care and work hard to improve the community and the people around him. He emphasized he would not be the person he is today without their love and support.

In addition, Councilman Willis thanked all of the residents for supporting and encouraging him over the years. He also praised the Department Directors and City Staff for helping make the City run so well and thanked them for all they do on a daily basis for the City of Lenoir.

Next, Councilman Willis addressed the candidates and remarked that the City has an excellent Council that will help guide you in this position. He also said Lenoir is a great City that is not too big or too small, and stated you can make a difference.

Mayor Gibbons thanked Councilman Willis for his comments and remarked City Council is extremely proud of him and wishes him the very best in his new endeavors.

CITY COUNCIL VACANCY:

E. Mayor Gibbons explained that City Council would appoint someone to fill the vacancy created by the resignation of Councilman Ben Willis until the municipal elections are held in November 2023. He asked each candidate to present their interest and qualifications for the vacant Council seat.

Mayor Gibbons stated that Council would allow each candidate three to five minutes to speak and Council would take all of the information received under consideration. The successful candidate will be appointed at the next City Council meeting scheduled for Tuesday, February 1. He pointed out that Council cannot meet to discuss this issue, but noted he could poll all members of Council for their consensus. City Council also has the authority to call for a Special Meeting should it become necessary.

Mayor Gibbons then asked each candidate to select a number to determine in what order the candidates would address City Council. The four candidates addressed Council in the following order:

Mr. Kent Greer, 218 Robinwood Circle, Lenoir, NC, stated he grew up in Lenoir and attended school here. Mr. Greer shared he currently serves on the Lenoir Planning Board and the Caldwell County Planning Board. He further shared he is a current member of the Caldwell County Rotary Club and past President of Hammary Furniture Management Organization.

In addition, Mr. Greer stated he and his wife Susan have two sons, Kyle (wife-Kary) and Hunter who both live in Lenoir. Mr. Greer reported he is the General Manager of Fortran Corporation in Hickory and attends Living Hope Lenoir Church. Mr. Greer stated it is important to serve and he wants to give back and help keep the community growing.

Mr. Michael Careccia, 1325 Jolly Place, Lenoir, NC, stated he appreciates the opportunity to apply for the vacant Council seat and thanked Mr. Willis for his service. Mr. Careccia stated he grew up in poverty and has always looked for ways to get involved in order to help people and give back to the community. Mr. Careccia referred to the last municipal election and how he received 409 votes and was runner up in the campaign. Mr. Careccia said he has received a number of e-mails and requests from the general public asking him to apply for this vacancy because of how he finished in the prior election. He expressed an interest in local government and how it impacts housing and the local economy. Mr. Careccia remarked that he would be honored to serve.

Mr. Justin Butler, 2124 Olde Farm Road, Hudson, NC, explained that, although his address is Hudson, his house is in the City limits and he pays Lenoir property taxes and votes in the City of Lenoir elections. Mr. Butler stated he and his family moved to Lenoir in 2013 and he is the Director of the Associate in the Fine Arts Music degree program at Caldwell Community College and Technical Institute since 2013. Mr. Butler shared he regularly serves on several committees where they create and implement local and state level policies in the North Carolina Community College System. Also, he has served on non-profit and for-profit organizations. Mr. Butler mentioned he has worked with a number of students over the years and stated he is aware of the importance of diversity. In addition, he expressed an interest in seeing the housing market grow.

Ms. Trish Cordero, 317 Penley Court, NW, Lenoir, NC, addressed Council via Zoom and stated she is a fairly new resident of the City due to having moved here from Miami in 2018. Ms. Cordero stated she serves on the Head Start Program and has joined several boards. Ms. Cordero said she also has attended several transportation board meetings because she would like to help establish a bus route in Lenoir. Ms. Cordero stated she has three sons (one in college, one in pre-kindergarten and one that will attend early elementary next year.) Ms. Cordero said she believes a younger generation offers a different perspective and can reach out to more of the population. She remarked whoever is elected should focus on Lenoir and not just certain areas.

Mayor Gibbons thanked all the candidates for their interest in serving and wanting to be a part of the City of Lenoir. He reiterated Council would take all of the information received under consideration and would vote on the successful candidate at their February 1st City Council meeting. Mayor Gibbons also mentioned the newly appointed Councilmember would take their oath of office at Council's February 11 Strategic Planning Retreat.

Mayor Gibbons also explained that City Council cannot meet to discuss this appointment, but reiterated that he could poll members for a consensus. He stated that whoever comes on

City Council would be a great fit and invited all the candidates to consider serving on one of the City's Authorities, Boards & Commissions, which are a strong and vital part of the City.

Mayor Gibbons also advised the candidates of how much time is involved with the position in addition to attending the Council meetings. He remarked Councilmembers are the leaders of the City and they work to keep the City moving forward.

II. MATTERS SCHEDULED FOR PUBLIC HEARINGS

III. CONSENT AGENDA ITEMS

A. Minutes: Approval of the minutes of the City Council meeting of Tuesday, January 4, 2022 as submitted.
B. Resolution: Approval of a resolution in honor and recognition of Councilmember Ben Willis' dedicated and outstanding service to the City Council, City of Lenoir, and its citizens as submitted. (A copy of the resolution is here by incorporated into these minutes by reference. Refer to page 14.)
C. Resolution; Surplus Property: Approval of a resolution declaring Police Sergeant James Moore's badge and service weapon, Serial Number 37CO12014, as surplus property. Sergeant Moore's retirement from the Lenoir Police Department will be effective January 31, 2022. (A copy of the resolution is hereby incorporated into these minutes by reference. Refer to page 15.)
D. Resolution: Approval of a resolution in honor and recognition of Sergeant James Moore's dedicated and outstanding service to the Lenoir Police Department, City of Lenoir and its citizens. (A copy of the resolution is hereby incorporated into these minutes by reference. Refer to page 16.)
E. Proclamation; Black History Month: Approval of a proclamation proclaiming the month of February as Black History Month throughout the City of Lenoir. (A copy of the resolution is hereby incorporated into these minutes by reference 17.)

Upon a motion by Councilmember Perkins, Council voted 7 to 0 to approve the above listed items on the Consent Agenda as recommended and as presented by City Manager Hildebran.

IV. REQUESTS AND PETITIONS OF CITIZENS

V. REPORTS OF BOARDS AND COMMISSIONS

VI. REPORT AND RECOMMENDATIONS OF THE CITY MANAGER

A. Items of Information

PLANNING BOARD:

1. The Planning Board will meet on Monday, January 24 at 5:30 p.m. at the City/County Chambers.

COMMITTEE OF THE WHOLE:

2. The Committee of the Whole will meet on Tuesday, January 25 at 8:30 a.m. at City Hall, Third Floor.

FOOTHILLS REGIONAL AIRPORT AUTHORITY:

3. The Foothills Regional Airport Committee will meet on Wednesday, January 26 at noon.

STRATEGIC PLANNING RETREAT:

4. City Council will conduct its annual Strategic Planning Retreat on Friday, February 11 beginning at 8:30 a.m. in the Community Room at Blue Ridge Energies located at 100 Cooperative Way.

B. ITEMS FOR COUNCIL ACTION

FINAL PLAT; SUMMERHILL SUBDIVISION, PHASE II:

1. City Staff recommends approval of a final plat for eighteen (18) lots in the Summerhill Subdivision, Phase II, as submitted. (A copy of the plat is hereby incorporated into these minutes by reference. Refer to page 18.)

City Manager Hildebran reported the Summerhill development preliminary plat was initially approved by City Council on March 6, 2007 and recorded in the Caldwell Register of Deeds in Plat Book 24, page 82. This development was approved as a planned residential development with 51 single family lots and 38 townhome lots, which required both a Conditional Use Permit (CUP) for the development concept and a major subdivision plat to create the lots and new roads.

Planning Director Wheelock explained the roads for both the single-family section and the townhome section were constructed following approval of the 2006 preliminary plat. The developer then requested to revise the Conditional Use Permit to build 18 single family lots around Fall Day Circle, instead of the 38 townhome lots initially contemplated. City Council approved the requested revised CUP and a revised preliminary plat for Phase II at the same time they approved a final plat for the 51 lots in Phase I.

Director Wheelock pointed out the Phase I construction was impacted by the 2008 recession, with little development activity occurring until recently, and a final plat for Phase II has not be pursued until now. She stated the proposed plat is consistent with the preliminary plat approval.

Following a brief discussion and upon a motion by Councilmember Perdue, Council voted 7 to 0 to approve the final plat for the Summerhill Subdivision, Phase II as submitted and as recommended by City Staff.

VII. REPORT AND RECOMMENDATIONS OF THE CITY ATTORNEY

VIII. REPORT AND RECOMMENDATIONS OF THE MAYOR

APPOINTMENT; METROPOLITAN PLANNING ORGANIZATION; WPCOG:

A. Mayor Gibbons recommends that Councilmember Ralph Prestwood be re-appointed to serve a two-year term on the Western Piedmont Council of Governments Metropolitan Planning Organization (MPO) as the City of Lenoir's representative.

Upon a motion by Councilmember Willis, City Council voted 7 to 0 to re-appoint Ralph Prestwood to serve a two-year term on the Metropolitan Planning Organization (MPO) as the City of Lenoir's representative.

IX. REPORT AND RECOMMENDATIONS OF COUNCILMEMBERS

UPDATE; MARTIN LUTHER KING, JR. DAY CELEBRATION:

A. Mayor Pro-Tem Crissy Thomas reported that it is important to celebrate this holiday and mentioned that sixty-seven members of the NAACP participated in this event which was a great turnout. The group did not hold a march this year due to COVID. Ms. Thomas stated that several virtual events were held and informed everyone that additional virtual events would also be held throughout February to honor Black History Month.

CLOSED SESSION: B. Pursuant to N.C.G.S.§143-318.11(a), (3), and upon a motion by Councilmember Stevens that carried unanimously, City Council entered into closed session to discuss attorney/client privilege.

OPEN SESSION: C. City Council voted unanimously to re-enter into open session. There was no action taken by City Council at this time.

X. ADJOURNMENT

A. There being no further business, the meeting was adjourned at 7:00 p.m.

Shirley M. Cannon, City Clerk	Joseph L. Gibbons, Mayor

RESOLUTION HONORING
BENJAMIN KEITH WILLIS

WHEREAS, Ben Willis has served faithfully and diligently as a member of the Lenoir City Council since December 2011 and served as Mayor Pro-Tem from 2015 to 2019; and

WHEREAS, Ben Willis submitted his resignation on January 4, 2022, to accept a position with the Western Piedmont Council of Governments as Community Economic Development Director; and

WHEREAS, as an elected official, Ben Willis has devoted his time, energy, and talents to this City and provided experience, sound judgment, and ardent support while serving on various regional, state, and national committees to briefly name a few,

- North Carolina League of Municipalities Executive Board of Directors-served two terms as District 10 Director
- Western Piedmont Council of Governments Policy Board, Air Quality Board, Planning Board and Transportation Advisory Committee Board
- National League of Cities Small Cities Committee and the Information Technology and Communications Steering Committee

WHEREAS, Ben Willis has reviewed and deliberated all matters, facts, and proposals presented before the Council in a fair and sound manner, at all times keeping the best interest of the citizens of Lenoir as a first priority; and

WHEREAS, Ben Willis has worked constantly to further Lenoir's economic, cultural, and aesthetic development, as evidenced by the many successful projects accomplished during his tenure on City Council, including:

- Helping create and contributing to the City's Brownfield Development Committee.
- Working with City Council on establishing long-term strategies and goals to ensure the fiscal strength and stability of the City.
- Supporting the implementation of market rate compensation for City employees whom he values as the "heart and soul" of the City.

NOW THEREFORE BE IT RESOLVED, that the Lenoir City Council, in regular session assembled this 18th day of January, 2022, hereby expresses sincere appreciation to our friend and colleague, who through his excellent leadership and dedicated service to this City has earned respect and proudly made lasting contributions for the betterment of the City; and

BE IT FURTHER RESOLVED, I, Mayor Joseph L. Gibbons, by virtue of the authority vested in me as Mayor of the City of Lenoir, North Carolina, and on behalf of the Lenoir City Council and all the citizens, do hereby extend our deepest gratitude and highest commendation to Benjamin K. Willis for his devoted and outstanding service.

This the 18th day of January, 2022.

Joseph L. Gibbons, Mayor

RESOLUTION

In Recognition of Dedicated Service

WHEREAS*, on the 13th day of July, in the year 1994, James Edwin Moore was appointed as a Lenoir Police Officer by Chief Jack Warlick;*

THAT, *as of the date of this Resolution, he has served the City of Lenoir with great distinction, under the direction of 4 Police Chiefs and has formed close relations with the citizens and youth of Lenoir through his genuine concern and professional dedication to duty;*

THAT*, society and law enforcement as a whole has undergone many changes and challenges over the last 30 years, and Sergeant Moore has stayed abreast through those changing trends to remain an effective mentor and leader within the department and community at large;*

THAT*, James has served in a number of capacities during his law enforcement career, to include his most recent position as Sergeant overseeing the School Resource and Traffic Enforcement Teams, as well as Explorers Post Advisor, Special Response Team Crisis Negotiator, School Resource Officer, and Ready Response Team Member;*

THAT*, due to his dedication and diligence to perform admirably, he was promoted to Sergeant in 2009, was recognized by his peers as the department's 2021 Officer of the Year, voted Best (Police Officer) of Caldwell 2017, and received the Lenoir Optimist Club's Officer of the Year in 1999;*

THAT, *James completed the FBI-LEEDA Program and SRO Certificate Program in 2019, received his Masters Degree in 2014, and received the Advanced Law Enforcement Certificate in 2004;*

THAT*, he has played an active and vital role in the community and with the youth, both on and off duty, to include coaching and foster parenting. James Moore has a heart for ministry and has served in church leadership roles as Pastor, Deacon, Choir Member, and President of the Shepherd's Board;*

THAT*, he has humbly served the citizens of the City of Lenoir and Caldwell County and will be retiring on February 1, 2022 with close to 30 years of creditable service in the North Carolina Local Government Retirement System;*

THEREFORE, BE IT RESOLVED*, by authority of the Mayor and City Manager, and on behalf of the City Council, that Sergeant James Moore has been an exemplary employee, and is himself the epitome of the professional Law Enforcement Officer. His contributions to the safety and well-being of the citizens of Lenoir and officers of the Lenoir Police Department will be held in high esteem and remembrance by this governing body, as well as persons impacted by his accomplishments;*

THIS*, the __________ day of _______________, 2022.*

______________________________ ______________________________

Joseph L. Gibbons, Mayor ***Scott E. Hildebran, City Manager***

CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA

MAYOR
JOSEPH L. GIBBONS

CITY COUNCIL
J. T. BEAL
T. H. PERDUE
J. I. PERKINS
R. S. PRESTWOOD
D. F. STEVENS
C. D. THOMAS
B. K. WILLIS

RESOLUTION

WHEREAS, the City of Lenoir, North Carolina, City Council desires to dispose of certain surplus property of the City of Lenoir and to be awarded to Sergeant James E. Moore on his retirement,

NOW, THEREFORE BE IT RESOLVED,

1) the Mayor and City Council of the City of Lenoir acknowledges Sergeant James E. Moore's loyal and dedicated service to the citizens of Lenoir, and

2) the Mayor and City Council declare the following police weapon and police badge of Sergeant James E. Moore, upon retirement, as surplus and no longer have any additional use to the City of Lenoir (Sig Sauer pistol (Serial# 37C012014)); and

3) the Mayor and City Council authorize the City Manager to proceed with the procedures outlined in G.S. §20-187.2 regarding the service side arms of retiring members of City law enforcement agencies.

NOW, THEREFORE BE IT FURTHER RESOLVED, that the Mayor and City Council thank Sergeant James E. Moore for his years of service to the City and wish him well in his retirement.

This 18th day of January, 2022.

SEAL

Joseph L. Gibbons, Mayor

ATTEST:

Shirley M. Cannon

Shirley M. Cannon, City Clerk

CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA

MAYOR
JOSEPH L. GIBBONS

CITY COUNCIL
J. T. BEAL
T. H. PERDUE
J. I. PERKINS
R. S. PRESTWOOD
D. F. STEVENS
C. D. THOMAS
B. K. WILLIS

PROCLAMATION

IN CELEBRATION OF BLACK HISTORY MONTH

WHEREAS, the 2022 theme for Black History Month is Black Health and Wellness, which acknowledges the legacy of not only Black scholars and medical practitioners in Western medicine, but also other ways in which the Black community has contributed to healthcare; and

WHEREAS, we celebrate the many achievements and contributions made by African Americans to our economic, cultural, spiritual and political development; and

WHEREAS, in 1915, Dr. Carter Godwin Woodson, noted Black scholar and son of former slaves, founded the Association for the Study of African American Life and History; and

WHEREAS, Dr. Woodson initiated Black History Week, February 12, 1926; and for many years, the second week of February, chosen to coincide with the birthdays of Frederick Douglas and Abraham Lincoln, was celebrated by African Americans in the United States; and

WHEREAS, in 1976, as part of the nation's bicentennial, Black History Week was expanded and became established as Black History Month; and

WHEREAS, the observance of Black History Month calls our Nation's attention to the continued need to battle racism and to build a society that lives up to its democratic ideals.

NOW, THEREFORE BE IT RESOLVED, that I, Joseph L. Gibbons, Mayor of the City of Lenoir, North Carolina, and on behalf of the Lenoir City Council and all the citizens, do hereby proclaim the month of February 2022 as Black History Month throughout the City of Lenoir and urge all citizens to celebrate our diverse heritage and culture and continue our efforts to create a world that is more just, peaceful and prosperous for all.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Lenoir to be affixed this 18th day of January, 2022.

SEAL

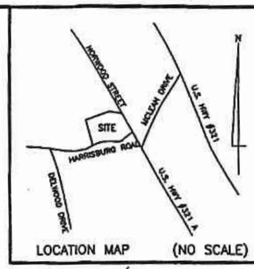
Joseph L. Gibbons, Mayor

BUNTON SURVEYING and MAPPING, P.A.

TAYLORSVILLE
214 MAIN AVE. DRIVE
SUITE 5
828-635-0333
FAX: 828-635-0330

HICKORY
231 13th AVE. PL. N.W.
SUITE 5
828-855-3313
FAX: 828-855-3439

CARL D. BUNTON, PLS-3032 DEREK R. BUNTON, PLS-4808
P.O. BOX 338, TAYLORSVILLE, NC 28681
BUSINESS LICENSE: C-2069



LOCATION MAP (NO SCALE)

OWNER: CAPE HATTERAS, LLC
7303 LONE PINE RD.
CHAPEL HILL, NC 27514

ZONING: R-12
BUILDING SETBACKS:
FRONT: 40'
SIDE: 12'
REAR: 30'
SIDE @ STREET: 25'

MAJOR SUBDIVISION ENTITLED:

"SUMMERHILL SUBDIVISION"
PHASE II
LENOIR TOWNSHIP, CALDWELL COUNTY, N.C.

DATE: 12/09/21 F.B. H-12 Pg.09 SCALE: 1" = 100'
PIN #2759-00-5233
REFERENCE DEED BOOK 1573 PAGE 320
REFERENCE PLAT BOOK 24 PAGE 82

DRAWN BY: CARL D. BUNTON
JOB #21110292
FILE NAME: "21110292" & "2111292F"

100 0 100 200 300
GRAPHIC SCALE - FEET

MAP NORTH

ORIENTED TO MAP BY MILLER SURVEYING, INC.
FOR: L.D. AUSTIN COMPANY DATED: 06/28/04

LOT AREAS

SIGN LOT	
LOT #52	0.108 ACRE
LOT #53	0.281 ACRE
LOT #54	0.288 ACRE
LOT #55	0.238 ACRE
LOT #56	0.221 ACRE
LOT #57	0.331 ACRE
LOT #58	0.327 ACRE
LOT #59	0.262 ACRE
LOT #60	0.281 ACRE
LOT #61	0.385 ACRE
LOT #62	0.282 ACRE
LOT #63	0.246 ACRE
LOT #64	0.276 ACRE
LOT #65	0.188 ACRE
LOT #66	0.188 ACRE
LOT #67	0.194 ACRE
LOT #68	0.186 ACRE
LOT #69	0.185 ACRE
	0.191 ACRE

State of North Carolina
County of Caldwell

I, ______________________, Review Officer of Caldwell Co., certify that the map or plat to which this certification is affixed meets all statutory requirements for recording.

Review Officer

Date__________

Certificate of Approval by the Planning Board:

The City of Lenior Planning Board hereby approves the Final Plat for the Summerhill Subdivision.

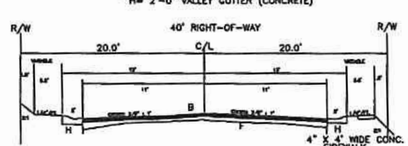
Date Chairman, Lenoir Planning Board

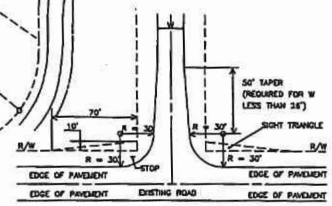
LEGEND

EXISTING IRON ROD - EIR -●
EXISTING IRON PIPE - EIP -●
NEW 5/8" REBAR SET -NIR-○
R.R. SPIKE - ⊙
EXISTING STONE CORNER - △
CONCRETE MONUMENT- ⊡
N.C.G.S. CONTROL MONUMENT - ■
P.K. NAIL - ⊗
CALCULATED POINT - +
EXISTING FIRE HYDRANT-●

TYPICAL CROSS SECTION

DIMENSIONS FOR RESIDENTIAL STREETS USING 2.0' VALLEY CURB
PAVEMENT SCHEDULE
B= 1 1/2" BITUMINOUS CONCRETE SURFACE TYPE I-2
F= 6" COMPACTED AGGREGATE BASE COURSE
H= 2'-0" VALLEY GUTTER (CONCRETE)





RECOMMENDED ROAD CONNECTION

I, CARL D. BUNTON certify:

※※※ A. That the survey creates a subdivision of land within the area of a county or municipality that has an ordinance that regulates parcels of land;
B. That the survey is located in such portion of a county or municipality that is unregulated as to an ordinance that regulates parcels of land;
C. Any one of the following:
1. That the survey is of an existing parcel of land and does not create a new street or change an existing street.
2. That the survey is of an existing building or other structure, or natural feature, such as a watercourse; or
3. That the survey is a control survey.

D. That the survey is of another category, such as recombination of existing parcels, a court-ordered survey, or other exception to the definition of subdivision;
E. That the information available to the surveyor is such that the surveyor is unable to make a determination to the best of his or her professional ability as to provisions contained in (A) through (D) above.

PLS-3032
PROFESSIONAL LAND SURVEYOR REGISTRATION NUMBER

I, CARL D. BUNTON, PLS-3032, certify that this plat was drawn under my supervision from an actual survey made under my supervision that the boundaries not surveyed are clearly indicated as drawn that the ratio of precision as calculated is 1:10,000+ : that this plat was prepared in accordance with G.S. 47-30 as amended. Witness my original signature, registration number and seal this 28TH day of DECEMBER, A.D., 2021.

PLS-3032
PROFESSIONAL LAND SURVEYOR REGISTRATION NUMBER

NORTH CAROLINA PROFESSIONAL SEAL L-3032 LAND SURVEYOR CARL D. BUNTON

LINE TABLE

COURSE	BEARING	DISTANCE
L-1	S 78°03'27"W	16.16'
L-2	N 57°00'00"E	21.28'
L-3	N 57°00'04"E	36.28'
L-4	N 57°00'00"E	15.00'

CURVE TABLE

CURVE	RADIUS	TANGENT	LENGTH	DELTA	DEGREE	CHORD	CH.BEARING
C-1	25.00'	10.44'	19.78'	45°19'45"	229°10'59"	19.27'	S 10°45'12"E
C-2	285.32'	20.05'	40.03'	8°02'20"	20°04'52"	40.00'	S 74°02'17"W
C-3	285.32'	34.09'	67.87'	13°37'41"	20°04'52"	67.71'	S 63°12'16"W
C-4	2795.87'	16.92'	33.84'	0°41'37"	2°02'57"	33.84'	S 56°02'37"W
C-5	2795.87'	42.50'	85.00'	1°44'31"	2°02'57"	85.00'	S 54°49'34"W
C-6	2795.87'	37.50'	75.00'	1°32'13"	2°02'57"	75.00'	S 53°11'11"W
C-7	25.00'	18.17'	31.42'	72°01'06"	229°10'59"	29.40'	S 68°25'38"W
C-8	25.00'	36.08'	48.24'	110°33'49"	229°10'59"	41.10'	N 00°16'54"W
C-9	75.00'	12.29'	24.36'	18°36'39"	76°23'40"	24.25'	N 45°41'40"E
C-10	75.00'	18.00'	35.33'	26°59'12"	76°23'40"	35.00'	N 22°53'44"E
C-11	75.00'	29.85'	56.81'	43°24'06"	76°23'40"	55.46'	N 12°17'56"W
C-12	121.76'	5.94'	11.88'	5°35'17"	47°03'23"	11.87'	N 36°47'39"W
C-13	121.76'	30.95'	60.62'	28°31'39"	47°03'23"	60.00'	N 53°51'07"W
C-14	121.76'	17.68'	35.12'	16°31'37"	47°03'23"	35.00'	N 76°22'45"W
C-15	121.76'	42.35'	81.51'	38°21'26"	47°03'23"	80.00'	S 76°10'43"W
C-16	100.00'	32.80'	63.38'	36°19'11"	57°17'45"	62.33'	S 38°50'25"W
C-17	30.00'	33.63'	50.54'	96°31'49"	190°59'09"	44.77'	S 68°56'44"W
C-18	405.67'	33.72'	67.28'	9°30'11"	14°07'25"	67.21'	N 67°32'28"W
C-19	98.68'	39.55'	75.23'	43°40'49"	58°03'44"	73.42'	N 01°09'35"W
C-20	60.00'	19.68'	38.03'	36°19'11"	95°29'35"	37.40'	N 38°50'25"E
C-21	35.00'	34.39'	54.37'	89°00'00"	163°42'08"	49.06'	S 10°30'00"W
C-22	81.76'	80.35'	127.00'	89°00'00"	70°04'39"	114.61'	S 78°30'00"E
C-23	30.00'	37.05'	53.41'	102°00'00"	190°59'09"	46.63'	N 74°00'00"W

Certificate of Ownership:

I(We), hereby certify that I am (We are) the owner(s) of the property shown and described hereon and that I(We) hereby adopt this plan of subdivision with My (Our) free consent establish minimum building lines and dedicate all roads, alleys, walks, parks and other sites to public or private use as noted. Futher, I(We) certify the land as shown is within the platting jurisdiction of City of Lenior.

Date

Owner

Owner

NORTH CAROLINA, CALDWELL COUNTY
I, a Notary Public of the County and State aforesaid, certify that__________
personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and offical stamp or seal, this ________day of ____________ ________

NOTARY PUBLIC MY COMMISSION EXPIRES

Certificate of Acceptance of Streets, Water and Sewer, Drainage Easements:

I hereby certify that all required construction of streets, water and sewer and drainage have been installed in accordance with City of Lenoir standards and accepted prior to recording of the final plat.

City of Lenoir
Director of Public Works

Certificate of Acceptance of Dedication and Recording:

I hereby certify that the Subdivision Plat shown hereon has been found to comply with the Subdivision Regulations for Lenoir, North Carolina, and has been approved by the City Council for recording in the office of the Register of Deeds of Caldwell County. The City accepts the dedication of streets, easements, and public parks, but the City assumes no responsibility to open or maintain any streets, easements, rights-of-way, or other lands shown thereon and accepted hereby for public purposes until in the opinion of the Lenior City Council it is in the public interest to do so. The approval of this plat shall be null and void if the said plat is not recorded with the Caldwell County Register of Deeds within sixty (60) days of the date of approval.

Date City Clerk

SPECIAL NOTES

NOTE: ALL AREAS SHOWN HEREON WERE DETERMINED BY COORDINATE COMPUTATION.

NOTE: THIS PROPERTY IS SUBJECT TO ANY AND ALL EASEMENTS, RIGHTS-OF-WAY, COVENANTS, RESTRICTIONS, AND CONDITIONS OF RECORD AFFECTING SAID PROPERTY.

NOTE: THIS PLAT IS THE RESULT OF AN ACTUAL FIELD SURVEY MADE BY CARL D. BUNTON PLS-3032 AND REFLECTS GROUND EVIDENCE FOUND AT THE TIME OF SAID SURVEY.

NOTE: THIS PLAT WAS PREPARED FOR THE EXCLUSIVE USE OF THE PARTY(S) NAMED HEREON. CERTIFICATES DO NOT EXTEND TO ANY UNNAMED PERSON(S) WITHOUT AN EXPRESS RECERTIFICATION BY THE SURVEYOR NAMING SAID PERSON(S).

NOTE: THIS PROPERTY IS TIED TO THE N.C. GRID SYSTEM BY MONUMENTATION AS SHOWN USING N.A.D. 83 PUBLISHED DATA AND A COMBINED FACTOR OF 0.9998790. TIE LINES ARE SHOWN WITH HORIZONTAL AND N.C. GRID DISTANCES AND GRID BEARINGS; HOWEVER, ALL DISTANCES ALONG PROPERTY LINE DESCRIPTIONS ARE HORIZONTAL MEASUREMENTS.

NOTE: SIGN & LANDSCAPING LOT TO BE DEEDED TO HOME OWNERS ASSOCIATION

NOTE: PAVED STREETS, CURBING & UTILITIES ARE ALREADY IN PLACE.

C-2737b

CITY OF LENOIR
COUNCIL ACTION FORM

I. Agenda Item:

Resolution Authorizing Lease of City Property for a Term of One Year to Bernhardt Transportation, LLC

II. Background Information:

The City has historically (29+ years) leased a portion of the Public Services Facility property located of 510 Greer Circle to Bernhardt Transportation, LLC for their maintenance garage facility. This agreement would extend the lease for one year. Highlights of the lease are as follows:

The term of this Lease shall be for One (1) year and the commencement date shall be January 1, 2023 and ending shall be December 31, 2023.

The City retains the exclusive right and option to use the wash bay and equipment in the Garage Building on Wednesday of each week.

The City retains the right to have parking and storage in the paved parking areas for its Public Works/Public Utilities Office Building including an area adequate to install a covered shed and including an adequate physical area sufficient to construct a chain link fence, installation of additional gates, and new secondary traffic patterns throughout the facility.

The City retains the right to have secure storage of new rollout garbage carts on the demised premises. Such secure storage shall be inside an Enclosed Material Storage Trailer (53 ft) which shall be provided by Lessee at no cost to Lessor.

Lessee shall pay rental to Lessor at a rate of One Thousand Five Hundred ($1,500.00) Dollars per month or $18,000.00 per year.

III. Staff Recommendation:

Recommend approval of a Resolution Authorizing Lease of City Property for a Term of One Year to Bernhardt Transportation, LLC.

IV. Reviewed By:

City Attorney:
Public Works/Public Utilities Directors:
City Manager:

Resolution Leasing Property for One Year or Less

WHEREAS, the City of Lenoir owns the improvements and lands located within the property described in Book 1094, at Page 1690, and located northwest of the City Public Services Complex and including the paved parking areas, the Garage Building and the rear parking area, located at 510 Greer Circle that it does not currently have use for; and

WHEREAS, Bernhardt Furniture Company (parent company of Bernhardt Transportation, LLC) owns adjoining lots and buildings; and

WHEREAS, the City and Bernhardt Transportation, LLC have agreed upon a lease, under which Bernhardt Transportation, LLC will lease a portion of the city's lot/building for the term of one year beginning January 1, 2023, for a consideration of $18,000, payable in twelve (12) monthly payments; and

WHEREAS, North Carolina General Statute § 160A-272 authorizes the city to enter into leases of one year or less upon resolution of the City Council adopted at a regular meeting; and

WHEREAS, the City Council is convened in a regular meeting;

THEREFORE, THE CITY COUNCIL OF THE CITY OF LENOIR RESOLVES THAT:

The City Council hereby approves lease of the city property described above to Bernhardt Transportation, LLC and directs the City Manager to execute any instruments, including terms and conditions necessary to execute the lease.

Adopted this the 1st day of February, 2022.

SEAL

____
Joseph L. Gibbons, Mayor

ATTEST:

____
Shirley M. Cannon, City Clerk

Prepared by: Groome, Tuttle, Pike & Blair, RLLP

STATE OF NORTH CAROLINA

COUNTY OF CALDWELL LEASE AGREEMENT

This Lease Agreement, made and entered into this ____ day of _____________, 2022, by and between CITY OF LENOIR, a North Carolina municipal corporation of Caldwell County, North Carolina, (hereinafter called "Lessor"), and BERNHARDT TRANSPORTATION, LLC, a North Carolina limited liability company, with its principal office located in Lenoir, Caldwell County, North Carolina, (hereinafter called "Lessee");

WITNESSETH:

1. Demise of Premises. Lessor leases unto Lessee the real property and the building thereon (hereinafter called "Premises") which is located in the City of Lenoir, Caldwell County, North Carolina, subject to the Reservations set forth herein, and described more particularly as follows:

> The improvements and lands located within the property described in Book 1094, at Page 1690, and located northwest of the Public Works/Public Utilities Office Building and including the paved parking areas, the Garage Building and the rear parking area, but excluding the Used Oil Containment Building. See attached map of leased area which is incorporated herein by reference.

2. Term of Lease.

A. The original term of this Lease shall be for One (1) year and the commencement date shall be January 1, 2023. If requested, the parties shall execute a short form Memorandum of Lease in recordable form containing such matters as the parties may agree upon including, however, as a minimum, the commencement date and the expiration date (which date shall be One (1) year from said commencement date).

B. This lease is subject to certain Reservations by Lessor as set forth below:

a. In the area designated on the attached map, Lessor retains the exclusive right and option to use the wash bay and equipment in the Garage Building on Wednesday of each week. Lessee agrees to not interfere with Lessors use of the Garage premises on Wednesdays. Lessor staff will exercise due care and diligence in the use of the wash bay.

b. In the area designated on the attached map, Lessor retains the right to have parking and storage in the paved parking areas for its Public Works/Public Utilities Office Building including an area adequate to install a covered shed and including an adequate physical area sufficient to construct a chain link fence, installation of additional gates, and new secondary traffic patterns throughout the facility. Lessor agrees to cooperate with Lessee in carrying out such reservations should Lessor determine such reservations are necessary.

c. In the area designated on the attached map, Lessor retains the right to have secure storage of new rollout garbage carts on the demised premises. Such secure storage shall be inside an Enclosed Material Storage Trailer (53 ft) which shall be provided by Lessee at no cost to Lessor.

3. Rentals.

Lessee shall pay rental to Lessor at a rate of One Thousand Five Hundred ($1,500.00) Dollars per month or $18,000.00 per year. Rental shall be due and payable in twelve (12) equal monthly installments of One Thousand Five Hundred ($1,500.00) Dollars each, in advance, on the first (1st) day of each calendar month for and during the term.

In addition, Lessee shall carry, at its own expense, policies of property insurance with extended coverage insuring Lessee's personal property located on the premises against loss or damage to its furnishings, fixtures, inventory, equipment and other property situated or placed upon, in or about the Premises with companies and in amounts acceptable to itself.

4. Acceptance of Premises. Lessee acknowledges that the act of taking possession of the premises shall constitute acceptance thereof and conclusive evidence that Lessee has inspected and examined the entire premises and utility installations and that the same were, and are, in good and satisfactory condition, and Lessee accepts the same “as is”.

5. Assignment or Subletting. Lessee shall not have the right to assign the Lease or to sublet the Premises in whole or in part without the prior written consent of Lessor. If Lessee is a corporation, then the passage of control of Lessee to parties other than those who presently control Lessee, as of the date of this Agreement, shall constitute an assignment of this Lease.

6. Compliance with Legal Requirements. Both parties shall comply with all the legal requirements of any governmental or quasi-governmental body including City, County, State or Federal boards having jurisdiction thereof, respecting any operation conducted or any equipment, installations or other property placed upon, in or about the Premises. Both parties shall neither create nor permit the creation of any nuisance upon, in or about the Premises, and neither shall not make any offensive use thereof.

7. Utilities. Lessee shall pay for all water and sewer services consumed or used on the Premises. Lessor shall pay for electricity and gas service to the premises. The lack of availability or failure of utility service shall not be deemed constructive eviction.

8. Additions, Alterations, Changes and Improvements. Lessee shall not make, nor have the right to make any alterations, changes or improvements, structural or otherwise, in or to the Premises without Lessor’s prior written consent. If such consent is given, all such alterations, changes and improvements, shall be promptly made in a workman-like manner, be promptly paid for allowing no liens to attach either to the Premises of to Lessor’s interest therein, and shall become the property of Lessor at the termination of this Lease Agreement. Lessor shall have the right to require Lessee to provide such assurances as Lessor shall reasonably require (such as bonds, escrows, etc.) to protect Lessor against unpaid-for work.

9. Repairs. Lessor shall not be responsible for making any repairs including

structural repairs and repairs of a capital nature to the exterior walls and to the roof. Lessee shall at its own expense keep and maintain all the premises and all parts and systems thereof including all repairs to windows and/or plate glass, and all utility installations and equipment (including repairs of a capital nature), in good maintenance, replacement and repair, properly painted and decorated. All repairs shall be performed in a prompt, workman-like manner, shall be promptly paid for by Lessee and no liens shall be allowed to attach either to the Premises or to Lessor's interest therein. Other than as specifically stated herein, Lessor has no obligation to make any repairs.

10. Safe and Sanitary Conditions. Lessee shall not permit, allow or cause any act or deed to be performed upon, in or about the premises which shall cause or be likely to cause injury to any person or to the Premises, the building or improvements located thereon, or to any adjoining property. Lessee shall at all times keep the premises in a neat and orderly condition and keep the premises and the entryways, parking areas, sidewalks and delivery areas adjoining the premises clean and free from rubbish, dirt, snow, standing water and ice.

11. Trade Fixtures. Lessee shall be permitted to install trade fixtures on the premises. In addition, Lessee shall be permitted to remove said trade fixtures installed during the term of this lease from the premises upon the termination of this Lease Agreement; provided that if Lessee does so remove such trade fixtures, it shall return the Premises to the same condition as existed at the time of the original entry, ordinary wear and tear excepted. This provision is not intended to allow Lessee to remove approved structural improvements by Lessee to the Premises. All such improvements belong to Lessor at the termination hereof and shall not be removed or damaged by Lessee's removal of its trade fixtures. If Lessee does not remove the trade fixtures at termination, Lessor shall have the option either to declare such fixtures abandoned and shall become the owner thereof or to demand that Lessee remove the same at it's own expense, returning the Premises to the condition required herein.

12. Lessor Not Liable for Damages or Injuries. Lessor shall not be responsible to Lessee or any other person, firm, partnership, association or corporation for damages or injuries by virtue of or arising out of burst water pipes, leaks from sprinkler or air conditioning systems, leaks from the roof, or by virtue of earthquakes, riots, windstorms, overflow of water from surface drainage, rains,

water, fire or by the elements or acts of God, or by the neglect of any person, firm, partnership, association or corporation. Lessee shall indemnify and hold Lessor harmless from any and all claims for damages to person or property to the full extent permitted by law.

13. Indemnification. Both parties covenant to indemnify and hold the other party harmless from the claims of any and all persons, firms, partnerships, associations or corporations for personal injury or damage to property or both arising out of or in connection with either parties' use and/or occupancy of the Premises. In addition, Lessee shall carry public liability insurance in the minimum amount of $1,000,000.00 bodily injury per occurrence, and $500,000.00 property damage per occurrence, and Lessee shall deliver to Lessor a memoranda of the policy of such coverage with a company satisfactory to Lessor and which names Lessor as additional insured therein.

14. Fire or Casualty. If, during the term of this lease, the Premises shall be partially destroyed (as that term is herein defined) by fire or other casualty, Lessee shall have the right to terminate this Lease Agreement. If this option is not exercised by Lessee, Lessor may, in its sole discretion, effect the required repairs and reconstruction of the Premises. If Lessor elects to make the repairs or reconstruction, during such time as said repairs or reconstruction are being made, the rentals hereinabove provided shall not abate. Any other provisions contained herein notwithstanding, Lessor shall be required and obligated to effect repairs or reconstruction only to the extent of any sums of money, if any, which are received by Lessor under insurance coverage as a direct result of said fire or other casualty.

15. Waiver of Subrogation. Neither Lessee nor anyone claiming by, through, under or in Lessee's behalf shall have any claim, right of action or right of subrogation against Lessor or based upon any loss or caused by fire, explosion or any other casualty (not limited to the foregoing) relating to the premises or any property upon, in or about the Premises, whether such fire, explosion or casualty shall arise from the negligence of Lessor, their agents, representatives or employees, or otherwise.

16. Subordination to Mortgages. This Lease Agreement and the rights of Lessee are subordinate to and shall be subordinate to the lien of any mortgage or deed of trust (hereafter called "Mortgage") whether such Mortgage is a lien on the

Premises or hereafter becomes a lien on the Premises and no further agreements or documents shall be required to render this Lease and Lessee's rights subordinate to such Mortgage. Lessee shall at all times upon request of Lessor promptly furnish documents stating that this lease is in full force and effect, that no defaults of Lessor exist, and such other matters as are customarily contained in what is known as an "estoppel letter" or a "good-standing letter". Should Lessee fail to deliver such documents within 10 days of Lessor's request therefor, Lessor shall be deemed Lessee's attorney-in-fact for the purpose of executing such documents in the name of Lessee.

17. Inspection. Lessor shall have the right at all reasonable times to enter and inspect the Premises.

18. Condition of Premises Upon Termination. Upon the termination of this Lease Agreement, Lessee shall return the Premises to Lessor substantially in the same condition as when received ordinary wear and tear and approved improvements excepted.

19. Holding Over. In the event Lessee remains in possession after the expiration of the Term without the execution of a new lease, Lessee shall not acquire any right, title or interest in or to the Premises. In such event, Lessee shall occupy the Premises as a tenant from month-to-month and shall otherwise be subject to all of the conditions, provisions and Obligations of this Lease agreement insofar as the same shall be applicable.

20. Default. Each of the following events shall constitute a default or breach of this lease by Lessee:

a) The filing of a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act or the making of general assignment for the benefit of creditors.

b) Involuntary proceedings under any bankruptcy or insolvency act instituted against Lessee, or if a receiver or trustee shall be appointed for all or substantially all of the property of Lessee and such proceedings are
not dismissed, or the receivership or trusteeship vacated within 10

days after the institution or appointment;

c) Failure to pay rent when the same shall become due and a continuing failure to pay rent for 10 days after notice thereof from Lessor to Lessee. For purposes hereof, all funds due from Lessee shall constitute rental whether denominated as rental or otherwise elsewhere herein;

d) If Lessee fails to fully perform and comply with each and every condition and covenant of this Lease Agreement, and such failure of performance continues for a period of 30 days after notice thereof;

e) Vacates or abandons the Premises;

f) If the interest of Lessee is transferred, levied upon or assigned to any other person, firm or corporation whether voluntary or involuntary except as herein permitted;

21. Remedies In Event of Default. In the event of any default hereunder as set forth in the foregoing Section 20, Lessor shall be entitled to re-enter and re-take the Premises and exercise all their rights under the laws of the State of North Carolina.

22. Breach. Upon any breach hereof, regardless of what such breach is or if such breach becomes, an "event of default", either party shall be reimbursed by the other party for any reasonable attorney's fees incurred in connection with such breach.

23. Waiver. No failure to exercise any rights hereunder to which Lessor may be entitled shall be deemed a waiver of the right to subsequently exercise same. Lessee shall gain no rights nor become vested with any owner to remain in default under the terms hereof by virtue of Lessor's failure to timely assert rights. No waiver of an acceleration of rentals, regardless of how often occurring, which Lessor chose to ignore by thereafter accepting rental or other performance by Lessee shall constitute a waiver of the right to thereafter accelerate rentals.

24. Law Applicable. This Lease is entered into in North Carolina and shall

be construed under the laws, statutes, and ordinances of such jurisdiction.

25. Severability. The provisions hereof are independent covenants and should any provision or provisions contained in this Lease be declared by a court or other tribunal of competent jurisdiction to be void, unenforceable or illegal, then such provision or provisions shall be severable and the remaining provisions hereof shall remain at Lessor's option in full force and effect.

26. Easements, Restrictions and Right of Way. The Premises are demised subject to all easements, restrictions and right of way legally affecting the Premises.

27. Binding Effect and Complete Terms. The terms, covenants, conditions and agreements herein contained shall be binding upon and inure to the benefit of and shall be enforceable by Lessor and by their respective heirs, successors and assigns. All negotiations and agreements of Lessor and Lessee are merged herein. No modification hereof or other purported agreement of the parties shall be enforceable unless the same is in writing and signed by Lessor and Lessee.

28. Rental Payments. All rental payments, unless otherwise designated in writing, shall be made to Lessors at such place as Lessor may from time to time designate in writing.

29. Lessor's Performance of Lessee's Covenants. Should Lessee, after seven days' notice from the Lessor, fail to do any of the things required to be done by it under the provisions of this Lease, Lessor, in addition to any and all other rights and remedies, may (but shall not be required to) do the same or cause the same to be done, and the amount of any money expended by Lessor in connection therewith shall constitute additional rental due from Lessee to Lessor and shall be payable as rental on the date for payment of rentals next following such expenditure.

30. Covenant of Title and Quiet Enjoyment. Lessor covenants and warrants to Lessee that they have full right and lawful authority to enter into this Lease for the term hereof and provided Lessee is not in default hereunder, Lessee's quiet and peaceable enjoyment of the Premises shall not be disturbed by anyone claiming through Lessor.

31. Construction. This Lease shall not be construed more strictly against either party regardless of which party is responsible for the preparation of the same.

32. Notice. Any notice to a party to this lease shall be given at the following address:

Lessor: City of Lenoir
Attn: Scott Hildebran, Manager
Shildebran@CI.LENOIR.NC.US
Post Office Box 958
Lenoir, North Carolina 28645

Lessee: Bernhardt Transportation, LLC
Attn: Kevin McDougall, General Counsel
1839 Morganton Blvd.
Lenoir, North Carolina 28645
Kevinmcdougall@bernhardt.com

IN WITNESS WHEREOF, the parties have signed and sealed this Lease Agreement, this day and year first above written.

LESSOR:

CITY OF LENOIR (SEAL)
a North Carolina municipal corporation

By: ________________________________
Scott Hildebran
Manager

LESSEE:

BERNHARDT FURNITURE COMPANY (SEAL)

By: ______________________________

Caldwell County

October 9, 2020

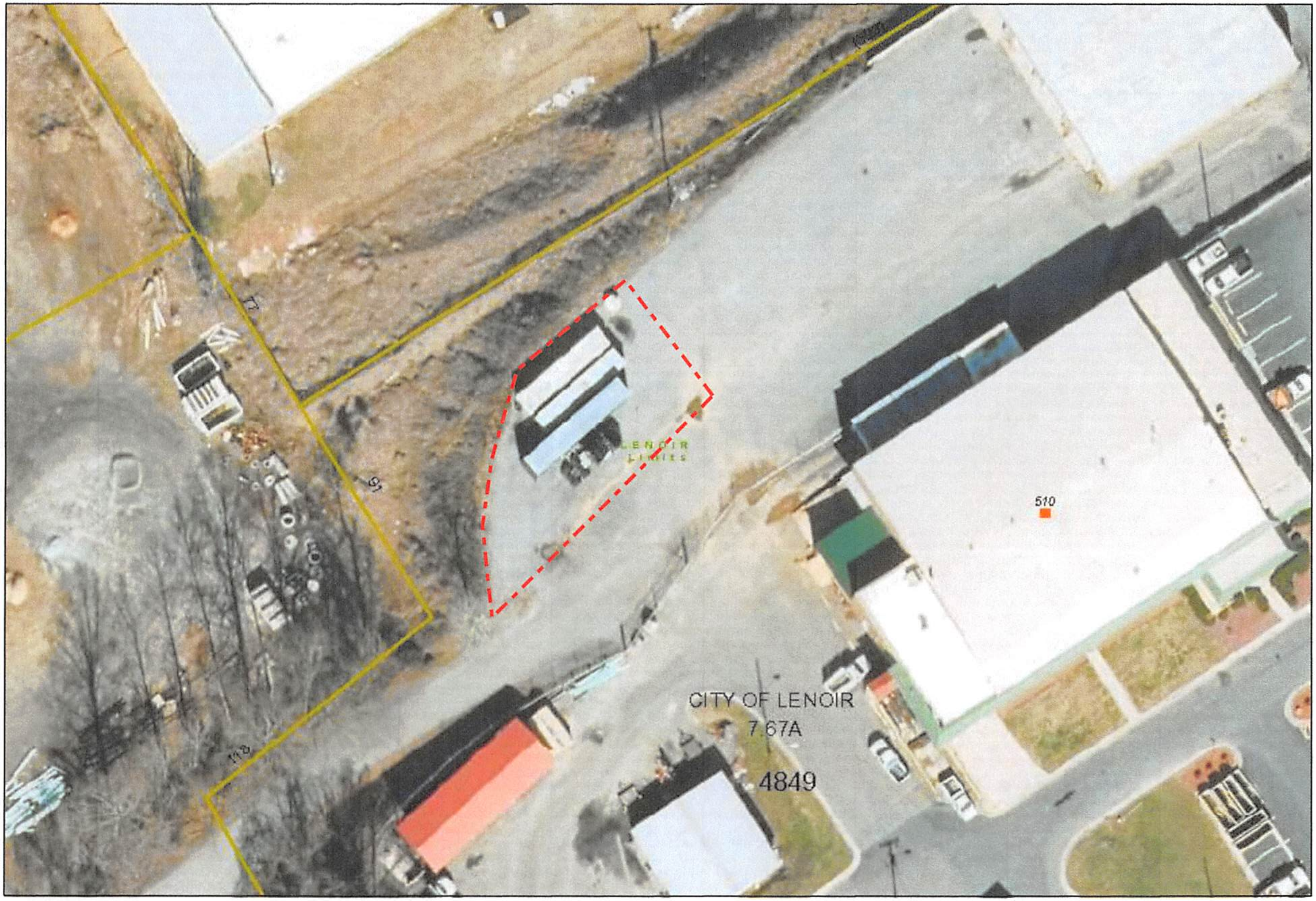
This map is NOT of land survey quality and is NOT suitable for such use.

Exhibit A - Overall Plan

1:1,196

0	0.01	0.02	0.04 mi
0	0.015	0.03	0.06 km

Caldwell County



October 9, 2020

This map is NOT of land survey quality and is NOT suitable for such use.

1:598

0 0.005 0.01 0.02 mi

0 0.0075 0.015 0.03 km

Exhibit B - Parking & Storage Area

CITY OF LENOIR

COUNCIL ACTION FORM

I. **Agenda Item:** Consideration to amend the Capital Project Budget Ordinance for the American Recovery Plan approved on June 15, 2021.

II. **Background Information:** Attached for your consideration is an amendment to the Capital Project Budget Ordinance for the American Recovery Plan to authorize transferring the appropriation from the Capital Project/Equipment to Premium Pay and the expenditure of $692,200 for Premium Pay for employees who worked during the pandemic.

III. **Staff Recommendation:** Staff requests that City Council amend the Capital Project Budget Ordinance for the American Recovery Plan Capital Project.

IV. **Reviewed By:**

City Attorney:

Finance Director: Donna Bean

Public Works Director

Public Utilities Director:

Planning Director:

Recreation Director:

American Recovery Plan Capital Project - Amended
CITY OF LENOIR
COUNCIL ACTION FORM

BE IT ORDAINED by the City Council Members of the City of Lenoir, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby amended:

Section 1: The project to authorize activities for American Recovery Plan Capital Project to include the expenditure of federal funds for the capital items, premium pay and project administration for the American Recovery Plan Capital Project. The project will be funded with federal stimulus funds.

Section 2: The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.

Section 3: The following amounts are appropriated for the project:

Capital Improvements/Equipment	$3,142,491.00
Premium Pay	$ 692,200.00

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

Federal Funding	$3,834,691.00

Section 5: The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the Project Ordinance.

Section 6: The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3.

Section 7: The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Section 8: Copies of this capital project ordinance shall be furnished to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this 1st day of February 2022.

Mayor

Clerk

CITY OF LENOIR

COUNCIL ACTION FORM

I. Agenda Item:

Request for an amendment to be made for the fiscal year ending June 30, 2022.

Background Information:

Request for an amendment to be made for the fiscal year ending June 30, 2022 as follows

Transfer ARP funds from liability to revenue – $692,200

Allocate Funding for ARP Premium Pay – $692,200

Staff Recommendation:

Approve as requested

II. Reviewed by:

City Attorney:

Finance Director: Donna Bean

Public Works/Public Utilities Director:

Planning Director:

Recreation Director:

2021-2022 Fiscal Year
Budget Amendment
1-Feb-22

Request for amendments to be made to the annual budget ordinance for the fiscal year ending June 30, 2022 as follows:

ITEM 1: TRANSFER ARP ADVANCE TO ARP REVENUE ACCOUNT

Account Number	Department	Increase	Decrease
20-50-2400-000	ARP ADVANCE (LIAB)		692,200.00
20-50-3457-724	ARP FUNDING	692,200.00	
	TOTAL INCREASE/DECREASES	692,200.00	692,200.00
NET EFFECT ON THE GENERAL FUND BALANCE		-	-

ITEM 2: ALLOCATE FUNDING FOR EXPENDITURES FOR PREMIUM PAY

Account Number	Department	Increase	Decrease
20-50-3457-121	FT PREMIUM PAY - ARP	689,300.00	
20-50-3457-123	PT PREMIUM PAY - ARP	2,900.00	
20-50-3457-500	CAPITAL EQUIPMENT		692,200.00

City of Lenoir
Finance Department

DEPARTMENT MEMORANDUM

DATE: January 27, 2022

Mr. Scott Hildebran, City Manager

RE: Audit RFP

On January 24, 2022, the Finance Department received two bids for audit services for the upcoming three years. Our previous auditor, who is scaling back on governmental audits, has agreed to perform preliminary report preparation of the Comprehensive Annual Financial Report to make the transition smoother. S. Eric Bowman, CPA will make year end journal entries to the accounts, adjust balance sheet accounts for each fund, provide copies of all work papers to the new auditor, and prepare draft financial reports including grant schedules. The new auditor will provide audit services and report preparation to include preparing the workbook for the LGC, the final audit report, the AFIR and Data Collections Form and assist with other information required by the GFOA. The fee for S. Eric Bowman's services will be $34,000 and the fee for C. Randolph, CPA's services will be $14,000 for a total of $48,000. Charges for audit services were $56,642 last year.

Bid Summary

On January 6th, 2022 a RFP was sent to nine (9) audit firms who provide services in the western part of North Carolina. A total of two (2) bids were received and reviewed. A bidtab is attached for review.

Recommendation

The Finance Director recommends awarding the contract to C. Randolph, CPA. This firm submitted the lowest bid and has a proven track record of 31years of experience in auditing government entities. Some current governmental auditing clients include: Watauga County, Town of Hudson, Town of Beech Mountain. Also, they provide auditing services locally to Amorem (formerly Caldwell Hospice) and to the Foundation of CCC&TI.

Respectfully submitted,

City of Lenoir
Donna Bean
Donna Bean
Finance Director

Firm	C. Randolph, CPA	Martin Starnes & Associates	Lowdermilk and Church, CPA	Adams, Jenkins and Cheatham	Combs, Tennant and Carpenter, PC	Debora Wentz-Pitts, CPA	Dixon Hughes Goodman LLP	Thompson, Price, Scott, Adams and Company PA	Cherry Bekaert
Cost	14,000.00	55,500.00	Declined	Declined	Declined	No Response	No Response	No Response	No Response
Yearly Increase	3%	6%							

S. Eric Bowman, P.A.
CERTIFIED PUBLIC ACCOUNTANT

403 South Green Street
P.O. Box 1476
Morganton, NC 28680
Telephone (828) 438-1065
Fax (828) 438-9117

City of Lenoir
Lenoir, North Carolina

We are pleased to confirm our understanding of the non attest services we are to provide City of Lenoir for the year ending June 30, 2022. Our responsibility will include the following:

1) Making year end journal entries to the accounts.
2) Adjust balance sheet accounts for each fund
3) Provide copies of all work papers to Auditors on work that we perform
4) Prepare draft Financial Report including grant schedule

We will not provide any audit services. All audit services plus report preparation changes will be provided by your auditors.

Your Auditors will be responsible for the following:

1) Preparation of workbook which goes to the LGC along with the final audit report
2) Preparation of AFIR
3) Preparation of Data Collection Form
4) Assistance with other information required by the GFOA

Our fees for our services will be a contract amount of $34,000.

We appreciate the opportunity to be of service to City of Lenoir 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 in the area below and return this letter to us.

Very truly yours,

S. Eric Bowman, P.A.
Certified Public Accountant

____
Scott Hildebran

____
Title

____
Date

CITY MANAGER
SCOTT E. HILDEBRAN

CITY OF LENOIR
NORTH CAROLINA

MAYOR
Joseph L. Gibbons

CITY COUNCIL
J.T. BEAL
T.H. PERDUE
J.I. PERKINS
D.F. STEVENS
C.D. THOMAS
B.K. WILLIS

City of Lenoir's
Request for Proposal (RFP)
To Provide Audit Services

Responses Due:

January 24, 2022

City's Contact information:

Name: Donna Bean

Title: Finance Officer, City of Lenoir

Address: 801 West Avenue, Lenoir, NC 28645

Phone: 828-757-2180

Fax: 828-394-1096

Email:dbean@ci.lenoir.nc.us

Request for Proposal

The City Council of City of Lenoir, North Carolina (hereinafter called the "City") invites qualified independent auditors (hereinafter called "auditor") having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for the City of Lenoir to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the City of Lenoir. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Lenoir, North Carolina.

Type of Audit

1, The audit will encompass a financial and compliance examination of the unit's Comprehensive Annual Financial Report (CAFR) in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; Government Auditing Standards, July 2018 revisions; the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the State Single Audit Implementation Act; and all other applicable laws and regulations.

2. The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of proposal submission. This includes, but is not limited to Governmental Accounting Standards Board statements and Government Auditing Standards. Although some pronouncements will not be in effect until after the first year of the audit, estimates for future years should include pronouncements that will become effective during that contract period. The audit firm will be expected to advise appropriate City staff on the applicability of accounting and reporting standards as they become effective.

3. The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, each major fund and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The auditor shall express an opinion on the budgetary comparison information for the General Fund, the major funds and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis.

The working papers shall be retained and made available upon request for no less than three years from the date of the Audit report.

4. The audit will also include the following:

a. Pre-planning conference with Finance staff in April/May timeframe where both the auditor and Finance staff discuss their expectations of the audit.
b. Interim audit work prior to June 30th and/or prior to final close.
c. Attendance at City Council meeting in late October for presentation of the financial statements by Manager or Partner of the Audit Staff with comments and potential questions from Council as requested.

5. The audit should encompass all funds and entity-wide activities as reported in the City's Comprehensive Annual Financial Report (CAFR) OR Audit report at 2022 year end and any additional funds or entity-wide activities that may be added subsequent to that date.

6. If required, the audit firm will issue a management letter to the City Council after completion of the audit and assist management in implementing recommendations, as is practical. City staff also request that an informal letter be addressed to the Finance Officer with any efficiency, internal control or accounting improvements that could be made based on the audit staff's observation during their fieldwork. All content must be discussed with the Finance Officer prior to issuance. The audit firm is encouraged to discuss the content while the management letter is in draft form to ensure that all parties fully understand the circumstances that lead to auditor comments.

7. The City staff may require the auditor's guidance or input on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as inclusion in the City's financial statements. Guidance may be required for new note disclosures, all outstanding and effective authoritative standards and other reporting requirements at June 30 year-end. Cost for providing these services should be included in the auditor's base fee quote and will not be considered extra for additional billings. In cases, however, where services requested would require a more in-depth scope and require work significantly above the original fee quote, such additional fees must be negotiated prior to commencement of work.

Auditor Requirements

The audit firm is considered to be an independent contractor and will be wholly responsible for the services and the supervision of its own employees and permitted sub-contractors.

A planning meeting will be held each year to determine schedules that the City will be responsible for preparing. Estimated timeframes will be established and interim audit work will be planned. Adequate notification will be given prior to any changes in estimated times.

If the City of Lenoir audit engagement is subject to the standards for audit as defined in Government Auditing Standards, 2018 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. **The Auditor must provide a copy of their most recent peer review report with their proposal.**

The City staff will prepare all standard year-end accruals and other adjusting journal entries. The Financial Statement Preparer will prepare the government wide year-end adjusting journal entries as well as any necessary entries to allocate the state pension balances. The City does have Other Post-Employment Benefits. The City shall designate an individual, such as the Finance Officer, with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. The City management will ultimately be responsible for the preparation and fair presentation of the financial statements, which includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements. The City will need the assistance of the Financial Statement

Preparer for the preparation, typing, proofing, printing, and copying of the Basic Financial Statements, supplementary information and compliance reports. The City of Lenoir's Finance Officer will prepare the MD&A. A preliminary draft of the audit and required adjusting journal entries must be submitted to the Finance Officer by October 1 for proofing and reconciliation to the City's records to allow ample time for review and corrections before it is sent to the Local Government Commission. The City of Lenoir's Finance Officer will return the draft to the Financial Statement Preparer with proposed revisions within 10 working days. The financial statement preparer will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information and all applicable compliance reports.

Meeting LGC deadlines is a high priority for the City. Therefore, the City of Lenoir prefers interim fieldwork be completed in early June. Year-end fieldwork should begin by or before mid-August and be completed by late September. While many documents can be shared electronically, the City expects that the audit firm staff will be onsite for fieldwork, including manager and partner level staff for at least a portion of the onsite work. **An agreed upon post-closing trial balance must exist by September 30.** The Finance Officer will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

The timing of the draft and review should insure final completion of the Financial Statements by the annual October 31st deadline or no later than the annual grace period of December 1.

Ten copies of each Audit report, management letter, and other applicable reports must be supplied to the Finance Officer within the time frame cited above. In addition, the auditor is responsible for complying with the requirements of the LGC for submitting the audit and all associated documents and forms as required for the year under audit when (or prior to) submitting the final invoice for audit services rendered to the Commission.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the governing board and forwarded to the staff of the LGC for approval.

Either the manager or partner of the audit staff is required to present and attend the City Council's meeting in which the Audit report is presented. Required communications to the Council can be delivered at this point, as well as general comments regarding the audit process and the results of the audit. Finance staff will coordinate this presentation and determine the date and time of the meeting, typically held in late October following the audit completion.

Audit Contract: Period & Payment of Audit Fees

The City intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. The City of Lenoir reserves the right to request proposals at any time following the first year of this contract. It is requested that proposals be prepared for the following years, with year one being the only obligated year:

July 1, 2021 to June 30, 2022
July 1, 2022 to June 30, 2023
July 1, 2023 to June 30, 2024

The required current revision of the form “Contract to Audit Accounts” (form LGC-205) is required to be executed as the contract document; however, the auditor and the City may also execute an engagement letter and/or a City contract to include additional terms not addressed in the LGC-205. The entire audit contract package must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC prior to payment by the City. Interim or progress billings for services rendered marked approved by the LGC will be paid up to 75% of the total fee prior to submission of the final audited financial statements to the staff of the Local Government Commission. The final 25% of the Audit fees (final invoice) will be paid when the financial statements, single audit (if applicable), management letter and amended contract (if applicable) have been reviewed or approved by the LGC.

The LGC only approves invoices for audit related work. Requests for payment related to any additional agreed upon procedures or AFIR work do not require LGC approval. Final invoices for these services will be paid after the final report results and findings have been reviewed and deemed satisfactory by City staff.

Description of Selection Process

The City requests that no City officials be contacted during this proposal process. Submit questions regarding the RFP in writing via email to dbean@ci.lenoir.nc.us. Any additional information disclosed to participating audit firms prior to bid submission will be shared with all interested parties

Proposals will be submitted in two sections and must be physically signed by an authorized representative of the Audit firm. The first section will be comprised of the audit firm’s prior experience and qualifications of its personnel in performing governmental audits. The second section will consist of completed cost estimate sheets. The Finance Office staff will evaluate the auditor/firm on educational and technical qualifications. The firm best meeting the City’s expectations for experience, audit approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor will not be a sole determining factor. Unusually low bids that are obviously out of line with other bidders or are significantly lower than out current fees will raise concern. The lowest bid will not automatically be awarded preferential consideration.

The City reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the City.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid. Firms must be registered with the North Carolina State Board of CPA Examiners.

Section 1 - Profile of the Firm

The first section should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.

2. Indicate the number of people (by level) located within the Audit firms local office that will handle the audit.

3. Provide a list of the audit firms' local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.

4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.

5. Describe your audit organization's participation in AICPA sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.

6. Describe the professional experience in governmental audits of each senior and higher level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Relevant experience and education with the new GASBS reporting requirements should be clearly communicated.

7. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.

8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., Water/Sewer, Electric service function).

9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.

10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.

11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.

12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.

13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University Of North Carolina School Of Government in Chapel Hill.

<u>Section 2 – Audit Approach</u>

Proposals should include completed cost estimate sheets and any other necessary cost information in a separate, sealed envelope marked – "Cost Estimate." The City will evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

1. Type of audit program used (tailor-made, standard government, or standard commercial).

2. Use of statistical sampling.

3. Use of automated processes and internal control testing methods.

4. Use of computer audit specialists.

5. Organization of the audit team and the approximate percentage of time spent on the audit by each member.

6. Information that will be contained in the management letter.

7. Assistance expected from the government's staff, if other than outlined in the RFP.

8. Tentative schedule for completing the audit within the specified deadlines of the RFP.

9. Specify costs using the format below for the audit year July 1, 2021 to June 30, 2022. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2022 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.

    A. Audit firm personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

        1) Estimated hours: please categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor's office.

        2) Rate per hour.

        3) Total cost for each category of personnel and for all personnel costs in total.

    B. Travel – itemize transportation and other travel costs separately.

    C. Cost of supplies and materials – itemize.

    D. Other costs – completely identify and itemize.

        1) If applicable, note your method of determining increases in audit costs on a year to year basis

10. Please list any other information the firm may wish to provide.

11. Please include the Summary of Audit Costs Sheet with your proposal.

Time Schedule for Awarding the Contract

RFP Release Date	***January 6, 2022***
Deadline for RFP Questions *	***January 12, 2022***
Questions to be Answered No Later Than	***January 17, 2022***
Deadline for Receipt of Proposals **	***January 24, 2022 by 3:00 pm*** City of Lenoir, Finance Department Attn: Donna Bean, Finance Officer 801 West Avenue Lenoir, NC 28645
Notice of Recommended Firm	***January 27, 2022***
Council Approval ***	***February 1, 2022***

*Any questions should be directed to Donna Bean, Finance Officer, at (828) 757-2180 or dbean@ci.lenoir.nc.us. Appointments may be scheduled to discuss further any specific matters necessary in preparing your proposal.

** Proposals can either be submitted electronically (email) to dbean@ci.lenoir.nc.us or on paper by ***January 24, 2022***. Envelopes containing proposals on paper should be clearly identified on the front with the words "RESPONSE TO RFP FOR AUDIT SERVICES".

- Please note your email should include two separate pdf attachments for sections 1 and 2
- Envelopes should include Three copies of the bound proposal (clearly separating section 1 and 2) should be delivered to:

  City of Lenoir, Finance Department

  Attn: Donna Bean, Finance Officer

  801 West Avenue

  Lenoir, NC 28645

*** The Finance Office will review the proposals and make a recommendation to the City Council on ***February 1, 2022*** at which time the contract will be awarded.

Description of the Governmental Entity and Its Accounting System

Reference should be made to the most recent CAFR/Audit report for a general overview of the City. A PDF copy of the most recent CAFR/Audit report is located on the City's website see below or by emailing dbean@ci.lenoir.nc.us.

www.cityoflenoir.com

Funds

The City of Lenoir maintains the following funds:

Governmental Funds
- General Fund
- Special Revenue Fund - Economic Development Funds
- Capital Projects Funds:
  - Grant Project Fund
  - Cemetery Permanent Fund

Proprietary Funds
- Water & Sewer Fund
  - Water & Sewer Capital Project Fund

Grants, Entitlements, and Shared Revenues

A copy of the Schedule of Federal and State Expenditures and a Summary of Auditor's Results showing the major programs for the year ended 2021 can be found in the CAFR (OR AUDIT REPORT) located on the City's website.

Budgets

The City's annual budget is adopted for the General fund, Economic Development Fund, Main Street District, and the enterprise fund. Multi Year project ordinances are prepared for Capital Project funds.

All budgets are prepared using the modified accrual basis of accounting. All appropriations are made at the departmental level. The City also maintains an encumbrance system. Both the budgetary and encumbrance systems are integrated with the accounting system to provide comparison with actual expenditures.

Accounting Records

The City maintains all its accounting records at the finance office located at 801 West Avenue, Lenoir, NC. All accounting journals and subsidiary ledgers are maintained on Harris Accounting + Software.

Assistance Available to Auditor

The City has designated the Finance Officer as a person with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. The City will make available to the auditor sufficient help to pull and re-file records, and prepare necessary confirmations. An electronic version of the trial balance with budgeted amounts will be made available in late August. The following accounting procedures will be completed, and documents prepared by the City's staff no later than September 1.

The books of account will be fully balanced.
All subsidiary ledgers will be reconciled to control accounts.

All bank account reconciliation's for each month will be completed.

The City's personnel will prepare the following items:

General

1. Working Balance Sheet for each fund.
2. Working Statement of Revenues, Expenditures, and Transfers for each fund.
3. General Ledger transaction detail report for each account.
4. A copy of the original budget, all amendments, and the final budget as of June 30, 2022.
5. A copy of all project ordinances and all amendments for active projects during the audit period.
6. A copy of board policies, including travel policies, investment policies, debt policies, fund balance policies and purchasing policies including how the pre-audit process is performed.
7. Copies of all signed Board meeting minutes.
8. Copies of all correspondence with the staff of the Local Government Commission, including semiannual Cash and Investment Reports (LGC-203), unit letters, letters regarding the audited financial statements and compliance reports for the previous year.
9. Required supplementary information, e.g. actuarial information for the Law Enforcement Officers' Separation Allowance.

Cash and Investments

1. All bank reconciliations for each month
2. List of outstanding checks by account, showing check number, date, and amount.
3. Schedule of all investments for all funds at the audit date, showing book value and estimated market value at fiscal year-end.

Receivables

1. Listing of unpaid tax bills in detail totaled by year as of fiscal year end.
2. Listing of outstanding receivables by account as of the fiscal year end.
3. Listing of outstanding receivables in detail as of the fiscal year end.
4. Schedule of miscellaneous receivables booked as of the fiscal year end.

Other Assets

1. Schedule of insurance coverage.

Capital Assets

1. Listing of all capital assets
2. Printout of all capital asset acquisitions made during the audit year.
3. Printout of all capital asset dispositions made during the audit year.
4. Printout of depreciation expense posted for the audit year.

Current Liabilities

1. Schedule of accounts payable including batch printouts.

Long-Term Debt

1. Computation of vested vacation payable as of the audit date.
2. Debt Schedule for each debt issue and related payments.

Grants

The following will be compiled for each grant:

1. Grant agreement.
2. Grant Budget.
3. All financial reports.
4. Correspondence with the grantor agency, including monitoring reports.
5. CFDA # and/or pass-through grant #.

Size and Complexity of City
Personnel/Payroll

Number of employees		262+
Frequency of payroll		Bi-weekly
Number of payroll direct deposit advises monthly		524
Property Tax collected by City of Lenoir		
Total dollar amount of most recent year's collections	$	8,975,882
Total dollar amount of levy	$	9,252,867
Purchasing		
Number of purchase orders issued (FY 21)		186
Bank Accounts		
Number of bank accounts		5

Number of investment accounts (NC Cash Management Trust Government Portfolio)		7
Average monthly activity in main accounts	$	470,000
Number of deposits: Central Depository		249
Number of checks: Central Depository		400

The following financial applications are on the computer system:

General Ledger
Accounts Payable
Capital Assets
Accounts Receivable
Cash Receipts

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit
   Includes Personnel costs, travel, and on-site work $__________________

2. Extra Audit Services

   $_________ Per hour $__________________

3. Other (explain)

   ____ $__________________

4. Other (explain)

   ____ $__________________

TOTAL $__________________

FIRM:	Primary Contact:
Address:	Telephone:
	Fax:
	E-mail:
	Date:

PROPOSAL CERTIFICATION

Proposers Signature____Date__________________

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

BY (Printed): ____

TITLE: ____

COMPANY____

ADDRESS: ____

Telephone____

EMAIL:

____

LGC-205 **CONTRACT TO AUDIT ACCOUNTS** Rev. 11/2021

The	Governing Board City Council
of	Primary Government Unit City of Lenoir
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 C. Randolph CPA, PLLC
	Auditor Address 560 Beaver Creek School Rd., West Jefferson, NC 28694

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/22	Audit Report Due Date 10/31/22

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* 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* (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).

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

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

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

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

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

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend 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.

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

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

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 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 Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a “significant threat” requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

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

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later. T**he 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). **#26**

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.

FEES FOR AUDIT SERVICES

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

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

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

Name:	***Title and Unit / Company:***	***Email Address:***
S. Eric Bowman	CPA	sericbowmanpa@bellsouth.net

OR Not Applicable ☐ *(Identification of SKE Individual not applicable for GAAS-only audit 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. 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. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. 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).

PRIMARY GOVERNMENT FEES

Primary Government Unit	City of Lenoir
Audit Fee	$ 14,000.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$
All Other Non-Attest Services	$
75% Cap for Interim Invoice Approval *(not applicable to hospital contracts)*	$ 10,500.00

DPCU FEES (if applicable)

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

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* C. Randolph CPA, PLLC	
Authorized Firm Representative (typed or printed)* Cynthia D. Randolph	Signature* Cynthia D. Randolph
Date* 1/28/2022	Email Address* cindy@crandolphcpa.com

GOVERNMENTAL UNIT

Governmental Unit* City of Lenoir	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Joseph L. Gibbons	Signature* ✓
Date ✓	Email Address josephlgibbons@yahoo.com

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed) Donna Bean	Signature* ✓
Date of Pre-Audit Certificate* ✓	Email Address* dbean@ci.lenoir.nc.us

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

DPCU Finance Officer (typed or printed)* N/A	Signature*
Date of Pre-Audit Certificate*	Email Address*

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

PRINT

C. Randolph CPA, PLLC
Certified Public Accountant
560 Beaver Creek School Rd.
West Jefferson, North Carolina 28694
Phone: (336) 846-3211
Fax: (336) 846-1142

To the Honorable Mayor and City Council

January 28, 2022

City of Lenoir
PO Box 958
801 West Avenue NW
Lenoir, NC 28645

We are pleased to confirm our understanding of the services we are to provide City of Lenoir for the year ending June 30, 2022. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of City of Lenoir as of and for the year ending June 30,2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Lenoir's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Lenoir's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis
2) Schedule of Changes in total Pension Liability-Law Enforcement Officers' Special Separation Allowance
3) Schedule of Total Pension Liability as a Percentage of Covered Payroll
4) Proportionate Share of Net Pension Liability (Asset)
5) City of Lenoir's Contributions-Local Government Retirement System
6) Schedule of Changes in Total OPEB Liability and Related Ratios

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

1) Schedule of Expenditures of Federal and State Awards.
2) Combining and Individual Fund Schedules
3) Schedules of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual

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

1) Schedule of Ad Valorem Taxes Receivable
2) Analysis of Current Tax Levy-City-wide Level
3) Schedule of Cash and Investment Balances
4) Capital Assets Used in the Operation of Governmental Funds
5) Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

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

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

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our report will be addressed to the Honorable Mayor and City Council of the City of Lenoir. We will make reference to other auditors of City of Lenoir ABC Board in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

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

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to 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 City of Lenoir's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state 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 City of Lenoir's major programs. For federal and state 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 City of Lenoir's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

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

Management Responsibilities

Management is responsible for (1) designing, implementing, 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 and state 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 and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements 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 and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on October 15, 2022.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

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

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

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state 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, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the 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.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Engagement Administration, Fees, and Other

We understand that your employees 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 and state 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 City; 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 C. Randolph CPA, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Local Government Commission or its designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of C. Randolph CPA, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Local Government Commission. If we are aware that a federal and state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in approximately mid-August and to issue our reports no later than October 31, 2022. Cynthia D. Randolph is the engagement CPA and is responsible for supervising the engagement and signing the reports.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $14,000. 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. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2018 peer review report accompanies this letter.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

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

Very truly yours,

Cynthia D. Randolph

Cynthia D. Randolph, CPA

RESPONSE:

This letter correctly sets forth the understanding of City of Lenoir.

Management signature: ____________________________

Title: ____________________________

Date: ____________________________

Governance signature: ____________________________

Title: ____________________________

Date: ____________________________

KWH **Koonce, Wooten & Haywood, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

To the Owner of C. Randolph CPA, PLLC and the
Peer Review Committee, North Carolina Association
Of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of C. Randolph CPA, PLLC (the firm) in effect for the year ended October 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards* and an audit of an employee benefit plan.

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of C. Randolph CPA, PLLC in effect for the year ended October 31, 2018, 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*. C. Randolph CPA, PLLC has received a peer review rating of pass.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

December 4, 2018

Directory of Governmental Unit and Audit Firm Officials

City of Lenoir
Governmental Unit

C. Randolph CPA, PLLC
Auditor for the 2021-2022 Fiscal Year

GOVERNMENTAL UNIT

1. ELECTED OFFICIAL:
(Mayor for Municipalities and chairperson of governing board for all other units)

Joe L. Gibbons
Name

Mayor
Title

2. MANAGER:
(Or person who serves in this capacity e.g. Administrator, Executive Director, etc.)

Scott Hildebran
Name

City Manager
Title

3. FINANCE OFFICER:

Donna Bean
Name

Finance Director
Title

(828) 757-2180
Phone No.

(828) 394-1096
Fax No.

dbean@ci.lenoir.nc.us
E-Mail Address

AUDITOR

1. CONTACT PERSON:
Partner or other person with legal authority to contract for the firm)

Cynthia D. Randolph
Name

CPA
Title

(336) 846-3211
Phone No.

(336) 846-1142
Fax No.

cindy@crandolphcpa.com
E-Mail Address

2. AUDITOR ANTICIPATES PREPARING THE FOLLOWING TYPE OF REPORT:

(Check the appropriate box)

___ General Purpose Financial Statements with combining, individual fund, and account group financial statements, and schedules required by the LGC

_X_ Annual Comprehensive Financial Report (ACFR) including schedules required by the LGC

Notes:

1. Please type all information on this questionnaire.
2. The audit firm representative, the elected official, and the finance officer reported on this questionnaire should agree with the persons reported on the Contract to Audit Accounts.
3. The information on this questionnaire will be used in official correspondence from the Local Government Commission, and the Commission must be notified of any changes in the persons holding these positions.

Caldwell Railroad Commission (Re-Appointments)

David Stevens	2-year term
Todd Perdue	2-year term

Lenoir Business Advisory Board (LBAB)

Tyler Reese	4-year term